

# **The Impact of Organizational Culture on Organizational Performance**

*A study on selected Public & Private Commercial Banks in Jimma City.*

## **Jimma University**



**College of Business & Economics**

**Department of Management**

**By**

**Zerihun Bekele**

**August, 2020  
Jimma, Ethiopia**

# **The Impact of Organizational Culture on Organizational Performance:**

*A study on selected Public & Private Commercial Banks in  
Jimma City.*

## **Jimma University**

**College of Business & Economics**

**Department of Management**

*A Thesis Submitted to the School of Graduate Studies of Jimma  
University in Partial Fulfillment of the Requirements for the  
Award of the Degree of Master of Business Administration  
(MBA)*

**By**

**Zerihun Bekele (WM0160/10)**

**Main Advisor: Chalchissa Amentie (PhD.)**

**Co-Advisor: Debebe Alemu (MBA)**

**August, 2020**

**Jimma, Ethiopia**

## **ABSTRACT**

*Organizational culture is one of the most important factors for any organization success in such an increasingly competitive and technology-driven globalized environment. This indicates that, a strong and positive organizational culture is a key for successful growth & competitive advantage of an organization. This is especially true for service giving businesses like banking sector that greatly rely on the knowledge and skill of their employees. Moreover, organizations require sometime to establish a proper organizational culture of their shared ideas, common purposes to align with the practices of their employees. Considering this, the primary objective of the study is to investigate the impact of organizational culture on the (nonfinancial measures of) organizational performance of selected commercial banks operating at Jimma city. The student researcher assumed the significance of increasing organizational performance by employing the best suitable organizational culture for such business enterprises or banking sector focusing on selected case banks. Twelve banks were operational at Jimma city & the student researcher selected three of the bank's main branch & district office as sample population of the case study categorizing CBE as "Public Bank", and Dashen bank & Wegagen Bank as "Private Bank". These target population banks have 240 total employees; of these 154 employees selected as sample population. Accordingly, the study employed explanatory research methods that used both quantitative & qualitative techniques. Data collection method used self-adopted questionnaire and semi-structured interview. Using correlation & regression analysis technique in Statistical Package for Social Sciences (SPSS) software, the collected data were analyzed. The result found from Hierarchical Multiple Regression analysis revealed that three of the organizational culture dimensions, i.e. Adaptability, Consistency & Mission, found to be statistically significant predictors on organizational performance of both group banks whereas Involvement found to be insignificant predictor. Moreover, the cross-cultural dynamic tensions, Adaptability+Involvement & Mission+Consistency, have strong correlation. On the other hand, the other four cross cultural dimensions found to have moderate correlation that needs attention to be improved to yield a balanced & well-rounded successful organization. Additionally, sales growths are best when anticipated by the flexibility traits, Involvement and Adaptability, that should seek leaders' attention of both group banks should open their eyes on their internal & external environment to improve & scaleup organizational performance followed by improve their competitive advantage in the industry. Finally, the study found that organizational culture has a significant impact on organizational performance of both group banks.*

**Keywords:** *Adaptability, Consistency, Involvement, Mission, Organizational Culture & Organizational Performance.*

## Acknowledgements

I am forever indebted to the *Almighty God* who granted me strength, wisdom and understanding to undertake this research successfully. This proposed study could never be finished without the help of others.

Next to the Almighty God, I forward my best gratitude to the medical team (the doctors, the nurses, the public health team) of our country (also globally) who engaged to fight against the global pandemic disease (COVID-19) to save our life but endangering their own life, including their family. Let the savior help them to protect the world human being.

I am greatly indebted to thank my Main Advisor Dr. Chalchissa Amntie, & Co-Advisor Mr. Debebe Alemu, for their unreserved attention to give me their unlimited support and advise me for the betterment of this research.

Next to my savior & advisors, I like to give my deepest gratification to my Dad (Bekele Bizuneh) & Mom (Demeketch Tibebu) who raised me up with health difficulties till I stand with my two legs all alone & reached today. “Had it not been for you, I will not be here today. I wish you were alive Dad!!! I love you & missed you Mam!!!”

My special gratitude will also go to all my sisters; brothers; best friends (predominantly Tigist W.); & my beloved wife, Hiwot Tsige; and my three children (Firew Zerihun, Haniel Zerihun, & Amanuel Zerihun) who have been backing me up on the ups and downs of my life to accomplish this paper successfully. Thank you, so much & may God bless you convey a word of appreciation, for your close support and encouragement.

My special thankfulness goes to Jimma University, College of Business and Economics faculty for granting me this noble chance to work on this project proposal as part of my master’s degree course.

And I also say thank you to all the lecturers who taught me during the master’s program, and my classmates who are preparing and submitting their research proposal.

Lastly, I would like to appreciate studied banks, CBE, Dashen Bank & Wogagen Bank, management & employees who showed me their great concern for my research success.

# TABLE OF CONTENTS

## Contents

ABSTRACT .....	I
ACKNOWLEDGEMENTS.....	II
TABLE OF CONTENTS .....	III
LIST OF TABLES .....	V
LIST OF FIGURES .....	VI
LIST OF ANNEXES .....	VI
OPERATIONAL DEFINITIONS OF KEY TERMS .....	VII
CHAPTER ONE.....	1
INTRODUCTION .....	1
1.1. OVERVIEW .....	1
1.2. BACKGROUND OF THE STUDY .....	1
1.3. STATEMENT OF THE PROBLEM .....	3
1.4. OBJECTIVES OF THE STUDY .....	4
1.4.1. GENERAL OBJECTIVE .....	4
1.4.2. SPECIFIC OBJECTIVES .....	4
1.5. HYPOTHESIS OF THE STUDY .....	5
1.6. SIGNIFICANCE OF THE STUDY .....	5
1.7. SCOPE OF THE STUDY .....	6
CHAPTER TWO.....	7
THEORETICAL & EMPRICAL LITERATURE REVIEW .....	7
2.1. OVERVIEW .....	7
2.2. HISTORICAL BACKGROUND OF BANKING SECTOR IN ETHIOPIA .....	7
2.3. CULTURE .....	8
2.4. ORGANIZATIONAL CULTURE .....	9
2.4.1. DEFINITIONS OF ORGANIZATIONAL CULTURE .....	9
2.4.2. HISTORY OF ORGANIZATIONAL CULTURE .....	10
2.4.3. SIGNIFICANCE OF ORGANIZATIONAL CULTURE .....	11
2.4.4. FUNCTIONS OF ORGANIZATIONAL CULTURE .....	11
2.5. THEORETICAL FOUNDATION OF ORGANIZATIONAL CULTURE .....	12
2.5.1. SCHEIN’S THEORY OF ORGANIZATIONAL CULTURE .....	12
2.5.2. CAMERON AND QUINN’S DIMENSIONS OF ORGANIZATIONAL CULTURE.....	13
2.5.3. DENISON’S DIMENSIONS OF ORGANIZATIONAL CULTURE .....	15
2.6. ORGANIZATIONAL PERFORMANCE.....	18
2.6.1. MEASURING ORGANIZATIONAL PERFORMANCE .....	19
2.6.2. MEASURES OF ORGANIZATIONAL PERFORMANCE .....	21
2.7. ORGANIZATIONAL CULTURE AS A COMPETITIVE ADVANTAGE.....	24
2.8. IMPORTANCE OF MATCHING PEOPLE WITH THEIR ORGANIZATIONAL CULTURE .....	25
2.9. EMPIRICAL REVIEW .....	25
2.9.1. R/SHIP BETWEEN ORGANIZATIONAL CULTURE AND ORGANIZATIONAL PERFORMANCE.....	26
2.9.2. EFFECT OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE.....	29
2.9.3. REVIEW OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE .....	31
2.10. THE CONCEPTUAL FRAMEWORK.....	33
CHAPTER THREE .....	34
RESEARCH DESIGN AND METHODOLOGY .....	34
3.1. OVERVIEW .....	34
3.2. RESEARCH DESIGN .....	34
3.3. TYPES & SOURCES OF DATA.....	34
3.4. SAMPLING DESIGN.....	34
3.4.1. TARGET POPULATION .....	35
3.4.2. SAMPLE SIZE .....	35
3.4.3. SAMPLING FRAME .....	36

3.5.	DATA COLLECTION METHOD AND ITS ADMINISTRATION .....	37
3.5.1.	DATA COLLECTION METHOD .....	37
3.5.2.	ADMINISTRATION OF DATA COLLECTION METHOD.....	37
3.6.	DATA ANALYSIS TECHNIQUES.....	37
3.7.	RELIABILITY AND VALIDITY OF DATA.....	38
3.8.	PILOT TEST .....	39
3.9.	MODEL SPECIFICATION & ASSUMPTIONS .....	39
3.9.1.	MODEL SPECIFICATION .....	39
3.9.2.	THE ASSUMPTIONS OF MULTIPLE REGRESSION ANALYSIS .....	40
3.10.	ETHICAL CONSIDERATIONS .....	40
3.11.	ORGANIZATIONS PROFILE.....	40
3.11.1.	COMMERCIAL BANK OF ETHIOPIA (CBE).....	40
3.11.2.	DASHEN BANK .....	41
3.11.3.	WEGAGEN BANK.....	41
	CHAPTER FOUR .....	43
	RESULT AND DISCUSSION.....	43
4.1.	OVERVIEW.....	43
4.2.	CHARACTERISTICS OF RESPONDENTS .....	43
4.2.1.	RESPONSE RATE .....	43
4.2.2.	DEMOGRAPHIC ATTRIBUTES OF RESPONDENTS.....	45
4.3.	DISCUSSIONS & INTERPRETATIONS OF DESCRIPTIVE ANALYSIS .....	47
4.3.1.	DESCRIPTIVE ANALYSIS & INTERPRETATIONS OF ORGANIZATIONAL CULTURE.....	48
4.3.1.1.	EFFECT OF ORGANIZATIONAL CULTURE ADAPTABILITY ON PERFORMANCE.....	48
4.3.1.2.	EFFECT OF ORGANIZATIONAL CULTURE INVOLVEMENT ON PERFORMANCE .....	49
4.3.1.3.	EFFECT OF ORGANIZATIONAL CULTURE CONSISTENCY ON PERFORMANCE .....	50
4.3.1.4.	EFFECT OF ORGANIZATIONAL CULTURE MISSION ON PERFORMANCE.....	51
4.3.2.	DESCRIPTIVE ANALYSIS & INTERPRETATIONS OF ORGANIZATIONAL PERFORMANCE .....	53
4.4.	IMPACT OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE.....	54
4.4.1.	REGRESSION ANALYSIS.....	55
4.4.1.1.	EVALUATING THE MODEL ASSUMPTIONS.....	55
4.4.1.2.	EVALUATING THE MODEL .....	58
4.4.1.3.	MULTIPLE LINEAR REGRESSION ANALYSIS.....	61
4.5.	TESTING THE HYPOTHESES .....	62
4.6.	REGRESSION MATHEMATICAL MODEL .....	65
4.7.	DISCUSSIONS .....	66
	CHAPTER FIVE.....	68
	SUMMARY, CONCLUSION AND RECOMMENDATION .....	68
5.1.	OVERVIEW.....	68
5.2.	SUMMARY OF FINDINGS.....	68
5.2.1.	NATURE & LEVEL OF RESPONDENTS CHARACTERISTICS.....	69
5.2.2.	NATURE & LEVEL OF ORGANIZATIONAL CULTURE.....	69
5.2.3.	NATURE & LEVEL OF ORGANIZATIONAL PERFORMANCE .....	70
5.2.4.	IMPACT OF ORGANIZATIONAL CULTURE ON ORGANIZATIONAL PERFORMANCE .....	71
5.3.	CONCLUSION .....	72
5.4.	RECOMMENDATIONS.....	73
5.5.	LIMITATION & SUGGESTION OF THE STUDY .....	75
5.5.1.	LIMITATION OF THE STUDY.....	75
5.5.2.	SUGGESTIONS FOR FUTURE RESEARCHERS.....	76
	REFERENCE .....	76
	APPENDIX .....	I
	ANNEX.....	VII

## LIST OF TABLES

Table 3.1. Target Population of case banks.....	35
Table 3.2. Determination of sample size by case banks and employees.....	36
Table 3.3. Result of reliability analysis for the questionnaire.....	38
Table 4.1. Response Rate .....	43
Table 4.2. Respondents' characteristics based on their Bank's name.....	44
Table 4.3. Respondents' characteristics based on their Bank's office organization .....	44
Table 4.4. Respondents' Demographic Characteristics.....	<b>Error! Bookmark not defined.</b>
Table 4.5. The Adaptability Organizational Culture Dimension .....	487
Table 4.6. The Involvement Organizational Culture Dimension .....	48
Table 4.7. The Consistency Organizational Culture Dimension.....	49
Table 4.8. The Mission Organizational Culture Dimension .....	50
Table 4.9. The Organizational Performance .....	532
Table 4.10. Durbin Watson Statistics.....	57
Table 4.11. Multicollinearity test using Tolerance Values & Variance Inflation Factor .....	57
Table 4.12. ANOVA .....	56
Table 4.13. Pearsons Correlation Coefficients.....	587
Table 4.14. Model Summary of the analysis.....	58
Table 4.15. Coefficients of Multiple Linear Regression Analysis .....	59
Table 4.16. Summary of Tested Hypothesis .....	653

## LIST OF FIGURES

Figure 2.1. Schein’s three levels of organizational culture .....	13
Figure 2.2. The Competing Values Framework (Cameron and Quinn 1999) .....	14
Figure 2.3. Denison’s organizational culture model (Denison et al. 2004).....	16
Figure 2.4. The Conceptual Framework of the study .....	33
Figure 4.1 Testing for Linearity .....	56
Figure 4.2 Scatter plot of Homoscedasticity .....	56

## LIST OF ANNEXES

ANNEX1: RELIABILITY ANALYSIS RESULT OF ADAPTABILITY .....	VII
ANNEX2: RELIABILITY ANALYSIS RESULT OF INVOLVEMENT .....	VIII
ANNEX3: RELIABILITY ANALYSIS RESULT OF CONSISTENCY .....	VIII
ANNEX4: RELIABILITY ANALYSIS RESULT OF MISSION .....	VIII
ANNEX4: RELIABILITY ANALYSIS RESULT OF ORGANIZATIONAL PERFORMANCE.....	VIII
ANNEX5: DESCRIPTIVE STATISTICS OF THE STUDY.....	VIII
ANNEX 6: PEARSON’S CORRELATION COEFFICIENT .....	IX
ANNEX 7: MODEL SUMMARY OF THE STUDY .....	IX
ANNEX 8: ANOVA RESULT OF THE STUDY.....	IX
ANNEX 9: REGRESSION COEFFICIENT OF THE STUDY VARIABLES .....	X
ANNEX 10: EXCLUDED VARIABLES OF THE STUDY .....	X
ANNEX 11: COLLINEARITY DIAGNOSTICS OF THE STUDY .....	X
ANNEX 12: RESIDUAL STATISTICS OF THE MODEL .....	X
ANNEX 13: LIST OF COMMERCIAL BANKS OPERATING IN JIMMA (2019) .....	XI



## Operational Definitions of Key Terms

In this section, the researcher stated some of the key terms based on operational definition as follows.

- A. **Culture:** broadly, it is a social heritage of a group (organized community or society) that encompasses all learned and shared, explicit, or tacit, assumptions, beliefs, knowledge, norms, and values, as well as attitudes, behavior, dress, and language.
- B. **Organizational culture:** includes an organization's expectations, experiences, philosophy, as well as the values that guide member behavior, and is expressed in member self-image, inner workings, interactions with the outside world, and future expectations.
- C. **Organizational Performance:** is organization's capacity to accomplish its goals effectively and efficiently using available human and physical resources.
- D. **Involvement:** Involvement or employee involvement can be defined as creating an environment in which an employee participates more in the day-to-day decision-making which leads to a better relationship with the manager.
- E. **Consistency:** Logically ordered and/or following the same pattern being in conformity with a set of rules, guidelines, or policies.
- F. **Adaptability:** is the ability of an entity or organism to alter itself or its responses to the changed circumstances or environment that shows the ability to learn from experience and improves the fitness of the learner as a competitor.
- G. **Mission:** is the company's business, its objectives, and its approach to reach those objectives.

# CHAPTER ONE

## INTRODUCTION

### 1.1. Overview

This chapter introduced the entire work of the study. This takes into consideration of items which include background of the study, statement of the problem, objectives of the research, hypothesis of the study, significance of the study, scope of the study, & structure of the paper.

### 1.2. Background of the study

It is known that the effective usage of organizational resources to achieve organizational goals is known as Organizational Performance (Daft, 2000). Organizational performance is one of the basic philosophies in management as most of the management tasks are designed according to the mentioned view. Of course, organizations' success can be said a reflection of their performance. Oxford English Dictionary defines performance as performing, applying, and doing each regular and committed work. This definition relates to inputs and outputs, which also indicates that performance has close relationship with work and its outcomes (Chamanifard et al., 2014).

Organizational performance is considered as the sum of accomplishments, achieved by all businesses/departments, that engaged in recurring activities aimed at establishing organizational goals, monitoring progress toward the goals, and adjusting to achieve those goals more effectively and efficiently. These accomplishments are involved with an organizational goal within the given period. The goal can be either on a specific stage or on the overall extent (Lee & Huang, 2012). To cope with the challenges and achieve superior performance, any business organizations need to be entrepreneurially inclined, market-oriented, and strategically positioned. Similarly, they must develop and nurture appropriate and strong organizational culture for them to be entrepreneurially inclined, market oriented, and strategically positioned.

According to Kotter and Heskett (1992), the 80s' century witnessed the real emergence of the term corporate or organizational culture, as a very important aspect in the field of organizational studies and management. In its wider concept, organizational culture can be perfectly defined as 'how organizations do things' (Ngwenyama & Nielsen, 2003). Some reviews of the literatures indicated that organizational culture is an intangible concept that is hard to define. It clearly played a meaningful role in organizations and their employees, which can often affect the organization's success or failure (Gilsdorf & Wagner-Marsh, 2006). In addition to this, it focuses on the forces that shape structure, processes, and incentives of the organization (Davison & Martinsons, 2003).

Organizational culture is one of the major factors identified to influence organizational effectiveness. According to Kotter (2012), Organizational culture has a direct impact on a variety of organizational variables. Also, organizational culture refers to a system of

shared values, beliefs, basic assumptions or norms that have long been in force, agreed upon and followed or hold by members of the organization and that distinguish one organization from other (Robbins & Judge, 2013). Research also shows that if employees are guided by the same norms and values in their organization, their performance would improve (Hofstede, 2001). Culture develops organizational norms, guidelines, or expectations that prescribe appropriate kinds of behavior by employee's situations and control the behavior of organizational members towards one another (Black, 2003).

Organizational Effectiveness will be the result of good Organizational culture (Young et al., 2011). Strong shared values can increase organizational performance (Deal & Kennedy, 1982). Moreover, Gordon and Di Tomaso (1992) also identified that a strong culture as measured by the consistency of perceptions of company values is predictive of short-term future company performance. Some argue that the compatibility between individual values and organizational culture values, that is, value congruency enhances Organizational commitment (Nazir, 2005), reduces labor turnover (Sheridan, 1992) and fosters job satisfaction (O'Reilly et al., 1991).

A focus on organizational culture is increasingly becoming a major component of everyday organizational functioning because performance depends on its culture. A sturdy culture within the organization shows that workers think the same way and are guided by the same ideas about the business (Racelis, 2010). Thus, organizations can only meet their goals if they make their culture work in harmony with their management coordination. By putting in place appropriate culture, an organization can allow the workers have control over their own work and this will no doubt make them work well. Therefore, organizational performance is dependent upon the culture of the organization since it is a clear indicator of the survival of the business (Racelis, 2010). Some studies found that there is strong link between organizational culture and performance (Muhammad & Muhammad, 2011) and made it relevant to study organizational culture and performance. However, many researchers concur that culture will remain linked with superior performance only if the culture is able to adapt to changes in environmental conditions.

Considering the different ways of classifying organizational culture, this study conceptualized Denison's (1990) four primary cultural traits. These cultural traits were Involvement trait, Consistency trait, Adaptability trait & Mission trait (Robbins & Judge, 2013). To develop an organization that had the competitive advantage of value-based, the management needed to pay attention to its organizational culture. On the other hand, organizational performance was another major construct in this study. Different researchers measured organizational performance in different dimensions but in this study, organizational performance was conceptualized with the following non-financial performance dimensions that referred Strategic Performance System Measurement (SPSM). Measure of organizational performance included job satisfaction, organizational commitment & employee turnover. Organizational performance was one of the most important determinants that governed the success of an organization in a dynamically competitive environment especially true for service delivering organizations like financial institutions.

When replicating this to our country, the study was situated in Jimma city with a focus on Public & Private commercial banks based on their establishment period. This is because Jimma hosts some commercial banks having branch offices only & some branch offices with district office which inevitably are concerned about organizational culture. In addition, Jimma hosts people from different walks of life thus providing valid setting for a study on the relationship between organizational culture and organizational performance. As a work environment gets more competitive and dynamic, organizations are more concerned about corporate cultures that can be translated into positive results such as increasing employees job satisfaction, committing to their organization's performance & minimize employees' turnover through capacity building, staff empowerment, enabling technology and knowledge management to care for customers.

Thus, the student researcher attempted to examine & compare the impact of organizational culture on organizational performance of selected Public & Private commercial banks situated in Jimma city.

### **1.3. Statement of the problem**

It is a widely acknowledged argument of organizational performance that managers must widen their understanding on cultural settings of their organizations to perform effectively (Agwu, 2014; Hodgetts & Luthans, 2013). Increased competition, globalization, and alliances have led to a greater need for a performance-based organizational culture. This has become necessary because organizations saddle with a lot management crisis that stem from their organizational culture (Agwu, 2014). Organizational culture is important in enhancing organizational performance. Therefore, there is need to promote a culture of urgency, teamwork, trust and aligning organizational aspirations with the corporate objectives (Byrne & Hochwarter, 2012). Although organizational culture has been correlated with performance, it has received relatively inadequate empirical investigation especially in commercial banks (Mckinono, 2003). These problems tend to impede progress toward achieving high employees' performance which in turn affect organizational performance.

Zain (2013) examined the effect of teamwork and communication on performance of organizations in Malaysia and found that these aspects of organization culture were significant determinants of general organizational performance. Shakil (2012) studied organizational culture in Pakistan to ascertain association between organizational culture and the practices adopted by the management. Using regression and correlation analysis, the study found out that organizational consistency and adaptability had significantly positive influence on performance management practices.

In Nigeria, Aluko (2003) studied the perceived effect of culture on performance of textile companies. Using both qualitative and quantitative methodologies, the study reported that despite the kind of cultural backgrounds, workers appeared to have affirmative beliefs about work, organizational principles, and personal attitudes. In Kenya, Joyce (2016) found a positive effect of organization culture on organizational performance. Although the study reported some significant association between organizational culture and

organizational performance, the influence seemed to vary significantly amongst the attributes investigated.

This shows that a lot of attention has been given to organizational culture and organizational performance related studies (Ojo 2010; Omoniyi et al., 2014) to the extent of the relationship between organizational culture and performance as the subject of several research in many fields, including management, organizational behavior, and industrial organizations (Agboola, 2013; Alharbi & Alyahya, 2013; Ojo, 2010; Omoniyi et al., 2014).

In Ethiopia, different commercial banks are guided by different cultural standards and norms that are shared by both the employees and customers. These differences which constitute organizational culture are quite evident because different banks serve a variety of clientele. In the studies reviewed, it is evident that there are knowledge gaps that were not addressed partly. Also, the variables in those studies are markedly different from the variables in this study. Therefore, these studies did not address the effect of organizational culture on organizational performance in commercial banks of Ethiopia operating in Jimma city. Thus, inadequate knowledge exists about how organizational culture impacts organizational performance.

Considering the increased number of commercial banks operating in Ethiopia currently & Ethiopian government under formulation of policy to invite international financial institutions near future, it was valuable to study & get evidenced on how the banks' performance being characterized with their organizational culture dimensions to be competent internationally.

In view of these limitations, an attempt was made in this study to provide answers to the question: what was the impact of organizational culture on organizational performance of selected commercial banks of Ethiopia operating in Jimma city?

## **1.4. Objectives of the Study**

### **1.4.1. General Objective**

The general objective of this study is to investigate the impact of organizational culture on organizational performance of selected public & private banks operating in Jimma city.

### **1.4.2. Specific Objectives**

The specific objectives of this study were:

- To investigate the impact of Consistency Trait on organizational performance of case banks.

- To investigate the impact of Involvement Trait on organizational performance of case banks.
- To investigate the impact of Adaptability Trait on organizational performance of case banks.
- To investigate the impact of Mission Trait on organizational performance of case banks.

## **1.5. Hypothesis of the study**

Hypothesis is an educated and testable guess about the answer to a research question. Hypotheses could take various forms depending on the questions asked and the type of study conducted. A key feature of all hypotheses was that each must make a prediction. Those hypotheses were what the student researcher attempted to explain the phenomenon being under study, and that explanation should involve a prediction about the variables being under study.

The null hypothesis predicted that there would be no differences between the groups being under study. By contrast, the alternate hypothesis predicted that there would be a difference between the groups (Geoffrey, 2005). Usually a research hypothesis must contain, at least, one independent and one dependent variable

For the smooth analysis of the study, the proposed hypotheses were as follows.

H<sub>01</sub>: Consistency Trait has no significant impact of on case banks organizational performance.

H<sub>02</sub>: Involvement Trait has no significant impact of on case banks organizational performance.

H<sub>03</sub>: Adaptability Trait has no significant impact of on case banks organizational performance.

H<sub>04</sub>: Mission Trait has no significant impact of on case banks organizational performance.

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

The study had assisted the student researcher in understanding organizational culture and its impact on organizational performance particularly on job satisfaction, organizational commitment, and employee turnover. Understanding the role of organizational culture can help managers to determine where to strive to help improve employees job satisfaction & organizational commitment. The results of this study will also help managers who wish to decrease employee's turnover. Given the need for management to recognize the impact of Organizational culture on organizational performance (of employee-related dimensions) in today's competitive world, this study will help Ethiopian commercial banks to assess and build the appropriate Organizational culture

that entails the highest levels of job satisfaction and Organizational commitment and the lowest levels of employee turnover. Moreover, multinational organizations, and specifically banks and financial institutions, entering Ethiopian market need to understand the impact of culture, environment, values, and norms of Ethiopia on these important variables.

Moreover, the findings of the study revealed the comparison of the organizational culture and organizational performance of selected commercial banks situated in Jimma city. The results of the study would be vital to a various group. The findings of the study will also

- Help as one case in the development and understanding of organizational culture and organizational performance of banking sector for Ethiopian researchers or developing country context.
- Raise further discussion and research on organizational culture and performance of the banking sector that may contribute to the development of the sector in particular & to Ethiopian economic development in general.
- Benefit the student researcher by having MBA degree after completing this research project.

## **1.7. Scope of the Study**

Considering the unmanageability of having excessive data, the study focused only on organizational culture and organizational performance in the selected case banks at Jimma city Commercial Bank of Ethiopia, Dashen Bank & Wegagen Bank. Also, due to the nature of banking sector, resource data manageability, time and cost constraints, this study focused only on the three sampled commercial banks based on their countrywide establishment period, ownership of the banks (categorizing as Public Banks & Private Banks), decentralized office structuring & their recent profit. Hence, due to the previously mentioned parameters, the study was limited to the selected case banks & the findings and applications were limited only to case banks operating in Jimma city.

Accordingly, the independent variables measured as organizational culture were Denison's four primary cultural dimensions namely Involvement, Consistency, Adaptability & Mission. Moreover, the dependent variables measured was organizational performance focusing on non-financial parameters such as Job Satisfaction, Organizational Commitment & Employee Turnover.

Regarding the methodology, the study employed a mixed research approach of exploratory & explanatory which also used qualitative and quantitative methods. Additionally, the student researcher took 154 sample population from the target population of 240 of which 148 employees from main branch & district office of the three selected case banks. Additionally, the student researcher conducted semi-structured interview with concerned six managers (branch & district managers) of selected case banks.

## **CHAPTER TWO**

### **THEORETICAL & EMPIRICAL LITERATURE REVIEW**

#### **2.1. Overview**

The chapter duly deals in reviewing the existing literature in relation to the concept under discussion. It comprises of historical background of banking sector in Ethiopia, culture, organizational culture, theoretical foundation of organizational culture, organizational performance, empirical review and the conceptual framework of the study. Moreover, the Denison's framework of organizational culture dimensions used for the study.

#### **2.2. Historical Background of Banking Sector in Ethiopia**

The era of modern banking in Ethiopia started in 1905 with the establishment of Abyssinian Bank which was based on a fifty-year agreement with the Anglo-Egyptian National Bank. In 1908, *Socite Nationale d'Ethiope pour le Development Dei' Agriculture/National Society of Ethiopia for the Development of Agriculture* and two other foreign banks (i.e *Banque de l'Indochine/Bank of Indochina* and *Compagnie del' Afrique Orientale/Eastern Africa Company*) were also established (Degefe 1995, cited in Geda 2006). As noted in Geda (2006), these banks were criticized for being wholly foreign owned. In 1931, the Ethiopian government purchased the Abyssinian Bank, which was the dominant bank, and renamed it the Bank of Ethiopia. i.e., the first nationally owned bank on the African continent (Gedey 1990, cited in Geda 2006). During the five-years of Italian aggression, i.e., during the period 1936-1941, banking activity of the country was relatively expanded. At that time, the Italian banks were particularly active. As a result, most of the banks that were in operation during this period were Italian banks.

After independence from Italy's brief occupation, where the role of Britain was paramount owing to its strategic planning during the Second World War, Barclays Bank was established and it remained in business in Ethiopia between 1941 and 1943 (Degefe 1995, cited in Geda 2006). In 1943, the Ethiopian government established the State Bank of Ethiopia. As noted in Degefe (1995), cited in Geda (2006), the establishment of the Bank by Ethiopia was a painful process because Britain was against it. The Bank of Ethiopia was operating as both a commercial and a central bank until 1963 when it was remodeled into today's National Bank of Ethiopia (NBE) (the Central Bank, re-established in 1976) and the Commercial Bank of Ethiopia (CBE).

In 1963, a new banking law split the functions of the State Bank of Ethiopia in to central and commercial banking as the National Bank of Ethiopia and the Commercial Bank of Ethiopia, respectively. Both were government- owned. The 1963 law allowed for other



commercial banks to operate, including foreign banks if they were 51% owned by Ethiopians. The biggest of these was the Addis Ababa Bank.

As per NBE (2010), due to change of government in 1974, and the command economic system which had prevailed in the country, the Commercial Bank of Ethiopia S.C. and other banks and financial institutions were nationalized on January 1st, 1975. The nationalized banks were re-organized and one commercial bank, the Commercial Bank of Ethiopia; two specialized banks- the Agricultural and Industrial Bank (AIB), renamed as the Development Bank of Ethiopia (DBE) and a Housing and Savings Bank (HSB) currently named as the Construction and Business Bank (CBB); and one insurance company, the Ethiopian Insurance Corporation were formed. During the socialist period, the government nationalized the small commercial banks and concentrated them into the Commercial Bank of Ethiopia (CBE). Commercial Bank of Ethiopia (CBE) and the other government banks were obliged to lend to public enterprises according to government instructions, which were in turn based on central planning. The CBE could not refuse credit in these circumstances, regardless of whether its credit assessment was positive or negative. The CBE made no provisions against lending to public enterprises during the relatively short period when debt service was in arrears (except for lending to the construction sector, for which provisions were made after 1990).

With the overthrow of the Derg Regime in 1991, Ethiopia began its transition to a market economy. This transition has had profound implications for financial system. New financial system has been expanded, and the role of central bank is being formulated. The CBE remained in 100% government ownership, but it was given greater autonomy in lending activity, especially as of September 1994. Financial reform began in earnest in 1994. Ethiopian National Bank's (NBE) role in overseeing the commercial banks was codified. Sector-specific interest rates administered by NBE were also ended and replaced with a minimum deposit rate (10 per cent) and a maximum lending rate (15%). The domestic private sector was permitted to enter the banking and insurance business (foreign financial institutions are not yet permitted to invest). The response to these reforms has been promising. Because of this, there are many private banks being established currently and working in the banking sector of our country.

Accordingly, Following the regime change in 1991 and the liberalization policy in 1992, these financial institutions were reorganized to work to a market-oriented policy framework. Moreover, new privately owned financial institutions were also allowed to work alongside the publicly owned ones. Currently, our country has two public owned and sixteen private commercial banks, which are operating throughout the country. Of these 18 banks operating countrywide, 12 of them are operating in Jimma city. (See Annex 15 list of Commercial banks operating in Jimma).

### **2.3. Culture**

In the late 18th century, the term culture was coined from the German word “kultur” to indicate achievements in civilization (Tseng, 2001). In 1871, Tylor in Tseng (2001) defined culture as a complex whole which included knowledge, belief, art, law, morals,

custom, and any other capabilities and habits acquired by man as a member of society. This definition offered insight to many scholars in social/management sciences and subsequently resulted in various debates and definitions (Denison et al., 2004; Ezirim, et al., 2012; Hofstede, 1981; Poundstone et al., 2004; Schein, 1992). As stated, this definition was all encompassing and comprehensive in referred to culture as a complex phenomenon involved knowledge, belief, art, law, morals, customs and any other capabilities and habits acquired by members of society. Therefore, organizational learning culture was the acquisition of knowledge, skills, experiences, attitudes, and dynamic capabilities (Hung et al., 2010) within the scope of this definition, and organization in this context was synonymous with work society. Beliefs, arts, morals, and customs were emphasized suggesting why there were work ethics and ethical codes of conduct in Organizations (Nelson & Quick, 2006). Despite the broad view of culture as a phenomenon demonstrated in the definition, the purpose or objectives of culture was not emphasized.

According to some theorists, sociological perspectives referred to culture were a set of beliefs, customs, norms, values, and others symbolic factors required to shape human behavior as well as artifacts that emerged via human behavior. These perspectives pinpointed shortcomings in Tylor's earlier definition of culture which lacked purpose or objective. In this context, culture was expected to shape the attitudes and behaviors of members of a community or society. As it varied from one society to another, made it difficult to identify a uniform or universal culture and tradition (Yusoff, 2011). The sociological perspective of culture was incorporated in the business world, which led to the introduction of the concept of Organizational culture, by referring to community or society in this context; as a work community or work society (Cakar & Erturk, 2010).

## **2.4. Organizational Culture**

### **2.4.1. Definitions of Organizational Culture**

According to Stoner and Freeman (1992), organizational culture was a set of understandings such as norms, values, attitudes, and beliefs, shared by organizational members. Robbins (1993) defined it as a common perception held by the organization's members, a system of shared meaning. These shared norms, values, attitudes, and beliefs distinguish one organization from the other and given each organization its distinct personality. Organizational culture shaped employee attitudes and determines the way the organization interacted with its environment. Zheng et al. (2010) defined that organization culture was the culture of traditions, values, policies, beliefs, and attitudes that constitute a pervasive context of everything we do and think in an organization. Certainly, organizations within the financial services, governed by the same regulatory framework, and responding to the needs of individual and corporate clients within the same economic environment, exhibited distinct ways of thinking in doing things.

There was no single definition for organizational culture. The topic studied from a variety of perspectives ranged from disciplines such as anthropology and sociology, to the applied disciplines of organizational behavior, management science, and organizational

commitment. The following definitions were views of authors from the applied science disciplines and were more relevant to the scope of this research document. The concept of culture obtained originally from an image of the organization as ‘something cultivated’. This suggested that the notion of culture was the environment and practice that organizations build around the management of people. In the views of Schein (2011), culture promoted values and statement of beliefs of an organization.

Organizational culture could be defined as; the system of values, beliefs, assumptions, or norms that had long been in force, agreed upon and followed by the members of an organization as a code of conduct and solved problems in the organization (Sutrisno, 2007). Organizational culture was a system of shared meaning that members held and distinguished one organization from other organizations (Collins & Porras, 2000). Corroborating this view, Arnold (2005) stated that organizational culture was the unique beliefs, principles, and ways of behavior, and norms that amalgamated to give each organization its distinctive character. When examining the definitions, it assumed there existed a general agreement that organizational culture comprised common beliefs, attitudes, and values. These values helped employees to understand how they should act in their organization.

#### **2.4.2. History of Organizational Culture**

According to Robbins (1993), the idea of viewing of organization’s culture was a recent phenomenon. Before the development of this ideology, organizations were simply perceived as rational means by which groups of people could be controlled and coordinated. Organizations viewed organizational culture as part of operational structures with vertical levels, departments, authority relationships and other functional aspects. In recent years, it has been realized that organizations, like individuals, have personalities which could be flexible or rigid; supportive or unfriendly; innovative or conservative. It was Robbins (1993), who further asserted that each organization had a unique feeling and character beyond its structural characteristics. It was recent that organizational theorists had begun to recognize and acknowledge the role of culture in the lives of organization members.

The origin of culture, as an independent variable which affected an employee attitude and behavior, as well as organizational performance, traced back to the notion of institutionalization. Selznick (1948) defined institutionalization as “*when an organization takes on a life of its own, apart from that of its members and acquires immortality.*” Zucker (1983) also contributed to the development of the theory of institutionalization as it operated to produce common understandings among members about what was appropriate, and fundamentally meaningful behavior. Therefore, when an organization took on institutional permanence, acceptable modes of behavior became largely self-evident to its members. It was Zucker’s conviction that was what organizational culture essentially did. An understanding of what make up an organization’s culture and how it was created, sustained, and learned would facilitate the prediction and explanation of the behavior of people at work.

### **2.4.3. Significance of Organizational Culture**

Culture, namely a positive culture(s), was important for a variety of reasons. Namely, it was the identifying and understanding of efficient management practices that supported commitment of employees, and the positive correlation of organizational culture to effectiveness of the organization. Firstly, as Sadri and Lees (2001) noted in their work, a positive culture could provide benefits to an organization. They discussed that the right organizational culture could lead to a competitive advantage when members identified with the culture, meaning it was agreeable to their personal values, that the work environment was more enjoyable, and moral was increased. This positive work environment led to increased teamwork and shared of information.

Mansoor and Tayib (2010) viewed that corporate cultures were very important since some decisions that might be arrived without the cultural forces in operations might basically turn out to be something not expected with its outcomes that were not desirable. In most cases, there were many serious issues that normally confronted the organizational leaders in their daily operations, especially when making decision regarding the choice of the best method in achieving the organizational objectives and goals. The leader who understood his organizational culture & took it seriously, could predict the outcome of his decisions in preventing any anticipated consequences. Organizational culture contributed to the proper functioning, fostering communication, socialization of new members, creating trust and adoption of common means to achieve objectives. Organizational culture was an important framework and taught the employee what was accepted and what not in the organization. Aspridis et al. (2012) stipulated that organizations achieved stabilization, resulted from accomplishing its task successfully, then the assumption of the leaders was assumed to be a shared responsibilities and means of getting acquainted with new members and socializing with them. Through consistency, leaders in the organizations were bound to achieve success in the end through setting their important goals and norms. The moment culture had been established, it turned to be a very strong leadership tool that could facilitate effective communication with regards to the leaders' beliefs, norms and values to the members in the organization most especially to the new ones.

### **2.4.4. Functions of Organizational Culture**

The main functions of organizational culture were to define the way of doing things to give meaning to organizational life (Arnold, 2005). Creating meaning was an issue of organizational culture because organizational members needed to benefit from the lessons of previous members. As a result, organizational members could profit from whatever trials and errors regarding the knowledge others had been able to accumulate (Johnson, 1990). Organizational culture also determined organizational behavior by identifying principal goals; work methods; how members should interact and address each other; and how to conduct personal relationships (Harrison, 1993). This indicated that organizational culture is important for Conflict reduction, Coordination and control, Reduction of uncertainty, Motivation & Competitive advantage.

In addition to the above functions, Martins and Martins (2003) also mentioned the following as functions of organizational culture: It had a boundary-defining role; It conveyed a sense of identity to organizational members; It facilitated commitment to something larger than individual self-interests; It enhanced social system stability; It served as a meaningful control mechanism. Recent study found that those organizations adopted constructive cultural values to perform better than their competitors who adopted defensive cultural values (Klein et al., 2013).

These functions of organizational culture suggested that an organization cannot be operated without a culture, because it assisted the organization to achieve its goals. In general terms, organizational culture had given organizational members a direction towards achieving organizational goals (Hampden-Turner, 1998).

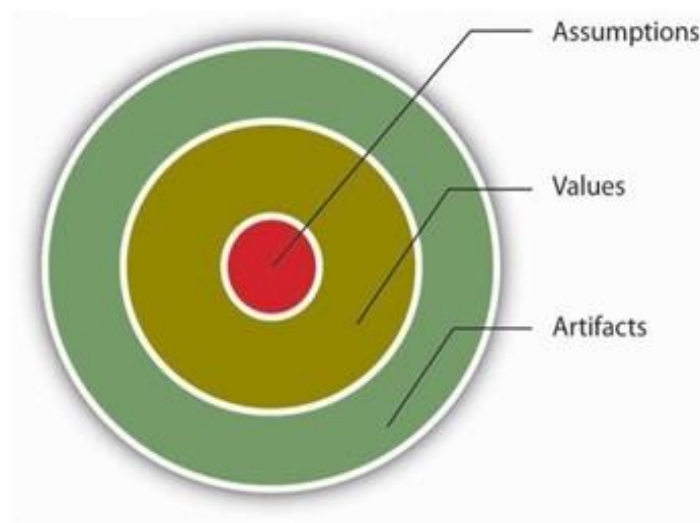
## **2.5. Theoretical Foundation of Organizational Culture**

Cultural anthropologists had proposed diverse and complex theories of culture that might be characterized by their assumptions, slants, and importance. Some of theoretical foundations of organizational culture were described hereunder some supporting the study.

### **2.5.1. Schein's Theory of organizational culture**

According to Schein's theory (1992), organizational culture was defined as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that had worked well enough to be considered valid and, therefore, to be taught to new members as a correct way to be perceived, thought & felt in relation to those problems (Schein, 1992). He also mentioned that culture was the most difficult organizational attribute to be changed, outlasting organizational products, services, founders and leadership and all other physical attributes of the organization. His organizational model illuminated culture from the standpoint of the observer, described by three cognitive levels of organizational culture shown in figure 2.1.

Figure 2.1. Schein's three levels of organizational culture



Source: Adapted from Schein, E. H. (1999) *Organizational Culture and Leadership*. San Francisco: Jossey-Bass

**Artifacts** – were difficult to be measured and they dealt with organizational attributes that could be observed, felt, and heard as an individual entered a new culture.

**Values** – dealt with the espoused goals, ideals, norms, standards, and moral principles and was usually the level that measured through survey questionnaires.

**Underlying assumptions** – dealt with phenomena that remained unexplained when insiders were asked about the values of the organizational culture. Information was gathered in this level by observing behavior carefully to gather underlined assumptions because they were sometimes taken for granted and not recognized. According to Schein, the essence of organizational culture lied in this level.

### 2.5.2. Cameron and Quinn's Dimensions of Organizational Culture

According to Cameron and Quinn (1999), organizational culture was defined as an enduring set of the core values, assumptions, interpretations, and approaches that characterized organizations and their members. They also investigated the contribution of developed organizational culture on organizational effectiveness or organizational success. In their study, it was claimed that each of the organizational culture types might contribute to organizational success depending on the needs of external environment and strategic orientation of organization. According to their current study, organizational performance was taken as dependent variable and organizational culture types considered as independent variables.

According to Cameron and Quinn (1999) typology, culture in an organization could be seen between two dimensions: *a focus on internal maintenance (smoothing and integration) versus external relationships (competition and differentiation)*, and *a focus on organic processes (flexibility and dynamism) versus mechanistic processes (stability*

and control). In Competitive Values Framework (CVF) model, the four dominant organizational culture types were *clan*, *hierarchy*, *market* & *adhocracy* emerged from the intersection quadrants of those axes of the framework shown in figure 2.2.

Figure 2.2. The Competing Values Framework (Cameron & Quinn, 1999)



**Clan (cooperative) culture** possessed high affiliation and concern with teamwork and participation (Quinn & Spreitzer, 1991). The clan culture was shaped between the dimensions of organization focus and flexibility/dynamism. Organizational commitment was a culture type which had seen in organizations, acting as family, and had social features as trust, solidarity, and unity. Successful Japanese firms with effective team structure were typical examples of this culture (Cameron & Quinn, 1999).

**Hierarchy (control) culture** reflected values and norms associated with bureaucracy (Quinn & Spreitzer, 1991). The hierarchical culture was located between internal organization focus and stability/control dimensions. This was an organizational culture type which the leadership was effective because it was in mechanical and bureaucratic organizations that gave importance to order and rules. This culture could be seen in global companies like McDonald's that led to worker alienation, purposelessness and decrease in the sense of autonomous (Cameron & Quinn, 1999).

**Market (competitive) culture** was a rational culture which emphasized efficiency and achievement (Quinn & Spreitzer, 1991). Such culture occurred at the time of stability and control. Employees in these culture types were success oriented. They gave importance to personal interests rather than organizational goals and emphasis on the concepts of planning, performance, and efficiency. Global businesses which had effective

relationship between suppliers, customers and external stakeholders were examples of this organizational culture (Cameron & Quinn, 1999).

**Adhocracy (creative) culture** was a developmental organizational culture which based on risk taking, innovation and change (Quinn & Spreitzer, 1991). It referred to the culture of an organization in entrepreneurial, flexible, innovative, and creative areas with its external oriented and dynamic structure. Employees could take the initiative, supported with new discoveries and freedoms so they felt satisfied, happy, and successful in this environment (Cameron & Quinn, 1999). Organizations, doing business over the internet defined as ‘new economy’, using advanced technology were examples of this culture.

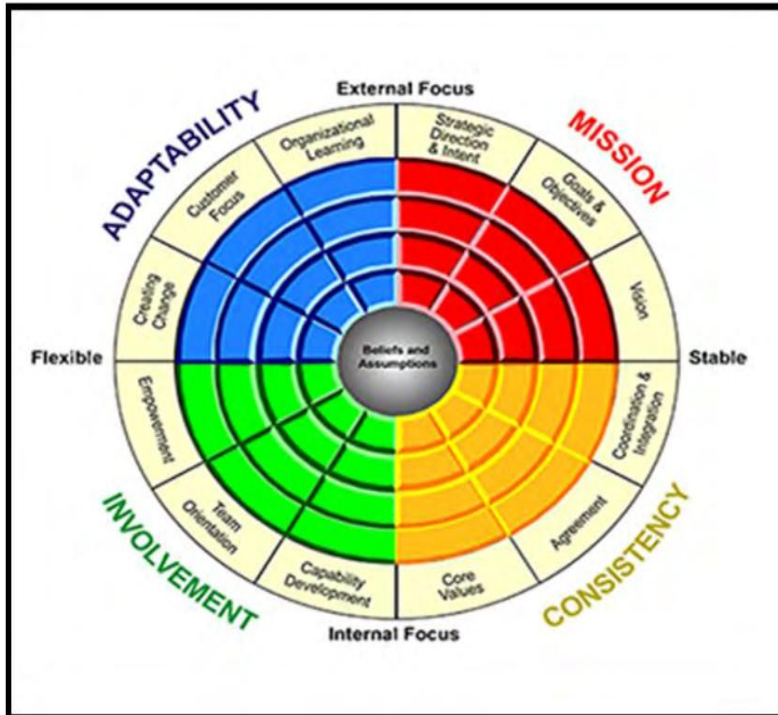
### **2.5.3. Denison’s Dimensions of Organizational Culture**

Following Schein (1992) theory, Denison’s model were the underlying beliefs and assumptions that represented the deepest levels of organizational culture. These fundamental assumptions provided the foundation from which (1) More surface-leveled cultural components such as values and observable artifacts – symbols, heroes, rituals, etc. – are derived, and (2) behavior and action spring (Denison 2000). Denison’s organizational culture model was based on four cultural traits ***Involvement, Consistency, Adaptability, and Mission*** that have been shown in the literature to have an influence on organizational performance (Denison, 1990; Denison & Mishra, 1995)

This model measured the association among these four cultural values and firms’ effectiveness (Denison et al., 2004). It assessed culture in business organizations using four distinctive dimensions ***Involvement, Consistency, Adaptability, and Mission*** (Kotrba et al., 2012). Figure 2.3 presented a pictorial representation of the interplay between the cultural dimensions and the environmental focus as well as the stability and flexibility of the cultural dimensions.



Figure 2.3. Denison’s organizational culture model (Denison et al., 2004)



As illustrated in Figure 3.5, Involvement as a cultural dimension assessed the extent to which workers were dedicated to their responsibilities, and their level of commitment and participation in group activities, leading to the realization of business goals and objectives (Kotrba et al., 2012). Consistency enhanced shared values and directs workers’ behavior in line with corporate strategies (Denison et al., 2014). Denison and Mishra (1995), in Kotrba et al., (2012) referred Adaptability as firms’ ability to direct internal operations to meet business demands or variations in the external environment. Finally, the Mission showcased the extent to which an establishment of business empire had been able to clearly define or structure its purpose for existence (Kotrba et al., 2012).

Nazir and Lone (2008) conducted an empirical analysis of the association between culture and performance in selected manufacturing companies in India. The study adopted Denison’s Organizational Culture Model as well as the measuring instrument. The study found that there was a positive relationship between cultural dimensions and effectiveness of manufacturing firms in India. This supported Denison’s propositions. The relevance of these cultural dimensions in the 21<sup>st</sup> century, designed of organizational culture should not be under-estimated. Based on the considerations of flexibility in responding to external variations as embedded in Denison’s organizational culture model, the current study shared these principles in investigating the impact of organizational culture on organizational performance of Ethiopian banking sector particularly in selected banks situated in Jimma city.

The Denison’s Model four key cultural traits were described briefly hereunder.

i. **Consistency Trait**

Employee behavior was rooted in a set of core values and leaders and followers were skilled at reaching an agreement even when they had differed views (Blois et al., 2007). According to the consistency theory, organizations tend to be effective because they had strong cultures that was highly consistent, well-coordinated and well-integrated (Saffold, 1988). This type of consistency was a powerful source of stability and internal integration that resulted from a common mindset and a high degree of conformity (Senge, 1990).

Organizations also tend to be effective because they have *strong* cultures that are highly consistent, well-coordinated, and well-integrated. The fundamental concept is that an implicit control system, based on internalized values, are a more effective means of achieving coordination than external control systems, which rely on explicit rules and regulations (Weick, 1987). Frost et al. (1985) argued that shared has a positive impact because an organization's members all work from a common framework of values and beliefs which forms the basis by which they communicate.

ii. **Involvement Trait**

Effective organizations empowered their people, build their organizations around teams, and developed human capability at all levels (Baker, 2004). This theory was based on the idea that involvement and participation would contribute to a sense of responsibility and ownership and hence organizational performance and loyalty (Baker, 2004). Executives, managers, and employees were committed to their work and felt that they owned a piece of the organization (Likert, 1961). People at all levels felt that they had at least some input into decisions that would affect their work and that their work was directly connected to the goals of the organization (Fey, 2000).

iii. **Adaptability Trait**

Paradoxically, organizations that well integrated were often the most difficult ones to be changed as internal integration and external adaptation were often to be at odds. Adaptable organizations were driven by their customers, took risks and learnt from their mistakes and had the capability and experienced at creating change (Senge, 1990). This theory was based on the idea that norms and beliefs that enhanced an organization's ability to receive, interpret and translate signals from the environment into internal organizational and behavioral changes to promote its survival, growth, and development.

Schein (1992) discussed the relationship between culture and adaptation emphasized that a culture usually consisted of the collective behavioral responses that had proven to be adaptive in the past for a particular social organization. Ironically, organizations that well integrated were often the most difficult ones to change due to the deep level of adaptability acquired over time (Kanter, 1983). Such organizations were continuously changing their systems to promote improvements and provided value for their customers. In practical terms, the absence of adaptability was well known and

easy to be identified as a rigid bureaucratization, which derived from, and inevitably supported a system of values and beliefs oriented toward stability (Denison & Mishra, 1989).

#### **iv. Mission Trait**

Successful organizations had a clear sense of purpose and direction that defined organizational goals and strategic objectives and expresses a vision of how the organizations look in their future (Mintzberg, 1994). A shared sense of purpose, direction and strategy could coordinate and galvanize organizational members towards collective goals (Baker, 2004). When an organization's underlying mission changed, changes also occurred in other aspects of the organization's culture (Fey, 2000). Particularly, in successful corporations whose operational age was measured in decades, a shared sense of the broad long-term goals of the firm was implicit and helped to structure behavior than organizations aged in years of establishment (Denison & Mishra, 1989). These theories focused on different aspects of culture but more importantly, they stressed different functions of culture.

From this we conclude that, Consistency theory and Mission theory tend to promote stability whereas Involvement theory and Adaptability theory allow for change. Consistency theory and Involvement theory see culture as focusing on internal organizational dynamics while Mission theory and Adaptability theory see culture as addressing the relation of the organization to its external environment (Baker, 2004).

## **2.6. Organizational Performance**

The degree of an achievement to which employee's fulfill the organizational mission at workplace was called performance (Cascio, 2006). Performance had been perceived differently by various researchers, but most of the scholars related performance with measurement of transactional efficiency and effectiveness towards organizational goals (Stannack, 1996). The job of an employee was built up by degree of achievement of a target or mission that defined boundaries of performance (Cascio, 2006). Certain researchers had identified different thought, attitudes, and beliefs of performance as it helped in measurement of input and output efficiency that led to transactional association (Stannack, 1996).

Different researchers had defined organizational performance in various perspectives. Ricardo and Wade (2001) defined organizational performance as the ability of the organization to achieve its goals and objectives. Due to variety of definitions, Heffernan and Flood (2000) contended that organizational performance had suffered not only from a definition problem, but also from a conceptual problem. Even though several attempts made by researchers to provide a clear definition of organizational performance, there was no conclusive definition in terms of some aspects of terminology, analysis level and conceptual basis for assessment (Heffernan & Flood, 2000). To achieve goals and objectives of organizations, strategies had been designed based upon organizational performance (Daft, 2000). The equity based upon high returns helped in effective

management of organization resources so that performance improved (Ricardo & Wade, 2001).

According to Ittner and Larcker (2012), organizational performance was a broader concept whose indicators included productivity, quality, consistency, efficiency as well as relative measures such as management development and leadership training for building necessary skills and attitudes among the workers (Richard, 2002). Moreover, organizational performance could be conceptualized in terms of net income, revenue, number of employees, physical expansion, increased market share and financial sustainability (Kotter, 2012). Different authors had proposed different ways to measure organizational performance (Prajo et al., 2007). Though there were a range of behaviors that could be used for measuring performance, Borman and Schmit (2012) emphasized judgmental and evaluative processes that took a great deal of action when defining performance.

Based on earlier assessments, **organizational performance commonly focused** on two areas of research stream: mainly on **economic perspective** and **organizational perspective**. **The economic perspective emphasized** the importance of external market factors such as the firms' competitive business position and anything related to financial aspects. **The organizational or non-economic perspective was built** on behavioral and sociological paradigms and their fit with the environment that included quality of services (such as employee satisfaction, culture and customer satisfaction), quality of product, and competitiveness (Tvorik & McGiven, 1997).

According to Richard (2013), organizational performance covered financial performance that included profits, return on assets, return on investment, sales volumes, market share and shareholder return. Besides financial indicators as an evaluation of firm's performance in any industry, other industry-specific measures of effectiveness might also reflect the success of the organization. These measures include job satisfaction, organizational commitment, and employee turnover (Mayer & Schoorman, 1992; Mowday et al., 1982). Hence, job satisfaction, organizational commitment and employee turnover were used as the non-financial measure of organizational performance.

### **2.6.1. Measuring Organizational Performance**

When firms built their performance measurement systems, it was challenging and demanding to choose the right measurements. Defining the performance dimension and choosing performance measures should consider responsibilities to interest groups like customers, employees, suppliers, stakeholders, debtholders, and the society. Additionally, organization must choose which things they wanted to emphasize in their performance measurement system. Question raised by some scholars was, should the firm focus only on maximizing shareholder value, or should they also concentrate on employee and customer satisfaction.

The performance measurement system helped in improving organization association to achieve goals and objectives at an effective manner. According to Ittner and Larcker (1998), The strategic planning based upon development of goals and objectives helped

organization to focus nonfinancial or intangible assets. The quality, performance and services linked with customers had financial nature (Kaplan & Norton, 2001).

The traditional measurement of performance was based on strategic performance system. The translation and measurement of financial and non-financial performance was based on Strategic Performance Measurement System (SPMS) that led to competitiveness (Chenhall, 2005). The measurement technique helped in increasing competitive advantage in organization based upon effective pressures. The multiple performance measures adopted by organizations, based upon non-financial and financial measures, helped in presenting uncontrollable events. In general, measuring organizational performance was categorized under two categories as financial and nonfinancial performance which we would see them hereunder in detail.

#### **i. Financial Performance**

Organization's performance was commonly measured through the financial success of the organization. Financial stress for most profit-oriented firms could be assessed both in terms of "top-line" (e.g., sales) as well as "bottom-line" (e.g., profitability) measures (Davis et al., 2000). The profitability of an organization was an important financial indicator to reflect the efficiency of the organization and the owners/managers ability to increase sales while keeping the variable costs down (Davis et al., 2000). According to some journals, profit margin, return on assets, return on equity, return on investment, and return on sales were considered as the common measures of financial profitability.

Furthermore, sales growth was measured based on the average annual sales growth rate for three consecutive years from (Hashim, 2000). On the other hand, profitability was analyzed by three financial ratios, which were return on sales (ROS), return on investment (ROI) and return on asset (ROA)- incurred during most recent three years.

#### **ii. Non-Financial Performance**

Besides financial indicators as an evaluation of firm's performance in any industry, other industry-specific measured of effectiveness might also reflected the success of the organization. These measures included job satisfaction, organizational commitment, and employee turnover (Mayer & Schoorman, 1992; Mowday et al., 1982).

Job satisfaction was defined as an enjoyable or positive emotional state of employees resulting from the appraisal of one's job or job experienced. According to Hackman and Oldham (1975), job satisfaction was associated with five core dimensions: skill variety, task identity, task significance, autonomy, and feedback from the job itself which led to satisfaction with supervision, satisfaction with co-workers, satisfaction with work, satisfaction with pay, and satisfaction with promotion.

On the other hand, organizational commitment had been defined in many ways. Organizational commitment referred to the willingness to exert maximum effort to accomplish the organizational goals and values, and desired to maintain membership in that organization (Mowday et al., 1982). The affective dimension of organizational

commitment reflected the nature and quality of the linkage between an employee and management (Oliver, 1990). Organizational commitment could thus be influenced through intrinsic incentives. Increased affective organizational commitment was essential to the retention of quality employees.

This shown that, both job satisfaction and organizational commitment were in fact related to employees' turnover. Employees who were low in job satisfaction and organizational commitment tend to have low morale and less motivated. These employees would have the tendency to leave their employment, thereby increased the turnover rate (Hackman & Oldham, 1975). Hence, employee turnover was also used as the non-financial measure of organizational performance as it encompassed both job satisfaction and organizational commitment.

Accordingly, this study had assessed the impact of organizational culture dimensions on organizational performance (with measured Job Satisfaction, Organizational Commitment and Employee Turnover).

### **2.6.2. Measures of Organizational Performance**

Peters and Waterman (2004) praised the advantages of Organizational culture in enhancing Organizational performance. Many other studies reported a profound impact of Organizational culture on Organizational performance and effectiveness (Cameron & Quinn, 2011; Deal & Kennedy, 2000; Frost et al., 1985). In addition to the impact of Organizational culture on overall Organizational performance, some literature suggests that Organizational culture affects individual attitudes and behaviors too (MacIntosh & Doherty, 2010).

As stated here above, this study framed by a combination organizational performance that measured job satisfaction, organizational commitment, and turnover intention. The theories of job satisfaction, organizational commitment, and turnover intention was described hereunder paired together in some research of various academic and professional fields, thereby lent credible result for examination and comparison against their unchartered application to banking sector.

#### **i. Job Satisfaction**

Some theorists indicated that organizational culture had a profound influence on several key of organizational variables. Also, the literature suggested that Organizational culture affected individual attitudes and behaviors (Lund, 2003; Schein, 1992). One of these main individual attitudes and behaviors was job satisfaction which shown to be directly impacted by Organizational culture (MacIntosh & Doherty, 2010).

Job satisfaction was one of the most widely studied concepts in the Organizational behavior field, as it had been identified as a key job attitude related to the quality of the working context in any Organization. It had been linked to important Organizational variables, such as productivity, absenteeism, and turnover (Loi et al.,

2009). The literature pointed out to Taylor's scientific study in 1911 that explored employees' satisfaction and motivation as the starting point in studying the concept of job satisfaction (Gaspar, 2006). Moreover, research into job satisfaction had flourished and a great number of models and theories that developed to explain the complex nature of the job satisfaction phenomena (Locke, 1983). Hereunder were some definitions and meanings of job satisfaction.

One of the earliest definitions was presented by Hoppock (1935), who defined job satisfaction as any combination of psychological, physiological, and environmental circumstances that cause a person to say, I am satisfied with my job. This orientation focused on the positive emotions or feelings that related to one's job. Consistent with this idea, Vecchio (1995) stated that "job satisfaction was the emotional reaction to work experience". Finally, Spector (2003) defined job satisfaction as "an attitudinal variable that reflected how people feel about their jobs overall as well as about various aspects of them".

## **ii. Organizational Commitment**

Organizational culture was shown to have a strong influence on employees' attitudes and behaviors (Lund, 2003; Schein, 1992). At the beginning of the 20<sup>th</sup> century, Scientific Management, advocated by Frederick Taylor (1911), emphasized that managing employees was to maximize profits and increase productivity. Scientific Management was strongly criticized and opposed by labor unions and workers who reported high stress levels as employees were expected to surpass their normal work targets (Stoner et al., 1995). The Hawthorne studied in the 1930s brought new and more human insights in managing employees. This new method of managing employees had attracted many Organizational and social psychologists and behaviorists conceptualizing and measuring Organizational commitment in many ways. Therefore, Organizational commitment was still a contested construct as Mowday et al. (1982) who stated researchers from various disciplines ascribed their own meanings to the topic, thereby increasing the difficulty involved in understanding the construct.

Despite the growing interest the concept of Organizational commitment, there had been a lack of consensus on its various definitions (Martin & Roodt, 2008). Roodt (2004) suggested that the research into Organizational commitment was characterized by concept contamination and concept redundancy. He argued that concept contamination occurred when a variable contained a large proportion of another unrelated variable. Concept redundancy occurred when related variables overlapped in meaning in the same concept.

Further confusion has been caused by the variability in approaches to define commitment. Two major approaches have arisen namely: the attitudinal and behavioral (Scholl, 1981). For example, Porter et al. (1974) defined commitment from an attitudinal perspective as "*the strength of an individual's identification with and involvement in a particular organization*". On the other hand, the behavioral approach to Organizational commitment emphasized the notion of costs incurred by

an employee associated with leaving the Organization. Using this approach, some researchers argue that Organizational commitment is based on the accumulation of investments valued by the employee that would be lost if he/she decides to leave the Organization.

### **iii. Employee Turnover**

The hereabove sections had presented overview on job satisfaction and organizational commitment. Organizational culture was shown to have a significant effect on both job satisfaction and Organizational commitment (Lund, 2003; Schein, 1992). The influence of job satisfaction and Organizational commitment on employees' turnover was well established by Tett and Meyer (1993). This complex chain of human behavior was extremely difficult to be comprehended in isolation. Therefore, it was important to develop comprehensive models for complex human behavior that considered both the direct and indirect effects (Gregory et al., 2007). The topic of employee turnover had received considerable interest among researchers since the mid-1950s and continued to be one of the most studied behaviors in management research (Barling & Cooper, 2008; Ochoa & Mujtaba, 2011).

Barling and Cooper (2008) argued that it was extremely important for studies seeking to understand the role of job attitudes, working conditions to employee turnover to make the distinction between these types of turnover. Voluntary turnover occurred when the employee decides to leave the job while involuntary turnover occurred when the employee was removed from his or her job by the employer (Griffeth & Hom, 2004). Some theorists identified that most studies focused on voluntary turnover rather than involuntary turnover as it was more controllable and meaningful for Organizations. Turnover for the purpose of this study was voluntary employee turnover.

“Employees are our most valuable asset” might be a cliché or trite phrase for some, but employees were really one of an Organization's most valuable assets. Organizations depended on their workforce to perform their plans, create value, and achieve their financial goals. Losing highly-skilled employees disturbed the value creation process which meant that Organizations incurred substantial costs related to replacing those lost members of staff through recruiting, training and re-skilling in addition to other hidden costs associated with distributions in conducting business and levels of quality and customer service (Bohlander & Snell, 2009).

Its negative impact on employees also included losing seniority, high expectations might not materialize, and disruption of social life (Mobley & Fisk, 1982). Bohlander and Snell (2009) had estimated the cost of turnover in terms of recruiting and training of new employees to an Organization at two to three times the monthly salary of the departing employee. They also noted that this estimate does not include indirect costs represented in lower morale and productivity and overtime for other employees to fill the vacant role. In other words, an overwhelming amount of studies indicated that turnover was expensive (Mobley & Fisk, 1982). Because of the importance of employees' turnover, some literatures estimated turnover-related studies to be about



two thousand. There was no sign of decrease in the study of turnover in the last twenty-four years (Trevor, 2001).

#### **iv. Turnover Intention**

Despite the large volumes of research that emphasized the importance of employee turnover and the costs associated with it, it was still very difficult to predict. Turnover intention was argued to be a strong indicator for actual turnover (Firth et al., 2004). Turnover intention referred to the intention to leave a job voluntarily. Karin and Birgit (2007) defined it as “*the intention to voluntarily change companies or to leave the labor market altogether*”. Price and Mueller (1981) argued that the use of turnover intention over actual turnover was better and more practical. They noted that there were many external factors that influence actual turnover behavior. According to Mayer and Schoorman (1992), employees’ trust on management had a direct impact on the turnover rate. On the other hand, if the level of trust was low, the employees were more likely to devalue the incentives which lied in them to continued membership in the organizations.

Though there were several significant measurements of organizational performance, the study employed job satisfaction, organizational commitment, and employee turnover to measure organizational performance.

### **2.7. Organizational Culture as a Competitive Advantage**

Competitive advantage was a company’s ability to perform in one or more ways that competitors could not or would not match (Kotler & Keller, 2006). The competitive culture used as a yardstick to overcome the challenges of sustainable competitive advantage in the global economy (Madu, 2011). Organizational culture was one of the components that were important to sustaining performance, competitive advantage, and a good reason for being a great organization. Knowledge was a base mostly regarded as the major distinct factor or resources that remained very crucial in relation to the sustainability of organizational competitive advantages over its competitors. Suppiah and Sandhu (2012) viewed that the type of organizational cultures had largely influenced some level of knowledge sharing phenomenon either in a positive or negative way which largely depended on the type of culture in display.

A leader could create a culture of commitment, through the allocation of organizational resources, rewards, and promotions that encouraged competitive behavior. The best way to encourage competitive advantage was to encourage continuously individuals to innovate new advantages. A leader who was consistent in behavior of paying attention to operating efficiency and encouraging subordinates to be creative would gain low cost advantage over rivals. Thompson et al. (2005) asserted that companies earn strong market positions because of the low-cost advantages they had achieved over their rivals and their consistent ability to underprice their competitors.

## **2.8. Importance of Matching People with their Organizational Culture**

Consistency could also be looked from the point of view of the organization and employee as far as values and purposes were concerned. If there was consistency in values between the two, then there would be a match. Khan (2015) asserted that the degree to which an organization's values matched the values of an individual who worked for the company determined whether a person was a good match for an organization. Khan (2015) also advised that it was important for individual values to matched organization culture because a culture of shared purpose resulted in actions that helped the organization achieved a common or collective goal. The match between people and the companies for which they work would be determined by the kind of organizational culture that exists. This alignment, asserted Gordon (2008), would made personal and corporate values increased staff engagement.

The collective rules by which an organization operated defined its culture. These rules would form a shared behaviors, values, and beliefs. Culture formed the basis for how individuals operated within the context of the organization. The way a group or individual behave, would define what was "normal" and what was "not normal" that determined by culture of the organization. Culture could be defined either by a set of observable behaviors or by the basic values that derived behavior. In large organizations, vision statements, mission statements and statements of values were often be formal to describe the company's culture.

## **2.9. Empirical Review**

Some studies had been conducted in relation to organizational culture and organizational performance in different organizations. And some theorists recommended that cultural strength was an advantage in highly competitive environments where such conditions were recognized by firms in advance. A large publicly traded firms concluded culture-performance link was environment sensitive. It is found that strong cultures yielded when firms operated in stable environments. Contrary to this, weak culture proved advantageous for firms in fluctuated environments. In a similar vein, Gordon and Di Tomaso (1992) argued that culture would contribute to firm performance if adapted to the changing environments. They also found that a strong culture as measured by the consistent perceptions of company value was predictive of short-term future company's performance. Researchers like Ogbonna (2000) reported that culture must not only be strong (widely shared) for superior performance, but it must have unique qualities and traits which cannot be imitated.

Wilkins and Ouchi (1983), had presented another idea that draws upon 'contingency thinking' suggested that under certain conditions a culture was appropriate, even necessary, and contributes to efficiency. For example, consider culture an important regulatory mechanism in organizational settings, too complex and ambiguous to be controlled by traditional means (bureaucracy and the market). In corporate situations where these means of regulation functioned well, corporate control as a distinct form was less significant. In Nigeria, Aluko (2003) studied the perceived effect of culture on

performance of textile companies. Using both qualitative and quantitative methodologies, the study reported that despite the kind of cultural backgrounds, workers appeared to have affirmative beliefs about work, organizational principles, and personal attitudes. In Kenya, Joyce (2016) found a positive effect of organization culture on organizational performance. Although the study reported some significant association between organizational culture and organizational performance, the influence seemed to vary significantly amongst the attributes investigated.

A researcher like Denison (1990) argue that a performance of an organization was related to the degree to which culture values were strongly held or widely and commonly shared. Similarly, Ogbonna (2000) argue that a widely believed and strongly shared values helped management in minimizing undesired consequences on certain strategic alternatives by predicting the employee reactions. A study by Noruzy (2013) investigated the link between workplace justice & organizational performance in Pakistan revealed that organizational culture had significantly influenced the organizational citizen behavior & had the meditating role between organizational justice & organizational citizenship behavior. Some argue that the compatibility between individual values & Organizational culture values congruency enhanced employee commitment (Nazir, 2005), reduced labor turnover (Sheridan, 1992) and fostered job satisfaction (O'Reilly et al., 1991).

Still another version says that 'adaptive cultures' were the key to good performance, i.e. cultures were able to respond to changes in the environment. Such cultures were characterized by people willing to take risk, trusted each other, were proactive, worked together to identify problems and opportunities, etc. It might be tempting to say that 'adaptive cultures' were self-evidently superior. There easily entered an element of tautology here: 'adaptive' implying successful adaption and this was per definition good for business. But there were organizations relatively stable and fitted with a relatively stable environment, and risk-taking and innovation were not necessarily successful. Too much change could lead to instability, low cost-efficiency, risky projects, and a loss of sense of direction.

### **2.9.1. R/ship between Organizational Culture and Organizational Performance**

Intensive research had been conducted to investigate the impact of organizational culture on organizational performance. Baker (2004) observed that organizational culture and organizational performance related to some extent. Kotter (2012) contended the variables that influence organizational performance included level of employee commitment to work, positive beliefs about work, positive work values, interpersonal relationships, and group norms. Therefore, if cultural traits differ, performance or company excellence may also differ (Peters & Waterman, 2004). In addition, studies had been conducted on different matters of organizational culture. As instance, types of organizational culture (Tharp, 2009) stressed on the stages of culture through the organization; whereas organizational psychology (Schein, 1990) focused on how culture made an impact on employees' psychology and performance. These two concerns of organizational culture had confirmed the relationship between organizational culture and organizational performance.

Like many other organizational studies, the root of culture and performance link could be traced back to Hawthorne who studied that the unearthed presence of informal social system and shared assumptions and beliefs amongst the workers revealed the presence of “organizational culture”. Peters and Waterman (2004) further stamped the causal association between culture and performance. They argued in their landmark book *In Search of Excellence* that superior firm performance was possible only when a company moved away from a pure technical and rationalist approach towards a more adaptive and humanistic approach. In the same vein, Deal and Kennedy (1982) reported that shared values act as informal systems that guided the organizational members to what was expected from them that positively impacted organizational performance.

By the end of 1980’s however, scholars seriously started questioning the causal link between culture and firm performance as proposed above. Saffold (1988) for instance, recognized the likely effect of culture on performance & concluded that “*simple model for relating culture to performance no longer fitted with the knowledge scholars had developed about the role of culture in organizational analysis: a more sophisticated understanding of the tie between organizational culture and organizational outcomes must be developed*”. Thus, 1990’s gave rise to plethora of research studies where researchers made great steps in testing the relationship between culture and performance. However, these researchers showed genuine caution in testifying such a link.

According to Denison’s (1990) Model, the comparison between organizations was made according to the surface-level values & their manifested practices. The organizational culture model of Denison was based on four cultural traits: Involvement, Consistency, Adaptability, and Mission. All these traits had shown to have a link with organizational performance as follows.

#### **i. Involvement and Performance**

According to Zhang et al. (2009), organizations that uphold an involvement culture emphasized the input and participation of its members. Involvement in this context was understood as a regular participation of employees in deciding how their work was done, made suggestions for improvement, goal setting, planning, and monitoring of their performance (Macleod & Brady, 2008). A performance culture was built around shared desire to exceed expectations & achieve remarkable results. Camps and Luna-Arocas (2009) observed that high involvement work practices aimed to provide employees with the opportunity, skills & motivation contributed to organizational success in environments demanded greater levels of commitment and involvement.

Highly involved organizations differed from the rest of the companies by creating a sense of responsibility. This particularity created a greater commitment to the organization & autonomy. In these organizations, employees knew a kind of decisions they could take & which ones were beyond their responsibility. In other words, employees were empowered to take decisions in an informed framework. Employees were encouraged to work in teams and supported each other to attain their work goals. Finally, the highly involved companies used training and coaching to develop employee capability.

## **ii. Consistency Dimension and Performance**

Consistency implied the extent to which the values, beliefs and standards of behavior were acquired and shared among employees in an organization (Denison, 2009). Consistency culture, in fact, was a theory of strong culture. Consistency culture in an organization was manifested by widely shared beliefs and values that helped organizational members to reach consensus and took concerted action that resulted a positive impact on performance (Achua & Lussier, 2013). Consistency represented the main source of integration, coordination & control. In addition, it helped organizations develop a set of procedures that created an internal system of governance which was based on supported consensus.

Successful companies had a clear set of values that supported employees & managers in making consistent decisions. During difficult issues & misunderstandings faced, the members discussed openly and try to reach an agreement. In such organizations, each employee knew their work impacted others and how the work of others impacted them. The employees were always sure that their work was aligned with the organizational goals and objectives. Salihu et al. (2016), had empirically evidenced & confirmed the acceptance of the hypothesis formulated as Consistency has positive relationship with organizational performance.

## **iii. Adaptability and Performance**

High performed organizations distinguished from low performed organizations by their ability to understood and reacted to the competitive environment and customers. In addition, they restructured behaviors & processes that helped them to adapt. High performed organizations encouraged new ideas & different solutions to solve problems. Moreover, employees searched for new and better ways to meet customer expectations on a continuous basis. Controlled risk taking was encouraged as the organizations learn from both successes and failures.

Denison (1990) suggested that organizations hold a scheme of norms & beliefs that backed the organization's capacity to receive, interpret and translated signals from its environment into internal behavior changes that increased its chances for survival & growth. According to Kanter (1983), well integrated organizations were the most difficult ones to be changed due to the deep level of adaptability acquired over time. Such organizations continuously changed their system to promote improvement & provided value for their customers.

## **iv. Mission and Performance**

Successful organizations had a clear mission that showed employees why they did their tasks and how the work helped the organizational performance. Strategic direction & intent were about multiyear strategies and established high priorities. In successful organizations, the goals and objectives were short term. In addition, specific goals were defined so that employees understood how their daily tasks

related to the vision of the organization. Vision represented the main reason an organization existed and competed on a certain market.

An organizational mission was a reason for existence of an organization (Sorensen, 2002). It was sometimes referred to as a creed, purpose, or statement of corporate philosophy and value (Forest & David, 2003). The mission of an organization was aligned to the expectations of its targeted customers to achieve its ultimate return (Zhang et al., 2009). Achua and Lussier (2013) affirmed that culture offered a shared understanding about the identity of an organization. The right culture could make employees feel that they were valued participants & they self-motivated to realize organization's mission & work together as a team.

In general, organizational culture consisted a shared perception while organizational performance covers an individual attributes that measured using different parameters (Campbell, 1990).

### **2.9.2. Effect of Organizational Culture on Organizational Performance**

The effect of organizational culture showed how employees conducted themselves in the organization towards the attainment of organizational objectives. According to Kaufman (1998), a positive organizational culture reinforced the core beliefs and behaviors that a leader desired; whereas weakened the values and actions the leader rejected. Peters and Waterman (2004) indicated that a negative culture became toxic, poisoned the life of the organization, and hindered any potential for its future growth. Kotter (2012) asserted that organizational culture had the potential to enhance organizational performance, employee job satisfaction, and the sense of being curtailed about problem solving. Known culture of an organization allowed employees to understand the organization history & method of operation. This insight provided guidance about expected future behaviors (Yilmaz & Ergun, 2008). It fostered commitment to the organization philosophy & values thus generated shared feelings of working toward common goals.

Organizational culture served as a control mechanism to channel behaviors toward desired behaviors and away from undesired behaviors through its norms (Schein, 2011). Strong organizational culture existed where staff responded to stimulus because of their alignment to organizational values. If there was weak culture, there would be little alignment with organizational values and control exercised through extensive procedures and bureaucracy. Singh (2011) emphasized that an organization's culture could be characterized weak when many subcultures existed, few values and behavioral norms shared, and traditions were rare. In such organizations, employees had no sense of commitment, loyalty, and a sense of identity. Rather than being members of an organization, these were wage earners.

Traits adopted by organizations that had weak cultures included politicized organizational environment, hostility to change, promoting bureaucracy in preference to creativity and entrepreneurship, and unwillingness to look outside the organization for the best practices (Kotter & Heskett, 2000). Adoptive cultural orientations and achievement directly affected performance (Xenikou & Simosi, 2006). Constructive cultural styles had positive

impact and dysfunctional defensive styles had negative impact on both organizational and individual performance drivers (Balthazard et al., 2006). The presence of cultural traits of mission, adaptability, involvement, and consistency were positively related to performance perceptions. Also, strong shared values increased organizational performance (Deal & Kennedy, 1982). Hereunder described the effects of culture on performance nonfinancial measures job satisfaction, organizational commitment & employee turnover.

#### **a. Culture & Job Satisfaction**

Job satisfaction was the positive feel of an employee about his job. Role stressors were significantly reduced by constructive culture, which reduced job tension and improved job satisfaction (Steven, 2000). Workers job satisfaction decreased due to Relationship Conflict. Satisfaction and wellbeing of workers in an organization decreased due to Task Conflict. In private organizations, the effect of Task Conflict was moderated by the Goal Oriented Culture. In public organizations, the Task Conflict effect was moderated by support Oriented Culture (Guerra et al., 2005). Variables of organization culture and job satisfaction had a clear relationship (Sempene et al., 2002).

#### **b. Culture & Organizational Commitment**

Organizational commitment described to what extent the employee devoted to their organization. Organization culture had significant influence on worker's commitment. Teamwork, reward and recognition, training & development, and communication were positively related to employee commitment (Boon & Arumugam, 2006). Constructive culture resulted in increased job commitment (Steven, 2000). Variables of Job satisfaction viz. professionalism, control and interaction were strongly related with commitment (Lok & Crawford, 1999).

#### **c. Culture & Employee Turnover**

If an employee of an organization relived and replaced by another employee called employee turnover. Organizational Culture and leadership had negative impact on turnover intention (Biswas, 2009). The job performance and the retention rate were also influenced by variations in cultural values (Sheridan, 1992). Emotional exhaustion, role conflict, role overload was reduced when organization climate improved. Employee turnover got reduced by two thirds through the organizational interventions of Availability, Responsiveness and Continuity (Glisson et al., 2006).

To summarize, strong culture in the organization became very helpful to enhance the performance of the employees that led to the goal achievement and increased the overall performance of the organization (Deal & Kennedy, 1982). Culture set the boundaries by providing employees with a set of normative rules regulated certain aspects of their behavior given rise to attitudes, motivations and a sense of shared identity that contributed to organizations' effectiveness (Rollinson, 2005). There would be no sustainable organizational performance provided unless an organization's culture and

employees were fully prepared and aligned to support that change. Culture was what distinguished truly high-performing organizations from the rest (Ortiz & Arnborg, 2005). Organizational culture had a significant effect on organizations' long-term sustainability and economic performance. Organizations with a deeply embedded culture had greater revenue increased, larger workforce expanded, increased in share prices, and larger improvements in net income; than their counterparts with weaker cultures (Tavitiyaman & Zhang, 2012).

### **2.9.3. Review of Organizational culture on Organizational Performance**

An organization's internal environment was represented by its culture and constructed by assumptions, values, attitudes, and behaviors of its members which were a valuable source of firm's competitive advantage (Petraf, 1993). Schein (1990) defined that patterns of shared values and beliefs produced to adopt behavioral norms in solving problems. This shaped organizational procedures, unified organizational capabilities into a cohesive whole, provided solutions to the problems faced by the organization, and thereby, hindered or facilitated the organization's achievement of its goals (Yilmaz & Ergun, 2008). Organizational culture as shared philosophy, ideology, value, assumption, beliefs, hope, behavior, and norms bounded the organizations together. Robbins (1993) mentioned organizational culture as common perceptions which held by the members of an organization; a system of common meaning, while George and Jones (2002) mentioned it as Informal design of values, norms that controlled the way people and group within the organization interacted each other & with parties outside the organization.

Denison (1990) presented the interrelations of an organizations culture, its management practice, performance, and effectiveness. His Model speculated the four key cultural traits as involvement, consistency, adaptability, and mission traits described in its theoretical foundation. Marcoulides and Heck (2013) also researched on the Organizational Culture and Organizational Performance by Proposing and Testing a Model concerned how organizational culture affected organizational performance.

According to Kalyani (2011), the characteristics that captured the essence of innovative culture included openness, collaboration, trust, authenticity, proactive, autonomy, confrontation, and experimentation. While Spreitzer (2001) formerly identified four types of corporate culture namely group, development, hierarchical, and rational culture. In cognitive terms, organizational culture was broadly defined as the shared values, beliefs, ideologies, and norms held by organizational members that influenced their behavior (Schein, 1992).

Wondwosen (2014) studied on the assessment of organizational culture practices in the case of CBE Head Office at Addis Ababa. The study had identified that all the studied organizational culture traits were found to add positive and negative value to influence the employment performance which was subjected to affect the organizational performance.



Rahma's (2016) study resulted how the predictive value of the four traits of organizational culture indicators (clan, adhocracy, market & hierarchy cultures) on the effectiveness of Ethiopian Revenue & Custom Authority (ERCA) office especially on employee satisfaction and organizational commitment. It also showed that if employees were committed and shared the same norms and values as per the organization culture, it could increase the effectiveness towards achieving the organizational goals.

Getamesay (2016) studied to examine the determinant factors affecting employees' job performance in the case of Wegagen Bank S.C. The result revealed that, among the determinant factors, organizational culture had a positive relationship and significant effect on employees' job performance.

Abel (2017) studied to investigate relationship between reward system and clerical employee's performance in Dashen bank S.C. The study had identified that the company reward package was competitive with other banks which clearly communicated its reward package to all employees to increase their performance. This had created a conducive working environment in the company and the bank should strengthen this culture for the future too. Moreover, organizational culture resembled supportive for employees but the respondents had a feeling of exploitation by the company as performance was measured by complying rules not results & this created employees not to be creative and industrious and the company might lose employees who were outstanding and achievers.

Topaz (2018) observed that employees' perception toward current benefit and reward were subjective, as employees were not participated in benefit and reward decision. Though Commercial Bank of Ethiopia (CBE) had a routine organizational culture-based reward and motivated its employees to let them work to its best interest, it was found that the rewarding systems was not based on employees' performance. Due to this, the reward system did not motivate its employees to be competitive and work to the best interest of the company given that the reward systems did not take competitiveness and performance into account.

Addisalem (2019) studied on the effect of Organizational Culture and Organizational Performance of Abissinia Bank how the predictive value of the four traits of Denison's organizational culture dimensions (involvement, consistency, adaptability, and mission traits). The result showed that Organizational Culture (involvement, adaptability, and mission culture dimensions) had a positive significant relationship with Organizational Performance of the stated bank.

Yoseph (2019) studied on the assessment of organizational cultures in the case of CBE south Addis Ababa district branches to determine the prevalent organization's cultural dimensions of the organization. The study identified that all the studied organizational culture traits were found to add a positive and negative value. Finally conclude that, although there were few positive cultural traits in the organization, the overall the bank's organizational culture edged towards the negative end of the scale.

So, all the above facts had revealed how organizational culture had a significant impact on the organization's performance that should be supported by the research to show the fact to the responsible body of the organizations for their further understanding and to work on it for a better result of the dynamically changing global competition in banking sector.

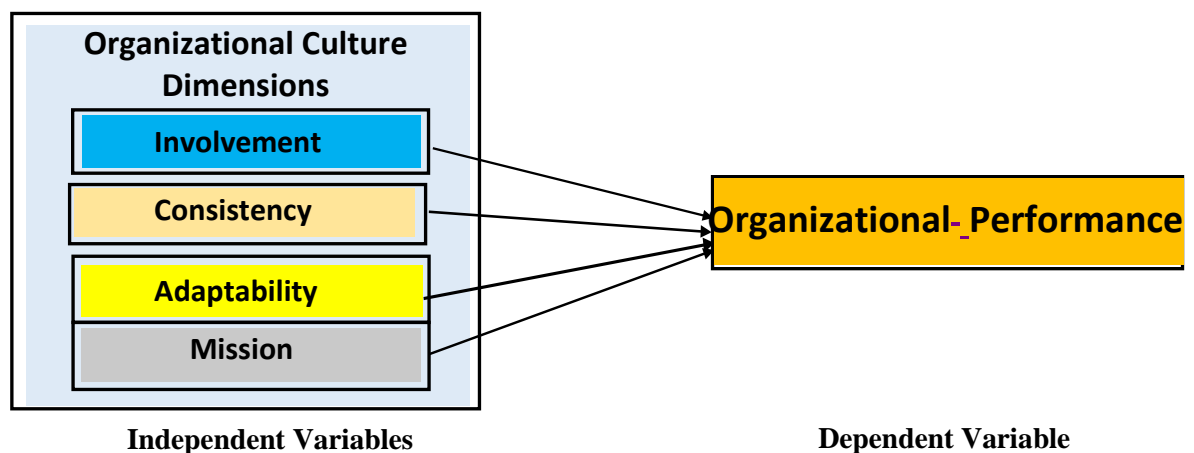
## 2.10. The Conceptual Framework

Conceptual framework was a scheme of concept (variables) which the study operationalized to achieve the set objectives (Mugenda & Mugenda, 2003). This conceptual framework was developed from the reviewed literatures about the system of shared assumptions, values, norms and rules of organizational culture and organizational performance to support the objectives and research questions of this study.

Thus, the study used the four traits of Denison's Model involvement, consistency, adaptability, and mission traits which he grouped them to various predictors. According to his groupings two of the traits, involvement, and adaptability, were indicators of flexibility, openness, and responsiveness, and were strong predictors of growth. The other two traits; consistency and mission, were indicators of integration, direction, and vision which were better predictors of profitability. Each of the four traits were also significant predictors of other effectiveness criteria such as quality, employee satisfaction, and overall performance. Mission and consistency were linked to financial performance, while involvement and adaptability linked to customer satisfaction and innovation. The four traits were strong predictors of subjectively rated effectiveness criteria of the total sample of firms but were strong predictors of objective criteria such as return-on-assets and sales growth only for larger firms.

The **indicators of the dependent variable**, Organizational Performance, focused on the nonfinancial performance measures namely employees **Job Satisfaction, Organizational Commitment & Employee Turnover** that are detailed hereabove in section 2.6.2.

Figure 2.4. The Conceptual Framework of the study



Source: Adopted from Denison and Mishra (1995).

# **CHAPTER THREE**

## **RESEARCH DESIGN AND METHODOLOGY**

### **3.1. Overview**

A research methodology is a systematically way to solve the research problem. It showed the various steps that adopted by a researcher in studying the research problem along with the logic behind them (Kothari, 2004).

### **3.2. Research Design**

According to Kothari (2004), and Selltiz (1962), a research design is the arrangement of conditions for the collection and analysis of data in a manner that aimed to combine relevance data to the research purpose with economic procedure. It was a blueprint for the data collection, measurement, and analysis of data.

The purpose of this study was to investigate & compare Organizational Culture impact on Organizational Performance of selected case banks in Jimma city. The student researcher used explanatory research design to explain those facts. Explanatory research design was useful to describe the realities on the ground and to show the relationship among the variables under consideration. For such design, both quantitative and qualitative approach were viable to provide more reliable and informative data generated through careful and scientific manner.

### **3.3. Types & Sources of Data**

This study employed primary and secondary data gathered the necessary information for the research. Primary data sources were employees and managers of the selected case banks to enhance the trustworthiness of the findings of this research. In addition, secondary data sources were case banks' books, journals, articles, company website, internal brochures and publications that assessed to check whether the dimensions used to measure organizational culture were of valued or not. Moreover, it helped to better understood the concept, identified the gap and served as a foundation in formulating appropriate research design.

### **3.4. Sampling Design**

Sampling design was a definite plan for obtaining a sample from a given population. It referred to the technique or the procedure the researcher adopted in selecting items for the sample (Kothari, 2004). Sampling design determined before any data were collected and it included the target population, sample size and sampling technique.

### 3.4.1. Target Population

According to Punch (2000), individual units, or an aggregate of the unit, or the individual that formed the table group, called the population of any research. The theoretical population of the study consisted of the entire employees of the commercial banks operating at Jimma city, Ethiopia. The choice of Jimma city stemmed from the fact that some of the banks' District offices situated in Jimma than surrounding towns. The selection of target population focused according to the underneath parameters.

- Those banks had District Office and Main Branch in Jimma city. If had other branches, focused only on their main branches.
- Their establishment period focusing on oldest serving banks as they more practiced organizational culture.
- Categorizing as “Public” bank & “Private” bank for comparison
- Also Prorated based on their recent annual profitability at time of studied.

Based on information obtained from internet, bank's websites, and the student researcher's assessment, totally there were twelve commercial banks operational in Jimma city at the studied time. Of these banks, five of them had had district offices decentralized to Jimma that showed some part their corporate office tasks handled here. As all banks in Ethiopia, except CBE (in 1960<sup>th</sup> having district office) established after the year 1990<sup>th</sup> onward, the selected case banks were classified into two categories based on their establishment year. Accordingly, CBE selected as “Public Banks” category. Of the four categorized as “Private Banks” that had district office, Dashen Bank & Wegagen Bank were selected based on the above stated criterions. Then, the target population employees of the selected case banks' that comprised District office & Main Branch were 240 totally and stated in the underneath table.

Table 3.1. Target Population of case banks

Banks		Employees of		Total Population
		District Office	Main Branch	
Public	CBE	65	85	150
Private	Dashen	34	37	71
	Wegagen	10	9	19
Total Employees		106	131	<b>240</b>

*Source: Own survey computation based on selected banks office data.*

### 3.4.2. Sample Size

According to Punch (2000), the selected part of the total population that generalized all the cases known as the sample. Due to resource, manageability, time and cost constraints, the sample size was determined based on the Krejcie and Morgan's (1970), that used sample size formula for finite population. Accordingly, the student researcher applied a confidence level of 95% with a confidence interval (more commonly referred to as a margin of error) of  $\pm 5$  points which was defaulted to the most used references.

Accordingly, the sample size of the study were 148 respondents using the following formula.

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

Where,

S=required sample size

X = Z value (1.96 for 95% confidence level)

X<sup>2</sup> = the table value of chi-square for 1 degree of freedom at the desired confidence level (1.96)<sup>2</sup>=3.841

P= the population proportion (assumed to be 0.5 since this would provide the maximum sample size)

N= the population size (240)

d= the degree of accuracy expressed as a proportion (0.05)

$$S = \frac{3.841 * 240 * 0.5(1-0.5)}{0.05^2(240-1) + 3.841 * 0.5(1-0.5)} = 148$$

Thus, based on the above formula and other online sample size calculators website <http://www.surveystem.com/sscal.htm>, sample size of the study found to be 148 respondents i.e. 61.7% of the total population.

### 3.4.3. Sampling Frame

As specified earlier, target population of this study (148 employees) comprised employees working main branches and district office of both group banks. For this purpose, the Random Sampling method was applied to give each element a known probability to be included in the sample. Accordingly, the study used stratified random sampling to select employees proportionately from district office & main branch of each case banks (Eddah, 2017; Gunaraja, 2014; Sultana et al., 2015). In this study, the total number of populations, i.e. total number of employees selected from case banks were 148. Additionally, purposive sampling technique was used to conduct interview focusing selected key informants who are managers of branch & district office of selected case banks. Thus, the study constituted 148 employees and 6 managers with total sample size of 154 respondents.

The number of respondents selected from each bank was proportionated to the relative size of those banks detailed in the underneath table table 3.2.

Table 3.2. Determination of sample size by case banks and employees

Selected Banks	District Office Employees	Main Branch Employees	Managers	Total Sample Size
CBE	40	52	2	94
Dashen Bank	21	23	2	46
Wegagen Bank	6	6	2	14
Total	67	81	6	154

*Source: Own survey computation based on selected banks office data.*

### **3.5. Data Collection Method and Its Administration**

#### **3.5.1. Data Collection Method**

For this study, the obtained data were from two sources called primary and secondary data sources. The primary data to be collected was from the research respondents through self-administered questionnaire and semi-structured interview. Secondary data was extracted from books, journals, articles, company website, internal brochures and publications that provided sufficient information about these banks. The primary instrument of data collection in this research was the self-adopted questionnaire that had three parts. The main parts of the questionnaire (part 2 and 3) measured the organizational cultures and organizational performance of case banks. Thus, the organizational culture measured used the four organizational culture dimensions adapted from Denison's organizational culture survey (Denison, 2011). These dimensions were four sub scales, measured the four main cultural traits namely: involvement, consistency, adaptability, and mission. A 6-point Likert scale labeled questionnaire was used to express their level of agreement for each dimension among the scales and then the average score on each trait was used during data analysis and interpretation.

In addition, The Minnesota Satisfaction Questionnaire (MSQ) (Weiss et al., 1967), Organizational Commitment Questionnaire (OCQ) (Allen & Meyer, 1990) & Turnover Intention Questionnaire (Roodt, 2004) measured the organizational performance of the selected case banks too. The instrument contained 18 items that measured the organizational performance level on a 6-point Likert type scale ranged from 1- Disagree Strongly, to 6- Agree Strongly. Finally, the sum of the total score divided by 18 arrived at a summary indicator of organizational performance.

#### **3.5.2. Administration of Data Collection Method**

The data collection covered different banks located at Jimma city; the student researcher hired data collectors for the assistance in distributing and collecting the questionnaires. They were trained in detail regarding the purpose of the study, data needed and in general how to be carried out their intended jobs. To achieve the purpose of this study, the student researcher collected the necessary data from 154 respondents. Finally, at the time of respondent's filled those questionnaires, the student researcher did close follow-up on data collectors & provided support for respondents whenever needed. Therefore, this encouraged respondents' openhearted willingness to be participated in the study and responded as requested.

### **3.6. Data Analysis Techniques**

According to Kothari (2004), Data Analysis were categorized as descriptive analysis and inferential analysis (often known as statistical analysis). The data analysis employed both descriptive and statistical regression. Descriptive statistics, such as frequencies, percentages, means and standard deviations, were summarized and presented the data. In

addition, tables were used to increase understanding and facilitated easy comparison of the data collected from the survey. Regressions & Correlation analysis also used to examine the significance contribution of each independent variable to the dependent variable during statistical analysis.

To accomplish the abovementioned analysis, the data collected was entered to a computer and analyzed using Statistical Package for Social Sciences (SPSS) software. Moreover, different test helped to explain whether organizational culture had had a significant impact on organizational performance. Finally, results were interpreted & discussed based on major findings of the study.

### 3.7. RELIABILITY AND VALIDITY OF DATA

Validity and Reliability of the measures needed to be assessed before using the instrument of data collection (Hair et al., 2010). As stated by Hair et al., (2010), reliability implied the extent to which some variables or a set of variables, were consistent with what was intended to measure. Accordingly, Reliability analysis used to measure the internal consistency of instruments used in a questionnaire. Moreover, Validity concerned whether an instrument could accurately be measured, while reliability pertained to the consistency in measurement.

In establishing the reliability of the data, different methods used for reliability test. Among these different methods of reliability tests, Cronbach's alpha considered to be suitable for this study made up of multiple Likert-type scales and items. Accordingly, the study conducted a Cronbach's alpha analysis to measure internal consistency of the data collection tools for the two groups of banks (Public and Private) which tested how closely related a set of items as a group. As described by Andy (2006), the values of Cronbach's alpha more than 0.7 was considered as good relationship.

Table 3.3. Result of reliability analysis for the questionnaire

Indicators	N	Cronbach's Alpha	
		Public Bank	Private Bank
<b>Adaptability</b>	9	0.841	0.773
<b>Involvement</b>	9	0.770	0.771
<b>Consistency</b>	9	0.729	0.728
<b>Mission</b>	9	0.829	0.826
<b>Org. Performance</b>	18	0.874	0.621
<b>Overall</b>	<b>54</b>	<b>0.809</b>	<b>0.744</b>

*Source: Research Data (2019)*

The above shown table (3.3) indicated that an internally consistent tools was utilized for all items constructed for Organizational Culture Dimensions and Organizational Performance.

According to Sekaran (2003), validity was the most critical criterion that indicated the degree by which the sample of test items represented the content that the test was designed to measure. The clarity of the instrumented items to the respondents was established to enhance the instruments validity. To establish the validity of the research instrument, the researcher required opinions of experts in the field of study, especially the feedback obtained from the advisors of this research who assessed and reviewed the appropriateness of questions and the scales of measurement. It is known that there existed three types validity measures: construct validity, face validity (external validity), and internal validity (Greener, 2008). Among the three validity tests, Construct Validity was considered in designing the survey instrument.

Construct validity was the assumption that the instruments measured what they were supposed to measure. The purpose of the pilot test was to help the researcher get feedback whether the constructed questionnaire fit with its purpose; especially in detecting some redundant, ambiguous, and unclear items of the questionnaire. To overcome this challenge, the drafted survey questionnaire was pilot tested with randomly selected eight respondents and incorporated their collected feedback to design of the final survey questionnaire. The participants of the pilot test indicated some unclear question and some technical words to be cleared which was very helpful for the researcher to correct it before the questionnaire distributed.

As stated hereabove, pilot testing was used to check the reliability and validity of the instruments and the feedbacks obtained which were instrumental in increasing the respondent's understandability of the questionnaire.

### **3.8. Pilot Test**

The questionnaire was developed and administered in English language. The researcher used a pilot test the questionnaires to assure the reliability of the questions included. After collecting those questionnaires, one item was changed on the organizational performance portion. The nonfinancial measure questions of the dependent variable considered aggregately. Moreover, the banks category was amended from "Old & New Generation" banks, to "Public & Private" banks.

### **3.9. Model Specification & Assumptions**

#### **3.9.1. Model Specification**

Due to the nature of the dependent variable, Multiple Linear Regression was developed which allowed establishing a relationship between a binary outcome variable (the dependent variable) and a group of predictors (independent) variables. According to Field (2005), Multiple linear regression used to estimate the effect of more than one independent variables over a dependent variable or it estimates the coefficient of determination on the predicted one explained by the predictors. Accordingly, Hierarchical Linear Regression analysis was applied to determine how organizational culture dimensions impacted organizational performance of both group banks. The mathematical



equation with detail of the Model will be described at the end of next chapter in Regression Mathematical Model section.

### **3.9.2. The Assumptions of Multiple Regression Analysis**

According to Field (2005), multiple linear regression uses to estimate the effect of more than one independent variables over dependent variable or it estimates the coefficient of determination on the predicted one explained by the predictors. To have valid multiple regressions analysis, several key assumptions should be satisfied. Multiple Regression that are identified as primary concern in the research included these key assumptions: Linearity, Homoscedasticity, Data Independence, Correlations, Multicollinearity, & ANOVA. For this study, these assumptions were defined, and the tested results of these assumptions are briefly summarized in the next chapter.

### **3.10. Ethical Considerations**

The student researcher reflected on the ethical and academic purpose of the study during data was gathered. While questionnaire was distributed, student researcher and data collector assured respondents that all information they provided would be confidential and not to include any item that asked personal details. Participants had the right to determine their own action as they came from a range of cultural background. Hence, Data gathered kept confidential and not used for any personal use and the study was performed within the acceptable professional ethics.

## **3.11. ORGANIZATIONS PROFILE**

### **3.11.1. Commercial Bank of Ethiopia (CBE)**

#### **i. Profile**

The history of the Commercial Bank of Ethiopia (CBE) dated back to the establishment of the State Bank of Ethiopia in 1942. CBE was legally established as a share company in 1963. In 1974, CBE merged with the privately owned Addis Ababa Bank. Since then, it has been playing significant roles in the development of the country. It is Pioneer in introducing Automated Teller Machine (ATM) to Ethiopia. It Introduced Western Union Money Transfer Services to Ethiopia. It Plays a catalytic role in the socio-economic development of Ethiopia.

Currently CBE has more than 22 million account holders and the number of Mobile and Internet Banking users also reached more than 2.5 million as of June 30th, 2019. Active ATM card holders reached more than 8 million. It has Strong correspondent relationship with about 44 renowned foreign banks, and SWIFT bilateral key arrangements with over 750 banks. It has Strong assets position of Birr 565.5 billion as of June 30, 2018. It Combines wide capital base with more than 33,000 committed permanent employees. It Had 1,287 branches across the country as at June 30, 2018.

#### **ii. Vision**

To become a World-Class Commercial Bank by 2025

### **iii. Mission**

We are committed to realize stakeholders' values through enhanced financial intermediation by deploying the best professionals and technology.

### **3.11.2. Dashen Bank**

#### **a. Profile**

Dashen Bank was founded by eleven visionary shareholders and veteran bankers with initial capital of Birr 14.9 million in September 1995. Upon securing license from the National Bank of Ethiopia, Dashen opened its doors for service on the 1st of January 1996 with eleven fully-fledged branches. Dashen Bank coined its name from the highest peak in Ethiopia, mount Dashen, and aspires to be unparalleled in banking services. Ras Dashen is Part of the Simien Mountains National Park, an exotic setting with unique wildlife and breath-taking views on a landscape shaped by nature and traditional agriculture. The Simien Mountains is home to endemic wildlife including the Walia Ibex, Simien Fox or Ethiopian Wolf and the Gelada Baboon. Dashen aspires to set new heights in banking services through the delivery of unique value propositions second to none.

Headquartered in Addis Ababa, the Bank is among the biggest private Banks in Ethiopia. It operates through a network of more than 400+ Branches, ten dedicated Forex Bureaus, 350+ ATMs and 850 plus Point-of-Sale (POS) terminals spread across the length and breadth of the nation. It has established correspondent banking relationship with 462 banks covering 70 countries and 170 cities across the world. Wherever business takes customers around the world, Dashen Bank is already there. Dashen is the most reputable brand in the domestic banking market; a reputation earned through consistent delivery of values and preeminence unmatched by its competitors. The Bank also works in partnership with leading brands in the electronic payments industry (AMEX, VISA, MasterCard & UnionPay) and prominent money transfer operators (Western Union, MoneyGram, Express Money & Dahabshiil, Ezremit, Transfast, WorldRemit and Ria).

Dashen Bank and its technology partner Moneta Technologies introduced “Amole” Digital Omni channel payment platform that offers subscribers digital payment capacity and access to aggregated digital product and service from Retailers, Entertainment Industries, Airtime Dealers, Bill Payment Points, Airlines, Social Media Players and Third-Party Service providers.

#### **b. Vision**

In as much as Mount Dashen excels all other mountains in Ethiopia, Dashen Bank continues to prove unparalleled in banking services.

#### **c. Mission**

Provide efficient and customer focused domestic and international banking services by overcoming the continuous challenges for excellence through the application of appropriate technology.

### **3.11.3. Wegagen Bank**

#### **A. Profile**

Wegagen Bank S.C was established on June 11, 1997. Wegagen Bank SC was established on the 11th of June 1997 EC. It came to life as a result of the entrepreneurial wit of sixteen (16) founding members who recognized the critical role that financial institutions would play toward creating a sustained economic development and were able to put in an initial paid-in capital of Birr thirty million (Birr 30 Million).

Established under the banking proclamation of Licensing and Supervision, Proclamation No. 84/1994, the Bank was registered with the National Bank of Ethiopia on April 30, 1997. The Memorandum and Articles of Association of the Bank were signed on April 15th, 1997 and registered with the Addis Ababa Bureau of Trade, Industry and Tourism on April 15, 1997, Registration Number 1/34/4/89. Since its existence, it builds itself a progressive and modern a large and an over increasing customer and correspondence base. It provides a full fledge commercial banking in all its branch outlets to customers with its networking over 225 branches all over the country.

### **B. Vision**

To be one of the ten most reputable and competent Banks in Africa by the year 2025.

### **C. Mission**

- Optimize the stockholder value through sustainable growth and profitability
- Provide wide range of innovative and customer focused Banking products and services
- Boost operational excellence by employing state-of-the-art information Technology
- To be the employer of choice by creating conducive working environment wherein employees achieve their career aspiration

# CHAPTER FOUR

## RESULT AND DISCUSSION

### 4.1. Overview

This Chapter presents the data analysis, findings and discussions based on the primary data obtained from the survey and secondary data from the selected commercial banks. The Descriptive and Inferential analysis were employed to address the research hypotheses and meet its objectives. Descriptive analysis was applied to study the distributions of one variable and allows the student researcher to describe the data and examine relationships between variables and this was employed using frequencies and measures of central tendencies. On the other hand, Inferential analysis was applied for the purpose of testing the significance for hypotheses. Accordingly, Stratified Random Sampling Technique was used to select sample population for the study. As previously mentioned on chapter three, Regression & Correlation analysis were used to analyze the data.

### 4.2. Characteristics of Respondents

Demographic characteristics were considered important in providing relevant background of the respondents from whom data was generated. They were also important because they had shown the respondents' understanding on the relationship between the study variables. Accordingly, both group banks respondents' response characteristics was described hereunder.

#### 4.2.1. Response Rate

The underneath table presented the questionnaires issued to respondents and returned from to the researcher for analysis. The response rate of the study was referred as per the questionnaires received and presented in Table 4.1.

Table 4.1: Response Rate

	Distributed	Returned	Response rate	
	Count	Count	Rate	%ge
Public Bank (CBE)	94	85	85/94	90.4%
Private Banks (Dashen & Wogagen)	60	53	53/60	83.3%
<b>Total</b>	<b>154</b>	<b>138</b>	<b>138/154</b>	<b>89.6%</b>

*Source: Research Data (2019)*

As shown in Table 4.1, a total of 154 questionnaires were distributed to the selected sample respondents. Out of the 154 distributed questionnaires, 138 were duly filled-in and returned. This was represented as response rate of 89.6%. This response rate was considered adequate and consistent with Mugenda and Mugenda (2003), who suggested

that any response rate above 50% was generally a representative for a descriptive study. Therefore, the response rate of 89.6% as reflected in this study was adequate to let the researcher draw conclusion and generalize the research findings.

i. **Organizational Characteristics of the Respondents**

Table 4.2: Respondents' characteristics based on their Bank's name

		Bank's Category					
		Public Banks		Private Banks		Total	
		Count	Column N %	Count	Column N %	Count	Column N %
Bank's Name	CBE	85	100.0%	0	0.0%	85	61.6%
	Dashen Bank	0	0.0%	41	77.4%	41	29.7%
	Wogagen Bank	0	0.0%	12	22.6%	12	8.7%

Source: Research Data (2019)

The above table (4.2) depicted the attributes of respondents based on their Bank's Name & Banks Category. Accordingly, of the total 138 respondents, 85 (61.6%) of respondents were from Public Bank (all 85 respondents (100%) were from CBE as it was the only bank in the Public banks category); Similarly, 53 (38.4%) of the respondents were from the Private Banks (41 (29.7%) were from Dashen bank & 12 (8.7%) were from Wogagen bank). Moreover, out of the 53 respondents of the Private banks' category, 41 (77.4%) respondents were from Dashen bank & 12 (22.6%) respondents were from Wogagen bank.

Table 4.3: Respondents' characteristics based on their Bank's office organization

		Bank's Category					
		Public Banks		Private Banks		Total	
		Count	Column N %	Count	Column N %	Count	Column N %
Bank's Office Org	District	38	44.7%	26	49.1%	64	46.4%
	Branch	47	55.3%	27	50.9%	74	53.6%
	Total	85	100.0%	53	100.0%	138	100.0%

Source: Research Data (2019)

When analysing respondents based on their office organization, referring the hereabove table 4.3, 64 (46.4%) of total respondents were from district offices; of which 38 (44.7%) were from the Public Banks & 26 (49.1%) were from the Private Banks district offices. On the other hand, 74 (53.6%) of total respondents were from branch offices; of which 47 (55.3%) were from the Public Banks & 27 (50.9%) were from the Private Banks branch offices.

#### 4.2.2. Demographic Attributes of Respondents

The tables that followed hereunder, presented the demographic characteristics of respondents based on the primary data collected in the questionnaires. Accordingly, the study compared the demographic characteristics of respondents of both the Public and Private Commercial banks situated in Jimma city. The demographic profile of respondents is shown in the underneath table 4.4 & the detail interpretation of each measured variables also described hereunder.

Table 4.4. Respondents' Demographic Characteristics

Respondents' Profile		Bank's Category					
		Public Banks		Private Banks		Total	
		Count	Column N %	Count	Column N %	Count	Column N %
Respondent's Gender	Female	21	24.70%	6	11.30%	27	19.60%
	Male	64	75.30%	47	88.70%	111	80.40%
Respondent's Age (in year)	Below 20 yr	0	0.00%	0	0.00%	0	0.00%
	21-30 yrs	46	54.10%	29	54.70%	75	54.30%
	31-40 yrs	39	45.90%	22	41.50%	61	44.20%
	41-50 yrs	0	0.00%	2	3.80%	2	1.40%
Respondent's Marital Status	Not Married	16	18.80%	15	28.30%	31	22.50%
	Married	69	81.20%	38	71.70%	107	77.50%
Respondent's Educational Background	Diploma/Level IV	0	0.00%	2	3.80%	2	1.40%
	First Degree	57	67.10%	37	69.80%	94	68.10%
	Masters & Above	28	32.90%	14	26.40%	42	30.40%
Respondent's Work Experience	Below 1 yrs	0	0.00%	2	3.80%	2	1.40%
	2-5 yrs	31	36.50%	28	52.80%	59	42.80%
	6-10 yrs	35	41.20%	17	32.10%	52	37.70%
	11-15 yrs	14	16.50%	5	9.40%	19	13.80%
	16-20 yrs	4	4.70%	0	0.00%	4	2.90%
	Above 20 yrs	1	1.20%	1	1.90%	2	1.40%
Respondent's Salary (in Birr)	3001-5999 br	9	10.60%	3	5.70%	12	8.70%
	6000-8999 br	15	17.60%	19	35.80%	34	24.60%
	9000-11999 br	15	17.60%	14	26.40%	29	21.00%
	12000-14999 br	36	42.40%	4	7.50%	40	29.00%
	Above 15000 br	10	11.80%	13	24.50%	23	16.70%
Respondent's Current Job Position	Managerial	14	16.50%	16	30.20%	30	21.70%
	Non-Managerial	71	83.50%	37	69.80%	108	78.30%

Source: Research Data (2019)

As shown in table 4.4, the gender distribution of respondents depicted that 64 (75.3%) of Public banks respondents were male & the remaining 21 (24.7%) respondents were female. As indicated here, the gender mix of Private bank respondents was dominated by male. Additionally, the gender distribution of Public banks portrayed that 47 (88.7%) were male respondents & the remaining 6 (11.3%) respondents were female. Here also, the gender mix of Private bank respondents was dominated by male again. From here we realized that both group banks' respondents had similar gender mix domination, i.e., male employees (80.4%).

As shown in table 4.4, the respondents age distribution that depicted 46 (54.1%) of Public bank respondents were aged 21 to 30 years & the remaining 39 (45.9%) respondents were aged 31 to 40 years. From the data collected, none of the respondents were aged above 40 years or below 20 years. As indicated here, most respondents of the Public bank were basically youth & middle-aged work force that dominated the age mix. Moreover, the age distribution of the Private banks depicted that 29 (54.7%) of respondents were aged 21 to 30 years, 22 (45.5%) were aged 31 to 40 years & the remaining 2 (3.8%) were aged 41 to 50 years. From the data collected, none of the respondents below 20 years but have aged above 50 years. As indicated here, most respondents of the Private bank were basically youth & middle-aged work force that dominated the age mix. From here we realized that young aged respondents (54.3%) were the 1<sup>st</sup> dominant of the age mix & the 2<sup>nd</sup> dominant of the age mix were middle-aged respondents (44.2%) of both group banks.

As shown in table 4.4, the respondents' marital status that depicted 16 (18.8%) of the Public bank respondents were not married & the remaining 69 (81.2%) respondents were married. As indicated here, most respondents of the Public bank were basically dominated by of married employees. Moreover, the marital status of Private banks depicted that 15 (28.3%) of respondents were not married & the remaining 38 (71.7%) respondents were married that also indicated the dominance of married employees among the Private banks' respondents. From here we realized that both group banks' respondents had similar domination of marital status, i.e., married employees (77.5%).

As shown in table 4.4, the educational background of respondents that depicted 57 (67.1%) of the Public bank respondents had first degree & the remaining 28 (32.9%) respondents had master's and above. From the data collected, none of the respondent had Diploma/Level IV or below. As indicated here, most respondents of the Public bank were basically dominated by first-degree holder employees. Moreover, the educational background on of the Private banks depicted that 2 (3.8%) respondents had Diploma or Level IV, 37 (69.8%) respondents had first degree & the remaining 14 (26.4%) respondents had master's and above. Here also, most respondents of the Private banks were basically dominated by first-degree holder employees. Once again, we realized that both group of banks had similar dominance in terms of respondents' educational background with first degree (68.1%) holder employees.

As shown in table 4.4, the respondents work experience that depicted 31 (36.5%) of the Public bank respondents had 2-5 years working experience, 35 (41.2%) respondents had 6-10 years working experience, 14 (16.5%) respondents had 11-15 years working experience, 4 (4.7%) respondents had 16-20 years working experience & the remaining 1

(1.12%) respondents had worked above 20 years. From the data collected, none of the respondents had below 1-year experience. As indicated here, most respondents of the Public bank had 6-10 years of work experience who had good exposure to their bank's organizational culture. Moreover, the work experience of the Private banks depicted that 2 (3.8%) respondents had below 1 year working experience, 28 (52.8%) respondents had 2-5 years working experience, 17 (32.1%) respondents had 6-10 years working experience, 5 (9.4%) respondents had 11-15 years working experience, & the remaining 1 (1.9%) respondents had above 20 years working experience. From the data collected, none of the respondents had 16-20 years' work experience who could have had a humble exposure to their bank's Organizational Culture. As indicated here, most respondents of the Private bank had a 2-5 years of work experience who had less exposure to the organizational culture of their banks than the Public banks employees. In general, this distribution showed that both Group Banks respondents had spent 2-5 years (42.8%) experience in their respective banks so that they might have had less organizational culture practice & difficult to obtain sufficient information about their bank's organizational culture. Moreover, we realized that both groups of banks had respondents that had difference in terms of work experience that resulted in mixed organizational culture awareness.

As shown in table 4.4, the salary distribution of respondents that depicted 9 (10.6%) of the Public bank respondents earn 3001-5999 birr, 15 (17.6%) respondents earn 6000-8999 birr, 15 (17.6%) respondents earn 9000-11999 birr, 36 (42.4%) respondents earn 12000-14999 birr & the remaining 10 (11.8%) respondents earn above 15000 birr. As indicated here, most respondents of the Public bank were dominated by high income employees who earn 12000-14999 birr. Moreover, the salary distribution of the Private banks depicted that 3 (5.7%) of respondents earn 3001-5999 birr, 19 (35.8%) respondents earn 6000-8999 birr, 16 (26.4%) respondents earn 9000-11999 birr, 4 (7.5%) respondents earn 12000-14999 birr & the remaining 13 (24.5%) respondents earn above 15000 birr. As indicated here, most respondents of the Private banks were dominated by middle income employees who earn 6000-8999 birr. From this, we realized that both groups of banks had respondents having difference in terms of salary payment but was dominated by employees who were highly paid 12000-14999 birr (29.0%).

As shown in table 4.4, the respondents work position which depicted 14 (16.5%) of Public bank respondents were managerial & the remaining 71 (83.5%) respondents were non-managerial that indicated the dominant respondents being non-managerial. Moreover, the work position distribution of Private banks depicted that 16 (30.2%) of respondents were managerial & the remaining 37 (69.8%) respondents were non-managerial. Once again, we realized that both groups of banks had respondents who worked on similar work position which was non-managerial (78.3%).

### **4.3. Discussions & Interpretations of Descriptive Analysis**

The tables & discussions that followed hereunder presented the descriptive analysis of Organizational Culture & Organizational Performance based on the primary data collected from the respondents through questionnaires. The detail descriptive analysis



was done based on the conceptual model which was developed in chapter two. As it was shown in the Denison's model, the analysis encompassed the four major dimensions of Organizational Culture (independent variables) i.e. Involvement, Consistency, Adaptability and Mission. In addition to those four major dimensions of Organizational Culture, the respondents' perception towards Organizational Performance of their respective banks (dependent variable) was described too.

Lastly, additional tests, i.e., assumption tests were done to test whether there existed significant difference between those responses for each of the questions. Based on this test, i.e., when the P-value (Sig.) was  $\leq 0.05$ , it can be said that there existed significant difference between those responses and if it was  $> 0.05$ , the difference between responses was insignificant.

### 4.3.1. Descriptive Analysis & Interpretations of Organizational Culture

In this section, frequency distribution and the percentage of respondents were asked to give their level of agreement to statements regarding each dimensions of organizational culture used in the Denison's Model. These dimensions were Involvement, Consistency, Adaptability and Mission. The respondents used a 6-point Likert's scale of 1=Disagree Strongly, 2= Disagree, 3=Slightly Disagree, 4= Slightly Agree, 5= Agree or 6= Agree Strongly. According to Zaidation and Bagheri (2009), the mean score 3.39 and below was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score 3.8 and above was considered as high. Each Organizational Culture Dimensions analyzed in detail hereunder.

#### 4.3.1.1. Effect of Organizational Culture Adaptability on Performance

Table 4.5: The Adaptability Organizational Culture Dimension

Descriptions	N	Public Bank		Private Bank	
		Mean	Std. D	Mean	Std. D
New and improved ways to do work are continually adopted	138	4.96	1.017	4.57	.844
Different sections of your bank mostly cooperate to create change	138	4.81	.957	4.64	.982
Your bank responds well to competitors and other changes in the business Environment	138	5.02	.654	4.25	1.191
Customers comment and recommendation often lead to changes	138	4.89	.845	4.38	1.362
Employees deeply understand customers wants and needs	138	4.87	1.021	4.58	.908
Customers inputs directly influences your bank's decisions	138	4.71	1.111	4.66	1.239
Innovations and risk taking are encouraged in your bank	136	4.32	1.302	3.78	1.604
Learning is an important objective your bank's daily work	138	5.11	.988	4.53	.992
Your bank view failures as an opportunity for learning and improvement	138	3.91	1.525	4.02	1.157
<b>Adaptability Cultural Dimension average</b>		<b>4.733</b>	<b>1.047</b>	<b>4.379</b>	<b>1.142</b>

Source: Research Data (2019)

As shown in the above table 4.5, the Adaptability culture dimension (which is an aggregate of its nine questions) is evaluated herewith. The sampled Employees from the two groups of banks agreed that their respective banks value Adaptability with slight/significant difference. The Public bank more adopts new ways to do work than The Private banks; The Public bank sections' more cooperate to create change than The Private banks'; The Public bank more respond to change in Competitors & business environment than The Private banks do; The Public bank more leads to change based on customers comment & recommendation than The Private bank do; The Public bank employees more deeply understand customers wants and needs than The Private bank employees do; Almost both group banks' decisions are directly influenced by their respective Customers inputs; The Public bank more encourage innovations & risk taking than The Private bank do; The Public bank more considers learning as an important objective in the day-to-day work than The Private bank do; Almost both group banks' slightly agree failures as an opportunity for learning and improvement.

When summarized, the Mean Scored Results of the Adaptability, responded by both groups of banks were almost high (the Public Bank (4.733) & the Private Banks (4.379)). Moreover, the standard deviation of Adaptability cultural measurement of the Public bank is 1.047 & the Private banks 1.142, which shows standard deviation the Public Bank is low, depicting that most of respondents are close to the Average/Mean Score. Lastly, the descriptive analysis shows that both group banks are highly practicing Adaptability organizational culture. Moreover, Public bank employees practiced Adaptability more than Private bank employees. Additional descriptions are detailed in this chapter discussion part (section 4.7).

#### 4.3.1.2. Effect of Organizational Culture Involvement on Performance

Table 4.6: The Involvement Organizational Culture Dimension

Descriptions	N	Public Bank		Private Bank	
		Mean	Std. D	Mean	Std. D
Decisions are made at the level where the right info is available	138	4.88	.905	3.87	1.301
Every employee believe that everyone can have a positive impact	138	4.61	1.114	4.23	.993
Information is widely shared so that every employee can get the information they need	138	4.93	.973	4.09	1.319
Cooperation across different sections of your bank is encouraged	138	4.92	.790	4.74	.763
Teamwork is used to get work done, rather than chain of command	138	5.16	.738	4.79	.906
Every employee work like they are part of a team	136	4.67	1.072	4.68	1.123
There is a continuous investment to build employees skill	137	4.89	1.000	4.02	1.407
The capabilities of employees are viewed as an important source of competitive advantage	138	4.94	.992	4.57	1.279
Authority is delegated so that all employees can act on	138	4.39	1.216	3.94	1.350

their own					
<b>Involvement Cultural Dimension average</b>		<b>4.821</b>	<b>0.978</b>	<b>4.326</b>	<b>1.160</b>

Source: Research Data (2019)

As shown in the above table 4.6, the Involvement culture dimension, (which is an aggregate of its nine questions), is evaluated herewith. The sampled Employees of Public Banks more used the right information available for the right decision than the Private Banks do; The Public Banks employees believe that everyone have a positive impact more than Private Banks employees do; The Public Banks more widely share needed information to its employees than The Private Banks do; The Public Banks used more teamwork than chain of command to get work done than The Private Banks do; Almost employees of both group banks equally work like they are part of the team in their respective banks; The Public Banks more continuously invest to build employees skill than The Private Banks do; The Public Banks viewed employees capabilities as a more important source of competitive advantage than The Private Banks do; The Public Banks more delegate Authority to all employees so that they can act on their own than The Private Banks do.

When summarized, the Mean Scored Results of the Involvement, responded by both groups of banks were almost high (the Public Banks (4.821) & the Private Banks (4.326)). Moreover, the standard deviation of Involvement cultural measurement of the Public bank is 0.978 & the Private banks 1.160, which shows standard deviation the Public Bank is low, depicting that most of respondents are close to the Average/Mean Score. Lastly, the descriptive analysis shows that both group banks are highly practicing Involvement organizational culture. Moreover, Public bank employees practiced Involvement more than Private bank employees. Additional descriptions are detailed in this chapter discussion part (section 4.7).

#### 4.3.1.3. Effect of Organizational Culture Consistency on Performance

Table 4.7: The Consistency Organizational Culture Dimension

Descriptions	N	Public Bank		Private Bank	
		Mean	Std. D	Mean	Std. D
Superiors & Managers "practice what they preach"	138	4.35	1.077	4.32	1.105
There is a clear & consistent set of values that governs the way your bank does business	138	4.89	1.035	4.91	.628
Your bank has an ethical code that guides employees' behaviour and tells right from wrong	138	5.16	.634	5.43	.572
When disagreements occur, employees work hard to achieve a "win-win" solutions	138	4.35	1.548	4.40	1.007
There is a clear agreement regarding the right way and the wrong way to do things	138	5.08	1.060	4.83	1.122
There is a "strong" culture in your bank	136	5.01	.681	4.83	.923
Employees from different sections of your bank share a common perspective	137	4.65	1.412	4.23	1.086
There is good alignment of goals across levels of your bank	138	4.62	1.253	4.77	.824

Your bank's approach to do business is very consistent and predictable.	138	4.74	1.104	4.51	1.171
<b>Consistency Cultural Dimension average</b>		<b>4.761</b>	<b>1.089</b>	<b>4.692</b>	<b>0.938</b>

Source: Research Data (2019)

As shown in the above table 4.7, the Consistency culture dimension, (which is an aggregate of its nine questions), is evaluated herewith. The sampled Employees from the two groups of banks agreed that their respective banks valued Consistency with slight/significant difference. Almost both groups banks' Superiors & Managers practice what they preach; Almost both groups banks' set a clear & consistent values that governs the way their bank does business; the Public Banks has less ethical code that guides employees' behaviour and tells right from wrong than the Private Banks have; When disagreement occurs, Almost both groups banks' employees work hard to achieve a "win-win" solutions; the Public Banks have more clear agreement regarding the right way and the wrong way to do things than the Private Banks have; the Public Banks have more "strong" culture than the Private Banks have; Employees from different sections of the Public Banks share a common perspective more than the Private Banks employees do; Almost both group banks' have good alignment of goals across levels of their respective banks; the Public Banks have more consistent and predictable approach to do business than the Private Banks have. From the descriptive analysis, there was no significant difference between the two groups of banks on the Consistency organizational culture dimension. But this will be tested using an independent samples t-test presented at the end of the cultural dimensions' analysis.

When summarized, the Mean Scored Results of the Consistency Dimension responded by both groups of banks were almost high (the Public Banks (4.761) & the Private Banks (4.692)). Moreover, the standard deviation of Involvement cultural measurement of the Public bank is 1.089 & the Private banks 0.938, which shows standard deviation the Private Bank is low, depicting that most of respondents are close to the Average/Mean Score. Lastly, the descriptive analysis shows that both group banks are highly practicing Consistency organizational culture. Though Public bank employees practiced Consistency more than Private bank employees, there was no significant difference. Additional descriptions are detailed in this chapter discussion part (section 4.7).

#### 4.3.1.4. Effect of Organizational Culture Mission on Performance

Table 4.8: The Mission Organizational Culture Dimension

Descriptions	N	Public Bank		Private Bank	
		Mean	Std. D	Mean	Std. D
Your bank employees have a shared vision of what the organization will be like in the future	138	5.05	.830	4.83	1.156
Leaders of you bank have a long-term viewpoint	138	4.87	1.352	4.79	.968
Your bank vision creates excitement and motivation for employees	138	4.71	1.280	4.68	.754
Your bank leaders set goals that are ambitious, but realistic	138	4.65	1.251	4.53	1.206
Your bank continuously tracks its progress against the	138	5.04	1.180	4.36	.834

stated goals					
There is widespread agreement about the goals of your bank	136	4.61	.914	4.53	.723
Your bank has a clear mission that gives meaning and direction to employee's work.	137	4.91	1.191	5.11	.670
Your bank's future strategic direction is clear to employees	138	4.68	1.356	4.79	.968
There is a long-term purpose and direction in your bank	138	5.22	.943	5.00	.832
<b>Mission Cultural Dimension average</b>		<b>4.860</b>	<b>1.144</b>	<b>4.736</b>	<b>0.901</b>

*Source: Research Data (2019)*

As shown in the above table 4.8, the Mission culture dimension, (which is an aggregate of its nine questions), is evaluated herewith. The sampled Employees from the two groups of banks agreed that their respective banks valued Mission with slight/significant difference. the Public Banks employees have a slightly more shared vision of what their organization will be like in the future than the Private Banks employees have; the Public Banks Leaders have slightly more long-term viewpoint than the Public Banks leaders have; Almost both groups banks' vision creates excitement and motivation for their respective employees; the Public Banks leaders set goals more slightly ambitious, but realistic than the Private Banks leaders do; the Public Banks continuously tracks its progress against the stated goals more than the Private Banks do; the Public Banks have a more slightly widespread agreement about its goals than the Private Banks have; the Public Banks have a slightly less clear mission that gives meaning and direction to employee's work than the Private Banks have; the Public Banks future strategic direction is slightly less clear to its employees than the Private Banks do; the Public Banks have a more long-term purpose and direction than the Private Banks do. From the above descriptive analysis, there was no significant difference between the two groups of banks on the Mission organizational culture dimension. But this will be tested using an independent samples t-test presented hereunder.

When summarized, the Mean Scored Result of the Mission Dimension responded by both groups of banks were almost high (the Public Banks (4.860) & the Private Banks (4.736)). Moreover, the standard deviation of Mission cultural measurement of the Public bank is 1.144 & the Private banks 0.901, which shows standard deviation the Private Bank is low, depicting that most of individual responses for this dimension are close to the Average/Mean Score. Lastly, the descriptive analysis shows that both group banks are highly practicing Mission organizational culture. Moreover, Public bank employees practiced Mission more than Private bank employees. Additional descriptions are detailed in this chapter discussion part (section 4.7).

Finally, the interview responded by both group of banks managers had asserted that Public banks practiced strong organizational culture, whereas the Private banks also practiced but not as strong as the Public banks did.

### 4.3.2. Descriptive Analysis & Interpretations of Organizational Performance

In this section, the Organizational Performance, of both Public & Private Banks, was assessed using non-financial indicators, i.e., Job Satisfaction, Organizational Commitment & Employee Turnover Intention. Accordingly, Non-financial Organizational Performance was evaluated with respect to these three indicators each having six questions. Both group banks' respondents rated these statements with a 6-point Likert's scale agreement; 1=Disagree Strongly, 2= Disagree, 3=Slightly Disagree, 4= Slightly Agree, 5= Agree or 6= Agree Strongly; and the result of the analysis was presented as follows in table 4.9.

Table 4.9: The Organizational Performance

Descriptions	Public Bank		Private Bank	
	Mean	Std. D	Mean	Std. D
I have a clear understanding of my job responsibilities and what is expected from me.	5.20	1.121	5.30	.607
The major satisfaction in my life comes from my job.	4.35	1.486	4.13	1.618
I know the standards of work expected of me.	5.15	.736	5.25	.515
I feel my colleagues treat me with respect.	4.76	1.212	5.02	.635
I feel valued by senior management	4.74	1.135	4.70	.607
My immediate manager lets me know how I am doing	4.88	1.096	4.91	.815
I am very happy being a member of this organization	5.12	1.238	4.92	.895
I enjoy discussing about my organization with people outside	5.08	.820	4.57	1.152
I really feel as if this organization's problems are my own	4.85	1.170	4.60	1.246
It would be very hard for me to leave my organization right now, even if I wanted	4.48	1.477	4.17	1.528
I feel that I owe this organization quite a bit because of what it has done for	4.86	1.222	3.98	1.157
This organization has a mission that I believe in and am committed to	5.08	.820	4.58	1.027
Fringe Benefits offered by the organization are necessary to retain employees.	4.47	1.516	4.72	1.133
Dishonest and unethical leaders affect employees Job performance.	5.02	1.234	4.92	1.158
Conflict with immediate supervisor or co-workers have a direct effect on the turn	4.54	1.359	4.30	1.265
Unfair pay increase affects turnover decision of employees	4.75	1.299	4.66	1.329
Unfair performance appraisal process has great effect on Employee turnover.	4.74	1.407	4.68	1.123
<b>Overall Organizational Performance Average</b>	<b>4.828</b>	<b>1.197</b>	<b>4.671</b>	<b>1.048</b>

Source: Research Data (2019)

As shown in the above table 4.9, sample respondents of the Public Bank employees more satisfies in their job life than the Private Banks employees do; Both Group Banks' employees feel they are equally valued by senior management; The Public Bank employees feel more happier being a member of their organization than the Private Banks employees do; The Public Bank employees more enjoy in discussing about their organization with people outside than the Private Banks employees do; The Public Bank employees more feel as if this organization's problems are really their own than the Private Banks employees do; The Public Bank employees more feel hard for them to leave their organization right now, even if they wanted than the Private Banks employees do; The Public Bank employees more feel this organization has a mission that they believed in and are committed than the Private Banks employees do; The Public Banks' Dishonest and unethical leaders more affect employees Job performance than the Private Banks leaders do; The Public Bank employees more believes that Conflict with immediate supervisor or co-workers have a direct effect on the turnover than the Private Banks employees do; The Public Bank employees more believes that Unfair pay increase affects their turnover decision than the Private Banks employees do; The Public Bank employees more believes that Unfair performance appraisal process have great effect on their turnover than the Private Banks employees do. On the other hand, The Private Bank employees have a Clearer understanding of their job responsibilities and what is expected from them than the Public Banks employees do. The Private Bank employees more know the standards of work expected of them than the Public Banks employees do. The Private Bank employees more feel their colleagues treat them with respect than the Public Banks employees do. The Private Bank employees more feel their immediate manager lets them know how they are doing than the Public Banks employees do. The Private Bank employees more believe that fringe Benefits offered by the organization are necessary to retain employees than the Public Banks employees do.

When summarized, Organizational Performance Mean Score of the Public Bank is  $M=4.828$ , depicting they performed slightly better than those of the Private Banks  $M=4.671$ . But this will be tested using an independent samples t-test presented hereunder. Moreover, the standard deviation of Mission cultural measurement of the Public bank is 1.197 & the Private banks 1.048, which shows standard deviation the Private Bank is low, depicting that most of individual responses for performance are close to the Average/Mean Score. Lastly, the descriptive analysis shows that both group banks are highly practicing organizational performance. Moreover, Public bank employees practiced performance more than Private bank employees. But this will be retested using an independent samples t-test presented hereunder. Additional descriptions are detailed in this chapter discussion part (section 4.7).

#### **4.4. Impact of Organizational Culture on Organizational Performance**

The researcher pursued to find out the overall impact of organizational culture on organizational performance. This was critical as the main objective of this study was to investigate the impact of organizational culture on organizational performance of selected public & private banks operating in Jimma city. Moreover specifically, to investigate the impact of organizational culture traits on organizational performance of case banks &

compare the correlation across both group of case banks using Multiple Regression Analysis.

#### **4.4.1. Regression Analysis**

A Regression analysis was a systematic method used to investigate the effect of one or more predictor variables on a dependent variable. This will allow the researcher to make statements about how well one or more independent variables predict the value of a dependent variable. Accordingly, the study sought to establish a Multiple Regression to show the impact of overall organizational culture on organizational performance. Specifically, Multiple Linear Regression Model was applied to determine how organizational culture impacted the organizational performance of selected Public & Private banks operating in Jimma city.

##### **4.4.1.1. Evaluating the Model Assumptions**

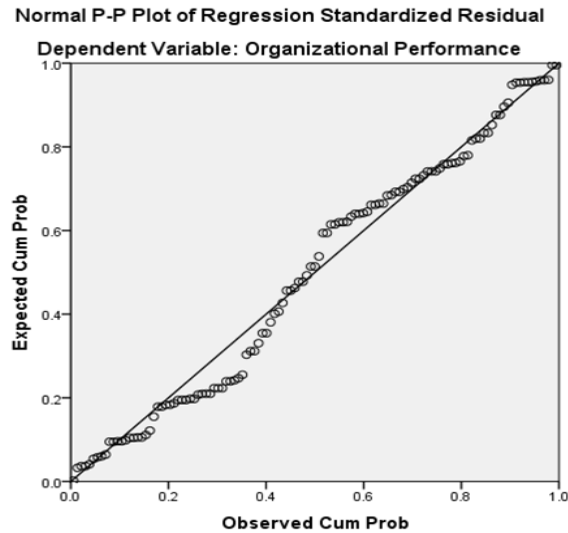
To have a valid Multiple Regressions Analysis, key assumptions should be fulfilled. The key assumptions of Multiple Regression identified as primary concern in the research includes: Linearity, Homoscedasticity, Data Independence, Correlations, Multicollinearity, & ANOVA. Accordingly, these assumptions were defined, tested, and the results of these assumptions briefly summarized and presented here below.

##### **1. Test for Linearity.**

Standard multiple regression can only accurately estimate the relationship between dependent and independent variables if and only if the relationships are linear in nature. If not linear, the results of the regression analysis will under-estimate the true relationship. This underestimation will carry two risks: increased chance of a Type II error for that independent variable, and in the case of multiple regression, an increased risk of Type I errors (overestimation) for other independent variables that share variance with that independent variable (Carlos & Dason, 2013). Using visual inspection of the scatter plot, it can be visualized about the linearity. Looking at the scatter plot of each independent variables, shown in figure 4.1, it appears that the relationship of standardized predicted to residuals is linear around zero. Hence, we can conclude that the relationship between the response or outcome variable and predictors is around zero suggesting that the relationships between these variables are linear.



Figure 4.1 Testing for Linearity

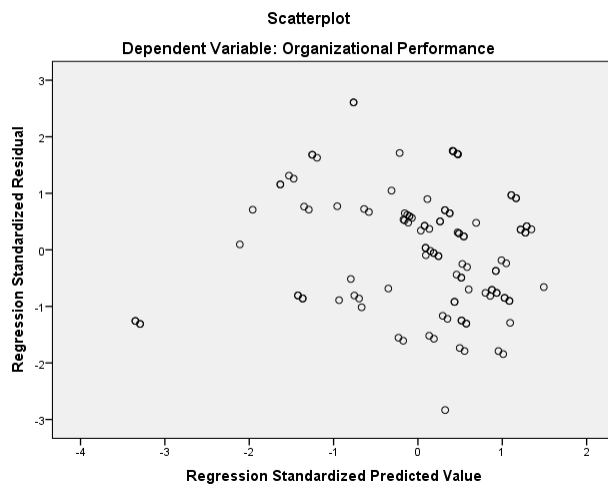


Source: SPSS Regression results output (2019)

## 2. Test for Homoscedasticity

Homoscedasticity means that the variance of errors is the same across all levels of the independent variables (Osborne & Waters, 2002). Homoscedasticity of the residuals, in the scatter plots of the residuals the variance of the residuals about predicted dependent variable scores should be the same for all predicted scores. Ideally, residuals are randomly scattered around 0 (the horizontal line) providing a relatively even distribution. This means that researchers assume that errors are spread out consistently between the variables. As depicted in the below figure 4.2, the spreads of the residuals were constant at each point of the predictor variables (or across the linear model).

Figure 4.2 Scatter plot of Homoscedasticity



Source: SPSS Regression results output (2019)

## 3. Test for Data Independence

It is known that Independent observations are assumed by most statistical procedures including Multiple Regression and members of the General Linear Model. It tests how the data of different participants are independent; meaning that, how the behavior of one participant does not influence the behavior of another (Field, 2009). The Durbin-Watson statistics should be Between 1.5 and 2.5 for independent observation (Garson, 2012). In the underneath table 4.10, the Durbin-Watson statistics shows the result is 2.119 which is within the acceptable range.

Table 4.10: Durbin Watson Statistics

Model	R	R Square	Adjusted R Square	Std. E. of the Estimate	Durbin-Watson
1	.162 <sup>a</sup>	.026	.010	10.708	
2	.696 <sup>b</sup>	.484	.458	7.925	2.119

Source: SPSS Regression results output (2019)

#### 4. Test for Multicollinearity

Multicollinearity occurred when several independent variables correlate at high levels with one another, or when one independent variable had a nearly linear combination of other independent variables. If a correlation matrix demonstrated correlations of more than 0.8 among the independent variables, there may be a problem with multicollinearity. The other method was by computing tolerance values which measured the influence of one independent variable on all other independent variables and Variance Inflation Factor (VIF) for each independent variable. Multicollinearity existed when Tolerance was below 0.1, and the average variance inflation factor (VIF) was greater than 10.

Table 4.11: Multicollinearity test using Tolerance Values & Variance Inflation Factor

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	90.520	4.182		21.643	.000		
	Bank's Category	-3.540	1.956	-.161	-1.810	.073	.998	1.002
	Bank's Office Org	.277	1.908	.013	.145	.885	.998	1.002
2	(Constant)	50.764	7.623		6.660	.000		
	Bank's Category	-3.227	1.629	-.146	-1.981	.050	.788	1.269
	Bank's Office Org	.422	1.420	.020	.297	.767	.987	1.013
	Adaptability	-.665	.204	-.398	-3.265	.001	.290	3.450
	Involvement	.220	.247	.125	.891	.375	.219	4.569
	Consistency	.656	.218	.328	3.016	.003	.363	2.757
	Mission	.686	.173	.401	3.967	.000	.421	2.376

Source: SPSS Regression results output (2019)

The table 4.11 above displays that the multicollinearity tests by computing tolerance values and Variance Inflation Factor (VIF) for each independent variable. In this case, all the tolerance values are greater than 0.10 and VIF is less than 10. Hence, the researcher assumed Multicollinearity was not a problem.

#### 4.4.1.2. Evaluating the Model

##### i. ANOVA

The key purpose of ANOVA test was to show whether the model was significantly better at predicting the dependent variable or using the means. Accordingly, the hereunder shown table 4.12 indicates that the result of Model 1 ANOVA was insignificant ( $F(2,124)=1.663$ ,  $p>0.005$ ); whereas, the result of Model 2 ANOVA was significant ( $F(6,120)=18.741$ ,  $p<0.005$ ). Hence, Model 1 concluded that at least one of the independent variables has no significant relationship with organizational performance; whereas, Model 2 concluded that at least one of the six independent variables could be used to model the relationship of organizational performance with organizational culture of this study.

Table 4. 12: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	381.269	2	190.635	1.663	.194 <sup>b</sup>
	Residual	14217.018	124	114.653		
	Total	14598.287	126			
2	Regression	7061.988	6	1176.998	18.741	.000 <sup>a</sup>
	Residual	7536.300	120	62.802		
	Total	14598.287	126			

Source: SPSS Regression results output (2019)

##### ii. Pearson's Correlation

One of the objectives of this research was to study the relationship of organizational culture dimensions & organizational performance among both group of banks. Correlations were perhaps the most basic and useful measure of association between two or more variables (Marczyk et al., 2015). Pearson correlation analysis was used to provide evidence of convergent validity with a magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). As per Saunders (2009), a correlation coefficient enabled to quantify the strength of the linear relationship between variables. Accordingly, the coefficient was usually represented by “r” & can take only the value from -1 to +1. To determine the relationship between the Organizational culture & organizational performance among both group of banks, Pearson correlation was computed in the underneath table 4.13.

Table 4.13: Pearson's Correlation Coefficients

		Organizational Performance
Pearson Correlation	Organizational Performance	1.000
	Bank's Category	-.161
	Bank's Office Organization	.020
	Adaptability	-.039
	Involvement	.166

	Consistency	.572
	Mission	.587
Sig. (1-tailed)	Organizational Performance	.
	Bank's Category	.033
	Bank's Office Organization	.412
	Adaptability	.331
	Involvement	.030
	Consistency	.000
	Mission	.000
N	Organizational Performance	131
	Bank's Category	131
	Bank's Office Organization	131
	Adaptability	127
	Involvement	128
	Consistency	128
	Mission	131

*Source: SPSS Regression results output (2019)*

Referring the result of the above shown correlation matrix table 4.13, it was noted that there existed a strong relationship between organizational performance and two of the identified cultural dimensions (Consistency & Mission). Whereas Involvement & Adaptability dimensions found to have small relationship with organizational performance. When detailed the analysis, Mission is the dimension that has the strongest relationship with organizational performance indicated by  $r=0.587$ , followed by the Consistency dimension also has a strong relationship with organizational performance indicated by  $r=0.572$ . Moreover, Involvement has a small but positive relationship with performance with  $r=0.166$ . On the other hand, Adaptability was found to have a small but negative relationship with organizational performance indicated by  $r= -0.039$ . Mission helps to explain nearly 34.5 % of the variance in respondents' scores on the organizational performance of both group banks. Moreover, Consistency helps to explain nearly 32.7% of the variance in respondents' scores on the organizational performance of both group banks. This totals a 66.7% which helps to explain the variance of organizational performance of both group banks & quite a respectable amount when compared with some research's conducted in the social sciences.

Additionally, as shown in the Annex 9, Adaptability has also a strong positive relationship with Involvement  $r=0.824$ . Mission has a strong positive relationship with Consistency  $r=0.753$ . Consistency has a medium positive relationship with Involvement  $r=0.477$ . Mission has a medium positive relationship with Involvement  $r=0.399$ . Adaptability has also a medium positive relationship with Mission  $r=0.311$ . Adaptability has also a medium positive relationship with Consistency  $r=0.310$ . This depicts that, Adaptability helps 67.9% of the variance in respondents' scores to explain on Involvement of both group banks. Mission helps 56.7 % of the variance in respondents' scores to explain on Consistency of both group banks. Consistency helps 22.8% of the variance in respondents' scores to explain on Involvement of both group banks. Mission helps 15.9% of the variance in respondents' scores to explain on Involvement of both

group banks. Adaptability helps 9.7% of the variance in respondents' scores to explain on Mission of both group banks. Adaptability helps 9.6% of the variance in respondents' scores to explain on Consistency of both group banks.

### iii. Model Summary

The study sought to establish a Multiple Linear Regression analysis to show the impact of overall organizational culture dimensions on organizational performance. A Hierarchical Multiple Regression technique was applied to determine how organizational culture impacted the organizational performance of selected Public & Private banks operating in Jimma city. This was described in the underneath table 4.14.

Table 4.14: Model Summary of the analysis.

Model	R	R Square	Adjusted R Square	Change Statistics		
				R Square Change	F Change	Sig. F Change
1	.162 <sup>a</sup>	.026	.010	.026	1.663	.194
2	.696 <sup>b</sup>	.484	.458	.458	26.594	.000

a. Predictors: (Constant), Bank's Office Organization, Bank's Category

b. Predictors: (Constant), Bank's Office Organization, Bank's Category, Consistency, Adaptability, Mission, Involvement

c. Dependent Variable: Organizational Performance

Source: SPSS Regression results output (2019)

To ascertain the impact of organizational culture on organizational performance of both group banks, the bank's category, the bank's office organization & the four dimensions of organizational culture were used as an independent variable to analyze using the multiple regression analysis & got the result shown in the above table 4.14. When described, a Hierarchical Multiple Regression model was used by controlling the Bank's Category (Public or Private) & Bank's Office Organization (District or Branch) variables. Accordingly, The R (.162) in block 1 indicates the existence of a marginal relationship between the two {Bank's Category (Public or Private) & Bank's Office Organization (District or Branch)} variables and organizational performance. Moreover, The R<sup>2</sup> (.026) in block 1 indicated the two variables explained a 2.6% of change in the overall model of organizational performance. The F-statistics (.194) in model 1 indicated the organizational performance was insignificantly explained by the two variables.

In Model 2, where the above two control variables {Bank's Category (Public or Private) & Bank's Office Organization (District or Branch)}, the R (.696) in block 2 indicates the existence of a strong relationship between the model as a whole and organizational performance. The R<sup>2</sup> (.484) indicated, a 48.4% of organizational performance was explained by the whole model. The F-statistics (.000) indicates that, all the independent variables together have a statistically significant impact on the organizational performance of both group banks. Hence, the remaining 51.6% of the variation on organizational performance can be explained by other variables. This implied that organization culture at both group of banks had considerably influenced the nonfinancial measures of the organizational performance. Moreover, it is important to note that the second R square value includes all the variables from both blocks, not just those included in the second step. To find out how much of this overall variance is explained by organizational culture dimensions (Adaptability, Involvement, Consistency, and Mission)

after the effects of Bank’s Category & Bank’s Office Organization are removed, we must look in the column labelled R Square change. In the output presented above table 4.14, on the line marked Model 2, that the R square change value is .458. This means that organizational culture dimensions (Adaptability, Involvement, Consistency, and Mission) explain an additional 45.8% of variance on the organizational performance of both group banks, even when the effects of Bank’s Category & Bank’s Office Organization are statistically controlled for. This is a statistically significant contribution, as indicated by the Sig. F change value for this line (.000).

#### 4.4.1.3. Multiple Linear Regression Analysis

Table 4.15: Coefficients of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			
	B	Std. Error	Beta			Z-order	Partial	Part	
1	(Constant)	90.520	4.182		21.643	.000			
	Bank's Category	-3.540	1.956	-.161	-1.810	.073	-.161	-.160	-.160
	Bank's Office Org	.277	1.908	.013	.145	.885	.020	.013	.013
2	(Constant)	50.764	7.623		6.660	.000			
	Bank's Category	-3.227	1.629	-.146	-1.981	.050	-.161	-.178	-.130
	Bank's Office Org	.422	1.420	.020	.297	.767	.020	.027	.019
	Adaptability	-.665	.204	-.398	-3.265	.001	-.039	-.286	-.214
	Involvement	.220	.247	.125	.891	.375	.166	.081	.058
	Consistency	.656	.218	.328	3.016	.003	.572	.265	.198
	Mission	.686	.173	.401	3.967	.000	.587	.340	.260

a. Dependent Variable: Organizational Performance

Source: SPSS Regression results output (2019)

Referring the above table 4.15, the block 1 Standardized coefficient, B= -0.161, indicates that the bank’s category was characterized by a marginally inverse relationship with Organizational Performance across both group banks. This meant that, if Organizational Performance of Public banks scored an increased by one unit, the Private banks would score a decreased of 0.161 as compared to the Public banks & vice versa. Moreover, the Sig= 0.073 indicated that the relationship of Organizational Performance across both group of banks was statistically insignificant. The other Standardized coefficient in block 1, B= 0.013, indicates that the bank’s office organization was characterized by very small (or no) relationship with Organizational Performance across both group banks. This meant that, if Organizational Performance of Public banks scored an increased by one unit, the Private banks would score an increase of 0.013 as compared to the Public banks & vice versa. Moreover, the Sig= 0.885 indicated that the relationship of Organizational Performance across both group of banks was statistically insignificant. Additionally, in the analysis of all the independent variables entered in Model 2, by controlling the confounding variables (Bank’s Category & Bank’s Office Organization), the impact of Organizational Culture dimensions on Organizational Performance of both group banks was analyzed. Hereunder is the detail analysis of these independent variables (Adaptability, Consistency, and Mission) & based on their significantly unique contribution to the prediction of the dependent variable (Organizational Performance).

Referring block 2 of the above table 4.15, Mission has Beta value of,  $B=0.401$  with  $Sig.=0.000$ , that depicts the unique contribution of Mission culture to predict the Organizational Performance of both group banks. Among the Organizational Culture dimensions, Mission found to be the strongest contributor to the prediction of the organizational performance of both group banks. Additionally, the Mission scale has a part correlation coefficient of .26. If we square this (multiply it by itself) we get .068, indicating that Mission uniquely explains (6.8%) to the variance of the total score of organizational performance. Next to Mission, Adaptability has Beta value of,  $B=-0.398$  with  $Sig.=0.000$ , that depicts the unique contribution of Adaptability culture to predict the Organizational Performance of both group banks. Among the Organizational Culture dimensions, Adaptability also found to be a stronger contributor to the prediction of the organizational performance of both group banks. Additionally, the Adaptability scale has a part correlation coefficient of -0.214. If we square this (multiply it by itself) we get .046, indicating that Mission uniquely explains (4.6%) to the variance of the total score of organizational performance. Lastly, next to Mission & Adaptability, Consistency has Beta value of,  $B=0.328$  with  $Sig.=0.00$ , that depicts the unique contribution of Consistency culture to predict the Organizational Performance of both group banks. Among the Organizational Culture dimensions, Consistency also found to be a strong contributor to the prediction of the organizational performance of both group banks. Additionally, the Mission scale has a part correlation coefficient of .198. If we square this (multiply it by itself) we get .0392, indicating how Mission uniquely explains (3.92%) to the variance of the total score of organizational performance.

Note that the total R squared value for the Model (in this case .484, or 48.4% explained variance) does not equal all the squared part correlation values added up ( $0.068+0.046+0.0392=0.1532$ ). This is because the part correlation values represent only the unique contribution of each variable, with any overlap or shared variance removed or partial out. The total R squared value, however, includes the unique variance explained by each variable and that shared. In this case, Mission & Consistency are reasonably strongly correlated ( $r=.753$  as shown in the Correlations table 4.13); on the other hand, Involvement & Adaptability are reasonably strongly correlated ( $r=.824$  as shown in the Correlations table 4.13). Therefore, there is a lot of shared variance of independent variables that statistically removed when they both included in the model. Based on analysis results shown hereabove, the hypotheses were tested hereunder.

#### **4.5. Testing the Hypotheses**

Hypothesis testing was done hereunder based on standardized coefficients of Correlation r-value, Beta value and P-value, shown in the above tables 4.13 & 4.15, to test & accepted or rejected the hypotheses.

**$H_{01}$ : Consistency Trait has no significant impact of on case banks' performance.**

The analyzed result shown in table 4.13, Consistency has a strongly positive relationship with organizational performance of both group banks at  $r=0.572$  &  $Sig=0.000$ . The Correlations value  $r=0.572$ , indicated that a one-unit increase of Consistency cultural

dimension was characterized by a 0.572-unit increase in Organizational Performance of both group banks which was statistically significant at Sig=0.000.

Moreover, the analyzed result shown in table 4.15, revealed that Consistency characterized a moderately positive relationship with organizational performance of both group banks at Beta=0.328 & P=0.003, at 95% confidence level. Here, the Beta value B=0.328, indicated that the increase/impact of Consistency had characterized a 0.328 unit of Organizational Performance difference across both group banks. This meant that, if Organizational Performance of Public banks scored an increased by one unit, the Private banks would score an increase by 0.328 & vice versa. Moreover, the Significance value P=0.003 indicates the unique contribution of Consistency culture on Organizational Performance across both group banks was statistically significant.

Therefore, the researcher rejected the hypothesis as the result indicated that Consistency has a statistically significant impact on organizational performance across both group banks.

**H<sub>02</sub>: Involvement Trait has no significant impact of on case banks' performance.**

The analyzed result shown in table 4.13, Involvement has a moderately positive relationship with organizational performance of both group banks at  $r=0.166$  & Sig=0.030. The Correlations value,  $r=0.166$ , indicated that a one-unit increase of Involvement cultural dimension was characterized by a 0.166-unit increase in Organizational Performance of both group banks which was statistically significant at Sig=0.030.

Moreover, the analyzed result shown in table 4.15, revealed that Involvement characterized a moderately positive relationship with organizational performance of both group banks at Beta=0.125 & P=0.375, at 95% confidence level. Here, the Beta value B=0.125, indicated that the increase/impact of Involvement had characterized a 0.125 unit of Organizational Performance difference across both group banks. This meant that, if Organizational Performance of Public banks scored an increased by one unit, the Private banks would score an increase by 0.125 & vice versa. Moreover, the Significance value P=0.375 indicates the unique contribution of Involvement culture on Organizational Performance across both group banks was not statistically significant.

Therefore, regardless of its positive relationship, the researcher accepted the hypothesis as the result indicated that Involvement has no statistically significant impact on organizational performance across both group banks.

**H<sub>03</sub>: Adaptability Trait has no significant impact of on case banks' performance.**

The analyzed result shown in table 4.13, Adaptability has a weak inverse relationship with organizational performance of both group banks at  $r= -0.039$  & Sig=0.331. The Correlations value  $r= -0.039$ , indicated that a one-unit increase of Adaptability cultural dimension was characterized by a 0.039-unit decrease in Organizational Performance of both group banks which was statistically not significant at Sig=0.331.



Moreover, the analyzed result shown in table 4.15, revealed that Adaptability characterized a moderately positive relationship with organizational performance of both group banks at Beta= -0.398 & P=0.001, at 95% confidence level. Here, the Beta value B= -0.398, indicated that the increase/impact of Adaptability had characterized a -0.398 unit of Organizational Performance difference across both group banks. This meant that, if Organizational Performance of Public banks scored an increased by one unit, the Private banks would score a decrease by 0.398 & vice versa. Moreover, the Significance value P=0.001 indicates the unique contribution of Adaptability culture on Organizational Performance across both group banks was statistically significant.

Therefore, regardless of its negative relationship, the researcher rejected the hypothesis as the result indicated that Adaptability has a statistically significant impact on organizational performance across both group banks.

**H<sub>04</sub>: Mission Trait has no significant impact of on case banks' performance.**

The analyzed result shown in table 4.13, Mission has a strongly positive relationship with organizational performance of both group banks with  $r=0.587$  & Sig=0.000. The Correlations value  $r=0.587$ , indicated that a one-unit increase of Mission cultural dimension was characterized by a 0.587-unit increase in Organizational Performance of both group banks which was statistically significant at Sig=0.000.

Moreover, the analyzed result shown in table 4.15, revealed that Mission characterized a moderately positive relationship with organizational performance of both group banks at Beta=0.401 & P=0.000, at 95% confidence level. Here, the Beta value B=0.401, indicated that the increase/impact of Mission had characterized a 0.401 unit of Organizational Performance difference across both group banks. This meant that, if Organizational Performance of Public banks scored an increased by one unit, the Private banks would score an increase by 0.401 & vice versa. Moreover, the Significance value P=0.000 indicates the unique contribution of Mission culture on Organizational Performance across both group banks was statistically significant.

Therefore, the researcher rejected the hypothesis as the result indicated that Mission has a statistically significant impact on organizational performance across both group banks.

Additionally, the conducted interview responded by both group of banks managers had asserted that their respective banks characterized there was strong relationship between organizational culture & organizational performance. Moreover, both group of banks managers had asserted that their respective banks organizational performance strongly influenced by Consistency than other organizational culture traits which depicted that Consistency as predictor by both group banks. Finally, Public bank managers had asserted that their respective banks characterized there existed strong impact of organizational culture on their bank's organizational performance, whereas the private banks also impacted but not as strong as the Public banks did. The underneath table 4.16 had shown the summary of tested null hypothesis based on the analysis model.

Table 4.16: Summary of Tested Hypothesis

No	Developed Hypothesis	Test Result
1	<b>Consistency</b> Trait had no significant impact of on case banks' performance	<b>Rejected</b>
2	<b>Involvement</b> Trait had no significant impact of on case banks performance	<b>Accepted</b>
3	<b>Adaptability</b> Trait had no significant impact of on case banks performance	<b>Rejected</b>
4	<b>Mission</b> Trait had no significant impact of on case banks performance	<b>Rejected</b>

Source: SPSS Regression results output (2019)

#### 4.6. Regression Mathematical Model

The basic objective of using regression equation on this study is to make the researcher more effective at describing, understanding, predicting, and controlling the stated variables. The equation of Multiple Regression was built on two sets of variables, namely dependent variable (Organizational Performance) and independent variables (Adaptability, Consistency and Mission). The study had formulated Organizational Performance as the dependent variable which is the function of the independent variable of Organizational Culture. Accordingly, Organizational Performance considered as the function of Organizational Culture dimensions: Adaptability (Adp), Consistency (Con) and Mission (Mis). Therefore, the Multiple Regression Model used in the study is mathematically expressed as follows:

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_i X_i \dots \dots \dots (1)$$

Where:

- $Y_i$  is the dependent variable.
- $X_1, X_2, \dots, X_i$  are the independent variables,
- $\beta_0$  is the intercept term- it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables equal to zero.
- $\beta_1, \beta_2, \dots, \beta_i$  refer to the coefficient of their respective independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables.

Therefore, based on the result in the regression coefficients in table 4.21, the general mathematical equation of the estimated regression model of this study is presented here below.

$$OP = \beta_0 + \beta_1 (Adp) + \beta_3 (Con) + \beta_4 (Mis) \dots \dots \dots (2)$$

Where:

- OP = Organizational Performance,
- OC = Organizational Culture,
- $\beta_0$  =Regression constant,
- $\beta_1$ ,  $\beta_3$ , &  $\beta_4$ = coefficients of elasticity displaying degrees of explanation power about Organizational performance, and
- Mis=Mission, Con=Consistency, Adp=Adaptability,

Based on the multiple regression analysis, the following model summary was extracted to conclude the variation between the variables.

$$OP = 50.764 + -0.665 (Adp) + 0.656 (Con) + 0.686 (Mis) \dots\dots\dots (3)$$

***Organizational Performance = 50.764+ (-0.665) Adaptability + (0.656) Consistency + (0.686) Mission***

Hence, hereunder is the Mathematical Equation of the Model used for the study

From the above regression equation, it was revealed that holding consistency trait, adaptability trait and mission trait to a constant zero, the organizational performance of both group banks would be at 50.764. From the Unstandardized Coefficients, the model predicts that an increase in adaptability trait (-0.665) would results into a decrease in organizational performance of both group banks holding other independent variables (consistency trait, and mission trait) constant this indicates that this variable was significant as its significant value was less than ( $p < 0.05$ ).. Furthermore, increase in consistency trait (0.656) would results into increase in organizational performance of both group banks, holding other independent variables (adaptability trait and mission trait) constant indicating that this variable was significant as its significant value was less than ( $p < 0.05$ ). Finally, increase in credit monitoring (0.686) would results into increase in the organizational performance of both group banks holding other independent variables (consistency trait and adaptability trait) constant indicating that this variable was also significant as its significant value was less than ( $p < 0.05$ ).

#### **4.7. Discussions**

This study pursued to provide an insight into the organizational practices pertaining at Public & Private Commercial banks in Jimma City. Based on the above analysis & results, respondents of both group banks believed that there existed a strong relationship between Organizational Culture and Organizational Performance. Accordingly, this agreed with some scholars such as

- a. Muhammad and Muhammad (2011), who found that there was strong link between organizational culture and performance.

- b. Denison (1990), who tested & confirmed that the four organizational culture traits: Involvement, Consistency, Adaptability, and Mission had a strong link with organizational performance

Respondents of the study also revealed that Organizational Culture had a significant impact on Organizational Performance of both group banks. Accordingly, this agreed with some scholars such as

- i. Zain (2013), who examined the effect of teamwork and communication on performance of organizations in Malaysia and found that these aspects of organization culture were significant determinants of general organizational performance.
- ii. Joyce (2016), who tested the effect of organization culture on organizational performance in Kenya banks & found a positively significant association between organizational culture and organizational performance.
- iii. Lund (2003) and Schein (1992), who studied that Organizational culture had a significant effect on both job satisfaction and organizational commitment which in turn affect employee turnover intention (the nonfinancial organizational performance measures).
- iv. Getamesay (2016), who examined the determinant factors affecting employees' job performance of Wegagen Bank S.C & the result revealed that, among the determinant factors, organizational culture had a positive relationship with significant effect on employees' job performance.

Moreover, respondents of the study acknowledged that Organizational Culture dimensions across the two group banks had a statistically significant difference. Accordingly, this agreed with some scholars such as

- 1. Collins and Porras (2000), who found Organizational culture was a system of shared meaning that members held and distinguished one organization from other organizations.
- 2. Arnold (2005), who stated that organizational culture was the unique beliefs, principles, and ways of behavior, and norms that amalgamated to give each organization its distinctive character.
- 3. Cameron and Quinn (1999), who defined organizational culture as an enduring set of the core values, assumptions, interpretations, and approaches that characterized organizations and their members.

Finally, respondents of the study portrayed that the impact of Organizational Culture can be more explained by its influence on the Organizational Performance. Among dimensions of Organizational Culture, the three strong predictors, Consistency & Mission have a statistically significant influence (& positive relationship) on Organizational Performance. Whereas, Adaptability, has a statistically significant influence (& negative relationship) on Organizational Performance of both group banks. On the other hand, Involvement had no significant impact (but has positive relationship) on Organizational Performance of both group banks. This was

- A. Fully agreed with a Scholar Salihu et al. (2016), who had empirically evidenced & confirmed the acceptance of the hypothesis formulated as Consistency had a positive relationship with organizational performance.
- B. Partially agreed with a Scholar Shakil (2012), who studied to ascertain the association between organizational culture with the practices adopted by the management in Pakistan & found out that organizational Consistency and Adaptability had significantly positive influence on performance management practices.
- C. Also Partially agreed with a Scholar Addisalem (2019), who studied the effect of Organizational Culture on Organizational Performance of Abissinia Bank, in Ethiopia. The study showed that all the Organizational Culture dimensions (involvement, consistency, adaptability, and mission traits) had a positive significant relationship with Organizational Performance of the stated bank.
- D. Also Partially agreed with a Scholar Meseret (2018), who investigated the effect of organizational culture on employees' perceived performance of Berhan International Bank S.C. The regression analysis on the involvement culture showed insignificant in affecting the employee performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1. Overview**

This section provided summary of the main findings to get a whole picture of the study, conclusions which were drawn out from the findings, and recommendations based on the results of the study to suggest possible solutions for the problems identified.

#### **5.2. Summary of Findings**

The study was established to examine the perceived impact of Organizational Culture on Organizational Performance of Public & Private Banks operating in Jimma city. The

study indeed conducted the analysis of the organizational culture dimensions & their impact to nonfinancial measures of Organizational Performance of both group of banks including their correlation. Accordingly, of the 154 sampled respondents, the study had found that 138 of them had filled and returned the questionnaires which contributed 89.6% response rate. Moreover, the data analyzed using descriptive statistics, correlation and regression major findings presented as here below.

### **5.2.1. Nature & Level of Respondents Characteristics**

Among both group of banks, the selected sample size for the study encompassed Public Bank respondents higher than Private Bank respondents. Moreover, the respondents of Branch Office employees are a little higher than District Office employees. The study found that both group banks had more male employees than female with a significant difference. The study also revealed that most employees of both group banks were found young below 40 years of age of which dominated by under 30 years of age. The study also discovered that most employees of both group banks were found to be married than singles with a significant difference. The study also found that majority employees of both group banks had at least a bachelor's degree. The other finding of this study was that most employees of both group banks had had worked for more than two to ten years. Moreover, the study also depicted that most employees of both group banks earned salary above 6000 birr. Finally, the study also established the existence of most employees of both group banks were at the lower level of the organizational structure (non-managerial) while fewer were at the higher level (managerial).

To summarize respondents' characteristics, both group bank employees are dominated by male, young aged (21-40 yrs), married, 1<sup>st</sup> degree graduate, 2-10 yrs experienced (majority 2-5 yrs), 6000-14999 br paid (majority paid 12000-14999 br), & nonmanagerial. This indicates how respondents are less aware of organizational culture practices as most respondents have few years work experience who will shift organizations to get higher salary, position & so on.

### **5.2.2. Nature & Level of Organizational Culture**

From the arithmetic mean values generated by the descriptive statistics, it shows that Adaptability (M=4.733), Involvement (M=4.821), Consistency (M=4.761), & Mission (M=4.860) of Public Banks employees are all above the Likert Scale cutoff point of 4. On the other hand, Adaptability (M=4.379), Involvement (M=4.326), Consistency (M=4.692), & Mission (M=4.736) of Private Banks employees are all above the Likert Scale cutoff point of 4. From this we can understand that employees of both group banks are agreed or satisfied with the practice of organizational culture dimensions & are responding the cultural dimensions questions where the Public bank employees have practiced a little higher than the Private bank employees do.

When we see Correlation Coefficient values of each cultural dimensions, starting from **Adaptability** trait, both group banks has closed their eye to be flexible to the external environment but in contrast, they slightly opened their flexible eye to the internal environment having insignificant impact on their performance. Regarding **Involvement**

trait, both group banks are slightly focusing to their internal flexible environment having insignificant impact on their performance. Whereas, due to **Consistency** trait, both group banks are strongly focusing to be stable to the internal environment having a significant impact on their performance. Finally, due to **Mission** trait, both group banks are strongly focusing to be stable to the external environment having a significant impact on their performance

Moreover, when we see Correlation Coefficient values of the **cross-cultural dynamic tension** of organizational culture dimensions, **Adaptability with Involvement** has strong relationship showing strong internal & external Flexibility in both group of banks. This implies that these flexible organizations have the capability to change in response to the environment with a strong focus on its customers and its people. And these flexible organizations are typically linked to higher levels of product and service innovation, creativity, and a fast response to the changing need of customers and employees. **Mission with Consistency** has strong relationship showing strong internal & external Stability in both group of banks. This implies that these stable organizations have the capacity to remain focused and predictable over time. And these stable organizations are typically linked to high return on assets, investments, and sales growth, as well as strong business operations. **Consistency with Involvement** has medium relationship showing medium internal focus. This implies that these organizations with a moderate internal focus are moderately committed to the dynamics of the internal integration of systems, structures, and processes. They also moderately value their people and moderately pride themselves on the quality of their products or services. A medium internal focus has been linked to moderate levels of quality and employee satisfaction. **Mission with Adaptability** has medium relationship showing moderate external focus. this implies that these organizations with a moderate external focus are averagely committed to adapting and changing in response to the external environment. They have a moderate eye on the marketplace and medium sense of where it is headed. A medium external focus typically impacts revenue, sales growth, and market share.

Additionally, the other two Correlation values which are significant dynamic tensions that a successful organization must negotiate are the relationship of Mission with Involvement and Adaptability with Consistency. First, **Mission with Involvement** has medium relationship showing moderate tension between Top-Down and Bottom-Up Management, represented by the Mission and Involvement traits, is important for organizations to understand. This implies that these organizations moderately linked the mission, purpose, and goals of the organizations to create a shared sense of ownership, commitment, and responsibility for their employees. Second, **Adaptability with Consistency** has medium relationship showing moderate linkage between these cultures. This implies that these organizations moderately learn how to balance the dual challenges of external adaptation and internal integration and consistency.

### **5.2.3. Nature & Level of Organizational Performance**

The mean value of organizational performance practiced by Public banks employees was  $M=4.828$ , & Private banks employees was  $M=4.671$  which showed this study is good since the mean score for organizational performance is greater than cutoff value of the

Likert scale whereby the Public bank employees have performed a little higher than the private bank employees do. Moreover, the Organizational Performance is characterized by a marginally inverse relationship across both group of banks but not statistically significant (2.6% at N=131 & B= -0.162; P= 0.194).

#### **5.2.4. Impact of Organizational Culture on Organizational Performance**

The value generated in the Pearson correlation for Adaptability ( $r = -0.039$ ,  $P > 0.01$ ) is not significant but inversely correlated with organizational performance of both group banks. Additionally, the regression result which shows the relative contribution of Adaptability; i.e, (B= -0.398) with (Sig.=0.001) makes the strong contribution to explain the organizational performance of both group banks. This shows that both group banks are highly neglected to focus (closed their eyes) on their organization's ability of quickly adapting to the signals from the external environment, including customers and the marketplace.

The value generated in the Pearson correlation for Involvement ( $r = 0.166$ ,  $P > 0.01$ ) is not significant but positively correlated with organizational performance of both group banks. Additionally, the regression result which shows the relative contribution of Involvement; i.e, (B=0.125) with (Sig.=0.375) makes the weak or no contribution to explain the organizational performance of both group banks. Regardless of its insignificant contribution to the organizational performance of these banks, Involvement is weakly building employee's capability, ownership, and responsibility. Moreover, the marginal score on this trait reflects how much these banks focus on developing, informing, involving their people, and getting them engaged.

The value generated in the Pearson correlation for Consistency ( $r = 0.572$ ,  $P < 0.01$ ) is significant and positively correlated with organizational performance of both group banks. Additionally, the regression result which shows the relative contribution of Consistency; i.e, (B=0.328) with (Sig.=0.003) makes the strong contribution to explain the organizational performance of both group banks. This shows that both group banks are closely examining whether they have a strong and cohesive internal culture resulting strong organizational performance.

The value generated in the Pearson correlation for Mission ( $r = 0.587$ ,  $P < 0.01$ ) is significant and positively correlated with organizational performance of both group banks. Additionally, the regression result which shows the relative contribution of Mission; i.e, (B=0.402) with (Sig.=0.000) makes the strong contribution to explain the organizational performance of both group banks. These shows that both group banks have a clear sense of purpose that define their long-term directions. Hence, Mission trait is useful in identifying whether these banks are in danger of shortsightedness or equipped with systematically defined strategic and action plans.

Finally, the study found the overall Organizational Culture dimensions have a strong relationship & positive impact on Organizational Performance of group banks which was a statistically significant (45.8% at N=131 & B= 0.696;  $P < 0.001$ ).



### 5.3. Conclusion

This study provided an insight into the organizational practices pertaining at Public & Private Commercial banks in Jimma City. Based on the above findings on each research objectives, conclusions will be given hereunder in relation to each cultural dimension and their overall impact on performance of the organizations.

- ✓ Mission Cultural dimension practiced by both group of banks is at strongest level which portrayed that the Mission statement advocates strong work ethics in employees of both group banks. This also reveals the banks have a clear Mission statement that gives meaning and direction to employees that impact their performance & in turn their Organizational Performance. Therefore, the findings have clearly indicated that there is a clear, shared, and realistic Mission culture that highly influence employees to work towards the mission trait & hence high organizational performance can be achieved by both group banks. From this, it can be deduced that there was a strong vertical and horizontal integration of the culture components of purpose and direction, goals and objectives and vision with the organizational performance within both group of banks.
- ✓ The Consistency Organizational Culture dimension was found to have a statistically significant direct impact on Organizational Performance across both group banks. This shows that, the Consistency elements takes the dimension of core values, agreement, and coordination & integration with an aggregate practicing of this organizational culture at the strongest level. When there exists such culture in an organization, different functions and departments of the organization can work together well to achieve common goals. From this, it can be deduced that the consistency dimension has a strong & positive relationship with organizational performance of both group banks.
- ✓ Adaptability dimension was found to have a statistically significant & inverse impact on Organizational Performance. This shows that leaders of these banks do not let employees practice innovation and risk-taking practices as they are not encouraged and rewarded as well. According to the employees' perception on the customer focus culture index, there was variations in their level of understanding about what really customers need from their output. When there exists a culture of Adaptability in an organization, better ways to do work are continually adopted different functions and departments of the organization, customer feedback often leads to change and innovation is motivated, for this it is the top management who are expected to view failures as an opportunity and to create change. Hence, creating change, customer focus and organizational learning are the components of adaptability culture needs both group banks' bold attention as its existence relies on proactively responding to competitors and changes in the business environment. Moreover, while looking into its correlation matrix value, it was also the highest from the group & the Beta coefficient depicted its being a strong contributor to the prediction of organizational performance of both group banks. From this, it can be deduced that the Adaptability dimension has a strong & inverse relationship with organizational performance of both group banks.
- ✓ Involvement cultural dimension was found to have no significant & direct impact on Organizational Performance of both group banks. This indicates that both group of banks' employees practiced the involvement culture at low level, which shows that

people of the organization are weakly connected to their work, are less aware of its importance, its connection to the rest of the organization, and are less willing to accept additional responsibilities. Organizations that uphold an involvement culture emphasize on the input and participation of its members. This can be achieved by using implicit control system and giving the employees the authority and ability to manage and decisions that affect their own work. Accordingly, leaders of both group of banks', should work on the existing internal gaps particularly the provision of autonomous power and involvement employees in decision making practice and availability of spreading timely information to employees have reflected some inefficiencies in this area, moreover, the position of the bank in terms of developing the employees capability was also depicted as a wider gaps. From this, it can be deduced that the Involvement dimension has a weak positive relationship with organizational performance of both group banks.

- ✓ Moreover, the strong relationship of Adaptability & Involvement revealed how both group of banks are highly focused on internal & external stability resulting strong customer satisfaction & creativity. The strong relationship of Mission & Consistency revealed how both group of banks are highly focused on internal & external flexibility resulting strong profitability. The medium relationship of Consistency & Involvement revealed how both group of banks are moderately focused on quality & employee satisfaction. The medium relationship of Mission & Adaptability revealed how both group of banks are moderately focused on innovation, sales growth & market share. The medium relationship of Mission & Involvement revealed how both group of banks are moderately focused on internal linkage between Top-Down and Bottom-Up Management. The medium relationship of Adaptability & Consistency revealed how both group of banks are moderately focused on balancing the dual challenges of external adaptation and internal integration and consistency.

Finally, the study concludes that the Organizational Culture has an impact on Organizational Performance of both group banks. There is a marginal performance difference due to Bank's Category but not impacting them significantly (*insignificant or no competitive advantage between the banks*). Moreover, there is a very slight (or no) performance difference due to Bank's Office Organization within each bank (*Branch office & District office employees equally practice organizational culture*).

#### **5.4. Recommendations**

In the everchanging globalized world, the banking sector is a dynamically competitive financial industry that needs a leader having a diverse view in leading such organizations to overcome competitor's performance. So, as Organizational Culture is a competitive edge of Organizational Performance and employees are the backbone for any Organization's Performance, the case banks are needed to improve their organizational set up referring the findings of the study. Hence, based on the findings and conclusions of the study, the researcher recommends and suggests as follows.

- ✓ Considering the business world being constantly changing, Adaptability is the core culture to follow the change so that both group bank leaders must conduct further research on the impact of adaptability on performance. Accordingly, they must focus

to external environment strongly to reverse the Adaptability cultural practice to realize a positive effect on organizational performance & improve its outcome. Moreover, the bank should also strengthen its organizational learning culture because it is a prerequisite for adaptability strategy. Additionally, the bank should encourage and empower their employees to proactively respond to the changes needed by their customers, and they can comfortably be adapted to the competitive business environment at large. Lastly, there should be a process improvement through a consistent performance measures & improving process management.

- ✓ As Involvement cultural trait had a positive relationship but no significant impact on Organizational performance of both group banks, their respective management focus area should be this cultural dimension with its subdivisions such as empowerment, team orientation and capability development so that both group banks will emphasize the best practice of involvement near future. Accordingly, these leaders should exert their optimum effort to dig out & improve the existing gaps of these banks such as the provision of employee participation in decision making practice and availability of spreading timely information to employees. Because if high levels of involvement and participation are practiced in these banks, this will create a sense of ownership and responsibility for employees. Hence, increasing the inputs of organizational members will also see as increasing the quality of decisions which in turn increases employee belongingness. Lastly, leaders should create teamwork focusing on staffs.
- ✓ Both group of banks should maintain Consistency cultural dimension which was noticeable that the management had had emphasized security of employment, stability and created clear set of expectation between employees to boost the Organizational Performance of these banks. Moreover, both group banks should also continue this culture by developing the key management tools like implementation of corporate governance, company policies and procedures, integration, Coordination, & building company's Core Values to bring consistent work practices for both group banks so that all will work together to achieve common goals.
- ✓ Leaders of both group banks should maintain Mission cultural dimension as it had a significantly positive impact on employee's performance which resulted a significant impact on the Organizational performance. It is undeniable that this cultural dimension will continue its paramount implication when these banks leaders more confidently dictate their mission statement to develop a motivated and qualified human resource with the highest ethical standard. Hence, the banks should consistently focus on improving the adherence of Mission cultural dimension by making sure that those respective leaders are conversant with their organization's mission & be able to pass it down to their subordinates.
- ✓ According to Denison and Mishra (1995), profitability criteria are best predicted by the stability traits, namely mission and consistency, for which both group banks are successful & should maintain these traits to excel more. On these cross-cultural trait, leaders of both group banks should focus to maintain practicing as its direct impact their competitiveness in the industry. Whereas, sales growths are best anticipated by the flexibility traits, which are involvement and adaptability (Denison & Mishra

1995). But both banks leaders must work on these internal & external flexibility traits to emphasize their significant contribution to the bank's performance. Moreover, both group bank leaders must focus on improving the practice of those four medium levels of cross-cultural relationship to optimize the performance & competitive advantage of these banks.

- ✓ Due to the existence of a strong relationship between the Organizational Culture and the Organizational Performance, it is viable that the cumulative effect of the four Organizational Culture traits have played very significant role on Organizational Performance of both group banks. Moreover, it can be considered that the existing organizational culture had served as a competitive advantage for these banks because of their culture being unique by its nature. This will give an opportunity to the banks to make wide cultural audit and locate the areas where the top management bodies intervene & improve organizational culture practices and organizational performance. Accordingly, leaders of these banks should also assess for the other contributing factors (such as organizational structure, salary, benefits, and other issues) as it will significantly improve employee performance and organization performance in a comprehensive manner.
- ✓ Finally, the study had reviewed the impact of organizational culture on non-financial organizational performance of both group Banks. The overall organizational performance level of both group banks was at its strong level when measuring the non-financial organizational performance which implied the significant impact of organization culture practiced at both group banks. On the contrary, the organizational performance among both group banks differed not significantly (or marginal) depicting that the management should work more on culture to bring a significant organizational performance difference among these banks so as to become competent not only locally but also internationally as our country engaged in formulating policy to invite international financial institutions operate locally.

## **5.5. Limitation & Suggestion of the study**

### **5.5.1. Limitation of the study**

In carrying out the study, a budget limitation was encountered, and personal time constraint limited the researcher from doing an in-depth study complete punctually. With these factors the researcher was unable to include all Jimma city branches of case banks' in the study, rather obliged to conduct the research on their respective main branch office & district office only. In addition to this, there was limitation in obtaining sufficient information due to limited uploaded documents, inaccessibility of website, and lack of data extraction from their website. This research highly depended on the perception of employees under the study which was very limited in number. Furthermore, due to the banks were on expanding their branches in Jimma city that hindered some respondents not to respond properly & some respondents were confused to respond in view of their existing culture. Whereas, though the time was very limited, the respondents under study

were very cooperative to respond the questionnaire timely. Hence it was possible to undertake the study.

### **5.5.2. Suggestions for Future Researchers**

This paper had had tried to assess the impact of Organizational Culture on Organizational Performance of selected Public & Private commercial banks operating in Jimma city. The study well recognized how organization's success indirectly depend on its existing cultures, norms & values. To foster productivity, there should be a continuous effort to maintain and enhance the existing organizational culture and organizational performance (both financial & nonfinancial performance measures). Accordingly, the future researchers can expand the sample to study about the impact of organizational culture on organizational performance to get a broader idea about the impact and/or relationship as well as to protect the generality of the findings. Hence, the following recommendations are forwarded.

- ✓ Regardless of the study grouped the selected banks in to Public & Private banks, the study of this research was confined to only three commercial banks operating in Jimma city even with limited sample size. Therefore, future researchers should make their deep research in different banking institutions and other different organizations to broaden empirical evidence in the area.
- ✓ As this research also evaluated the nonfinancial performance measures of the organizations focusing on Job Satisfaction, organizational commitment & employee turnover. Therefore, future researchers should focus on other nonfinancial & financial organizational performance measures to broaden empirical evidence in the area.
- ✓ Future researchers can also apply various types of organizational culture models formulated by different authors other than the Denison model. Therefore, their perspectives regarding organizational culture will be widened.
- ✓ Considering the future global financial institutions operate in our country, the researcher recommends further study to explore the impact of global cultural policies and programs on performance of financial institutions in Ethiopia.

## **REFERENCE**

- Abel, S. (2017). *Relationship between reward system and clerical employee's performance: The case Addis Ababa branches of Dashen bank S.C* (Unpublished master's thesis). St. Mary University, Addis Ababa, Ethiopia.
- Abdulrashid, Z., Sambasivan, M., & Abdulrahman, A. (2004). The influence of organizational culture on attitudes toward organizational change. *Leadership & Organization Development Journal*, 25(2), 161-179.
- Achua, F., & Lussier, N. (2013). *Effective leadership*. South Western Cengage Learning. Canada.

- Addsiale, Z. (2019). *The effect of organizational culture on organizational performance: The case of bank of Abyssinia* (Unpublished master's thesis). Addis Ababa University, Addis Ababa, Ethiopia.
- Agboola, G. (2013). The impact of organizational culture on performance of universities. *Journal of Managerial Accounting*, 4(2), 1-16.
- Agwu, M. (2014). Organizational culture and employee performance: in the NAFDAC, Nigeria. *Global Journal of Management and Business Research*. 14(2), 690-712.
- Alharbi, M., & Alharya, M. (2013). The impact of organizational culture and employee performance. *Journal of International Review of Management and Business Research*, 2(1), 168-175.
- Aluko, M. (2003). The impact of culture on organizational performance: in selected textile firms in Nigeria. *Nordic Journal of African Studies*, 12(2), 164–179.
- Andy, F. (2006). *Discovering statistics using SPSS* (2<sup>nd</sup> ed.). SAGE publications. London.
- Arnold, J. (2005). *Work psychology: Understanding human behavior in the workplace* (4<sup>th</sup> ed.). Prentice Hall Financial Times. London.
- Aspridis, G., Grigoriou, J., & Grigoriou, S. (2012). The role of sports leadership and the position of women. *Inquiries in Sport & Physical Education*, 10(3), 66-75.
- Baker, K. (2004). An introduction of organizational culture. *Journal of Business Management*, 1.
- Barling, J., & Cooper, C. (2008). *The SAGE handbook of organizational behavior: Micro approaches*. SAGE publications. London, UK.
- Biswas, S. (2009). Organization culture and transformational leadership as predictors of employee performance. *The Indian Journal of Industrial Relations*, 44(4), 611-627.
- Black, R. (2003). *Organizational culture: Creating the influence needed for strategic success*. London.
- Blois, W., Cook, C., & HunSaker, P. (2007). *Management and organizational behavior* (2<sup>nd</sup> ed.). McGraw–Hill Education. New York.
- Bohlander, G., & Snell, S. (2009). *Managing human resources* (15<sup>th</sup> ed.). South-Western Cengage Learning. Mason, OH.
- Boon, O., & Arumugam, V. (2006). The influence of corporate culture on organizational commitment: Case study of semiconductor organization in Malaysia. *Sunway Academic Journal*, 3, 99-115.
- Borman, W., & Schmit, T. (2012). *Cultures in organizations: Three perspectives*. Oxford University Press. New York.
- Byrne, K., & Hochwarter, W. (2012). *Diagnosing and changing organizational culture: Reading in the competing values framework*. Addison-Wesley. MA.

- Cakar, N., & Erturk, A. (2010). Comparing innovation capability of small and medium sized enterprises: Examining the effects of organizational culture and empowerment. *Journal of Small Business Management*, 48(3), 325-359.
- Cameron, S., & Quinn, R. (1999). *Diagnosing and changing organizational culture: Reading in the competing values framework*. Wiley Publishing Company, Inc. New York.
- Cameron, S., & Quinn, R. (2011). *Diagnosing and changing organizational culture: Reading in the competing values framework*. Addison-Wesley. MA.
- Camps, J., & Luna-Arocas, R. (2007). A model of high-performance work practices and turnover intentions. *Personnel Review*, 37(1), 26-46.
- Carlos, & Dason (2013). *Assumptions of multiple regression: Correcting Two Misconceptions*.
- Carlos, P., Paula, R., & Dibb, S. (2014). The role of corporate culture, market orientation and organizational commitment in organizational performance: The case of non-profit organizations. *Journal of Management Development*, 33(4), 374-398.
- Cascio, W. (2006). *Managing human resources: Productivity, quality of life & profit*. McGraw-Hill. Irwin.
- Chamanifard, R., Nikpour, A., & Chamanifard, S. (2014). Investigating the impact of emotional intelligence on organizational performance: In international division of Tejarat bank, Iran. *International Journal of Scientific Management & Development*, 2(11), 652-657.
- Chenhall, R. (2005). Integrative strategic performance measurement system, strateic alignment of manufacturing, learning and strategic outcomes: An exploratory study. *Accounting, Organizations and Society*, 30(5), 395-422.
- Collins, J., & Porras, J. (2000). *Built to last: Successful habits of visionary companies*. Harper Business. New York.
- Daft, R. (2000). *Organizational theory and design* (7<sup>th</sup> ed.). Thomson Learning: South-Western College Publishing, U.S.A.
- Davis, J., Schoorman, F., Mayer, R., & Tan, H. (2000). The trusted general manager and business unit performance: Empirical evidence of a competitive advantage. *Strategic Management Journal*, 21, 563-576.
- Davison, R. & Martinsons, M. (2003). Guest editorial cultural issues and IT management: Past and present. *IEEE Transactions on Engineering Management*, 50(1), 3-7.
- Deal, T., & Kennedy, A. (1982). *Corporate culture: Reading in the rites and rituals of corporate life*. Addison-Wesley Publishing Company, Inc. Massachusetts.
- Deal, T., & Kennedy, A. (2000). *The new corporate cultures: Reading in revitalizing the workplace after downsizing, mergers, and reengineering*. Perseus Books. MA.

- Denison, D. (1990). *Corporate culture and organizational effectiveness*. John Wiley and Sons. New York.
- Denison, D. (2000). *Organizational culture: Can it be a key lever for driving organizational change?* Ins.
- Denison, D. (2009). What is the difference between organizational culture and organizational climate? A native's point of view on a decade of paradigm wars. *Academy of Management Review*, 21(3), 619-654.
- Denison, D. (2011). *Denison organizational survey facilitator guideline*. Denison consulting LLC.
- Denison, D., & Mishra, A. (1989). *Organizational culture and organizational effectiveness: The theory & some preliminary empirical evidence*. University of Michigan.
- Denison, D., and Mishra, A. (1995). Towards a theory of organizational culture and effectiveness. *Organizational Science*, 6, 204-223.
- Denison, D., Haaland, S., & Goelzer, P. (2004). Corporate Culture and Effectiveness. *Organizational Science*, 6(2), 204-223
- Denison, D., Haaland, S., & Goelzer, P. (2004). Corporate Culture and Organizational Effectiveness: Is Asia different from the rest of the world? *Organizational Dynamics*. 33(1), 98-109.
- Denison, D., Nieminen L., & Kotrba, L. (2014). Diagnosing organizational cultures: A conceptual and empirical review of culture effectiveness surveys. *European Journal of Work and Organizational Psychology*, 23(1), 145-161.
- Ezirim, C., Nwibere, B., & Emecheta, B. (2012). The influence of corporate culture on organizational commitment: The Nigerian experience. *International Journal of Business & Public Administration*, 9(3), 155-180.
- Fey, C. (2000). *Organizational culture and effectiveness: The case of foreign firms in Russia*. Stockholm school of economics. Sweden.
- Field, A. (2005). *Discovering statistics using SPSS* (2<sup>nd</sup> ed.). Sage Publication. London.
- Field, A. (2009). *Discovering statistics using SPSS* (3<sup>rd</sup> ed.). Sage Publication. London.
- Firth, L., Mellor, D., Moore, K., & Loquet, C. (2004). How can managers reduce employee intention to quit? *Journal of Managerial Psychology*, 19(2), 170-187.
- Forest, D., & David, K. (2003). It is time to redraft your mission statement. *Journal of Business Strategy*, 114-115.
- Frederick, W. Taylor (1911). *The principles of scientific management*. Harper Bros. New York.
- Frost, P., Moore, L., Louis, M., Lundberg, C., & Martin, J. (1985). *Organizational culture*. Sage. Beverly Hills, CA.



- Garson, D. (2012). *Testing statistical assumption*. Statistical Associate Publishing.
- Gaspar, J. (2006). *Introduction to business*. Houghton Mifflin. Boston, MA.
- Geda, A. (2006). *Structure and performance of Ethiopia's financial sector in the pre & post reform period: With special focus on banking*. Retrieved from [www.socialscienceresearchnetwork.com](http://www.socialscienceresearchnetwork.com)
- Geda, A. (2006). *Readings in the Ethiopian economy*. Addis Ababa University. Ethiopia.
- Geoffrey, M. (2005). *Essentials of research design*. John Wiley & Sons, Inc. Hoboken, New Jersey.
- George, J., & Jones, G. (2002). *Understanding and managing organizational behavior*. Pearson Education, Inc. New York.
- Getamesay, B. (2016). *Determinant factors affecting employees' job performance: The case at Addis Ababa branches of Wegagen bank S.C* (Unpublished master's thesis). Addis Ababa University, Addis Ababa, Ethiopia.
- Giltsdorf, J., & Wagner-Marsh, F. (2006). Organizational culture. In Helms M.M. (Ed.), *Encyclopedia of Management* (pp. 624-626). Gale, Detroit.
- Glisson, C., Dukes, D., & Green, P. (2006): The effects of the ARC organizational intervention on caseworker turnover, climate, & culture in children's service systems. *Child Abuse and Neglect*, 30, 855-880.
- Gordon, C. (2008) *Cashing in a corporate culture*. Retrieved from <http://www.camagazine.com/archives/printedition>
- Gordon, G., & Di Tomaso, N. (1992). Predicting corporate performance from organizational culture. *Journal of Management Studies*, 29, 783-798.
- Greener, S. (2008). *Business research method*. Book Boon.
- Gregory, D., Way, C., LeFort, S., Barrett, B., & Parfrey, P. (2007). Predictors of registered nurses' organizational commitment and intent to stay. *Health Care Management Review*, 32(2), 119-127.
- Griffeth, R., & Hom, P. (2004). *Innovative theory and empirical research on employee turnover*. Information Age Publishing. Greenwich, CT.
- Guerra, J., Martinez, I., Munduate, L., & Medina, F. (2005). A contingency perspective on the study of the consequences of conflict types: The role of organizational culture. *European Journal of Work and Organizational Psychology*, 14(20), 23-38.
- Hackman, J., & Oldham, G. (1975). Development of the job diagnostic survey. *Journal of Applied Psychology*, 60(2), 159-170.
- Hair, J., Black, W., Babin, B., & Anderson, R. (2010). *Multivariate data analysis*. Prentice Hall. Upper Saddle River, NJ.

- Hampden-Turner, C. (1998). *Riding the waves of culture: Understanding cultural diversity in global business* (2<sup>nd</sup> ed.). McGraw Hill. New York, NY.
- Harrison, R. (1993). *Diagnosing organizational culture: Trainer's manual*. Pfeiffer & Company. Amsterdam.
- Hashim, M. (2000). Business strategy and performance in Malaysian SMEs: A Recent Survey. *Malaysian Management Review*, 1-10.
- Heffernan, M., and Flood, P. (2000). An exploration of the relationship between managerial competencies, organizational characteristic, and performance in an Irish organization. *Journal of European Industrial Training*, 5, 128-136.
- Hodgetts, R., & Luthans, F. (2013). *International management: Culture, strategy and behavior*. Irwin-McGraw-Hill. New York.
- Hofstede, G. (1981). Culture and organizations. *International Studies of Management and Organizations*, 4, 15-41.
- Hofstede, G. (2001). *Culture's consequences*. Sage. Thousand Oaks, CA.
- Hoppock, R. (1935). *Job satisfaction*. Harper Brothers. New York, NY.
- Hung, R., Yang, B., Lien, B., McLean, G., & Kuo, Y. (2010). Dynamic Capability: Impact of process alignment and organizational learning culture on performance. *Journal of World Business*, 45(3), 285-294.
- Ittner, E., & Larcker, M. (1998). Innovations in performance measurement: Trends and research implications. *Journal of Management Accounting Research*, 10, 205-238.
- Ittner, E., & Larcker, M. (2012). *Organizational culture: A key to financial performance*. Jossey-Bass. San Francisco, CA.
- Johnson, B. (1990). Toward a multidimensional model of entrepreneurship: The case of achievement motivation and the entrepreneur. *Entrepreneurship Theory Practice*, 14, 39-54.
- Joyce, M. (2016). *The influence of organizational culture on performance of commercial banks in Kenya* (Unpublished master's thesis). University of Nairobi, Nairobi, Kenya.
- Julie, P. (2007). *SPSS survival manual: A step by step guide to data analysis using SPSS For Windows* (3<sup>rd</sup> ed.). Open university press. UK.
- Kalyani, N. (2011). Innovative culture: An intervention strategy sustainable growth in changing scenario. *International Journal of Business Administration*, 2(4), 84-93
- Kanter, R. (1983). *The change masters: Innovation for productivity in the American corporation*. Simon and Schuster. New York.
- Kaplan, R., & Norton, D. (2001). Responding to organizational identity threats: Exploring the role of organizational culture. *Academy of Management Journal*, 4(3), 433-458.

- Karin, F., & Birgit, S. (2007). Work satisfaction, organizational commitment, and withdrawal behaviors. *Management Research News*, 30(10), 708-723.
- Kaufman, J. (1998). *Value management: Creating competitive advantage*. Crisp Publications, Inc.
- Khan, A. (2015). Matching people with organization culture. *Business Management Group Journal*, 23(4), 12.
- Klein, A., Wallis, J., & Cooke, R. (2013). The impact of leadership styles on organizational culture and firm effectiveness: An empirical study. *Journal of Management & Organization*, 19(3), 241-254.
- Kothari, C. (2004). *Research methodology method and techniques* (2<sup>nd</sup> ed.). New Age Int. Pvt. Ltd. New Delhi.
- Kotler, P., & Keller, K. (2006). *Marketing and management* (12<sup>th</sup> ed.). Pearson Prentice Hall. Upper Saddle River, NJ, USA.
- Kotrba, L., Gillespie, M., Schmidt, A., Smerek, R., Ritchie, S., & Denison, D. (2012). Do consistent corporate cultures have better business performance? Exploring the interaction effects. *Human Relations*, 65(2), 241-262.
- Kotter, J. (2012). *Corporate culture and performance*. Free Press. New York.
- Lee, Y., & Huang, C. (2012). The relationships between balanced scorecard, intellectual capital, organizational commitment, and organizational performance: Verifying a mediated moderation model. *American Journal of Business & Management*, 1(3), 140-153.
- Likert, R. (1961). *New patterns of management*. McGraw-Hill. New York.
- Locke, E. (1983). Job satisfaction and role clarity among university and college faculty. *Review of Higher Education*, 6(4), 343-365
- Loi, R., Yang, J., & Diefendorff, J. (2009). Four-factor justice and daily job satisfaction: A multilevel investigation. *Journal of Applied Psychology*, 94(3), 770-781.
- Lok, P., & Crawford, J. (1999). The relationship between commitment and organizational culture, subculture, leadership style and job satisfaction in organizational change and development. *Leadership Organization Development Journal*, 20(7), 365-374.
- Lund, D. (2003). Organizational culture and job satisfaction. *Journal of Business & Industrial Marketing*, 18(3), 219-236.
- MacIntosh, E., & Doherty, A. (2010). The influence of organizational culture on job satisfaction and intention to leave. *Sport Management Review*, 13(2), 106-117.
- Macleod, D., & Brady, C. (2008). *The extra mile. How to engage your people to win*. Prentice-Hall Financial Times. London.
- Madu, B. (2011). Organization culture as driver of competitive advantage. *Journal of Academic & Business Ethics*, 5, 1-9.

- Mansoor, M., & Tayib, M. (2010). An empirical examination of organizational culture, job stress, job satisfaction within the indirect tax administration in Malaysia. *International Journal of Business and Social Sciences*, 1(1), 81-95.
- Marcoulides, G., & Heck, R. (2013). Organizational culture and performance: Textile firms in Nigeria. *Nordic Journal of African Studies*, 12(2), 164–179.
- Marczyk, G., Dematteo, D., & Festinger, D. (2015) *Essentials of research design and methodology*. John Wiley & Sons. Inc. New Jersey.
- Martin, A., & Roodt, G. (2008). Perception of organizational commitment, job satisfaction and turnover intentions in a post-merger South African tertiary Institution. *South African Journal of Industrial Psychology*, 34(1), 23-31.
- Martins, N., & Martins, E. (2003). Organizational culture. In Robbins, S., Odendaal, A., & Roodt, Y. (Ed.). *Organizational behavior: Global & South African perspectives*. Pearson Education. Cape Town, South Africa.
- Mayer, R., & Schoorman, F. (1992). Prediction participation and production outcomes through a two-dimensional model of organizational commitment. *Academy of Management Review*, 20, 709-734.
- Mckinono, F. (2003). The effects of organizational culture on employee psychological attachment. *Journal of Managerial Psychology*, 15(2), 126-146.
- Meseret, N. (2018). *The effect of organizational culture on employees' perceived performance: The case of Berhan international bank S.C* (Unpublished master's thesis). Addis Ababa University, Addis Ababa, Ethiopia.
- Mintzberg, H. (1994). *The rise and fall of strategic planning: Reconciling for planning, plans, planners*. Free Press. New York.
- Mobley, W., & Fisk, M. (1982). *Employee turnover: Reading in Causes, consequences, and control*. Addison-Wesley. MA.
- Mowday, R., Porter, L., & Steers, R. (1982). *Employee-organization linkages: The psychology of commitment, absenteeism and turnover*. Academic Press. New York.
- Mugenda, O., & Mugenda, A. (2003). *Research methods*. Laba Graphics Services. Nairobi.
- Muhammad, T., & Muhammad, S. (2011). Relationship between organizational culture and performance management practices: A case of university in Pakistan. *Journal of Competitiveness*, 2(1), 129-139.
- Nazir, A. (2005). Pearson-culture fit and employee commitment in banks. *Vikalpa*, 30(3), 39-51.
- Nazir, A. & Lone, A. (2008). Validation of Denison's model of organizational culture and effectiveness in the Indian context. *Vision*, 12(1), 49-58.

- Nelson, L., & Quick, C. (2006). *Organizational behavior: Foundations, realities & challenges* (5<sup>th</sup> ed.). Thomson Southwestern. Australia.
- Ngwenyama, O., & Nielsen, P. (2003). Competing values in software process improvement: An assumption analysis of CMM from an organizational culture perspective. *Transactions on Engineering Management*, 50(1), 100-112.
- Noruzi, F. (2013). Employee organizational commitment: The influence of cultural and organizational factors in the Pakistan banking industry. *The International Journal of Human Resource Management*, 20, 2494–2516.
- O'Reilly, A., Chatman, A., & Caldwell, F. (1991). People and organizational culture: A profile comparison approach to assessing Person organization fit. *Academy of Management Journal*, 34(3), 487-516.
- Ochoa, R., & Mujtaba, B. (2011). The application of historical and modern management theories in the financial industry: An analysis of how management practices affect employee turnover. *Journal of Business & Economics Research*, 7(8), 19-32.
- Ogbonna, E. (2000). Leadership style, organizational culture, and performance: Empirical evidence from UK companies. *International Journal of Human Resources Management*, 11(4), 766-788.
- Ojo, O. (2010). Organizational culture and corporate performance. *Journal of Business System Governance and Ethics*, 5(2), 1-12.
- Oliver, N. (1990). Rewards, investments, alternatives, and organizational commitment: Empirical evidence and theoretical development. *Journal of Occupational Psychology*, 53, 19-31.
- Olu, O. (2003). *Fundamentals of research methods*. Standard Publications. Lagos.
- Omoniyi, C., Salau, O., & Fadugba, O. (2014). Perceived influence of organizational culture and management style on employee performance in Nigerian banking sector. *European Journal of Business and Management*, 6(2), 62-70.
- Ortiz, J., & Arnborg, L. (2005). Reflections on involvement, culture, and power in organizations. *Performance Improvement*, 44(6), 31-37.
- Osborne, J., & Waters, E. (2002). Four assumptions of Multiple Regression that researchers should always test. *Practical Assessment, Research & Evaluation*, 8(2), 1-9.
- Peters, T. & Waterman, R. (2004). *In search of excellence: Lessons from America's best-run companies* (2<sup>nd</sup> ed.). Profile Books. London.
- Porter, L., Steers, R., Mowday, R. & Boulian, P. (1974). Organizational commitment, job satisfaction, and turnover among Psychiatric technicians. *Journal of Applied Psychology*, 59(5), 603-609.

- Poundstone, K., Strathdee, S., & Celentano, D. (2004). The social Epidemiology of Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome. *Epidemiologic Reviews*, 26(1), 22-35
- Prajo, D., Laosing, T., & Boon, S. (2007). Manufacturing strategies and innovation performance in newly industrialized countries. *Industrial Management and Data Systems*, 107(7), 52-68.
- Price, J., & Mueller, C. (1981). A causal model of turnover for nurses. *Academy of Management Journal*, 24(3), 543-565.
- Quinn, R., & Spreitzer, G. (1991). *Organizational culture and organizational development: A Competing values approach* (5). JAI Press. Greenwich, CT.
- Racelis, A. (2010). The influence of organizational culture on performance of Philippine Banks. *Social Science Dilmun*, 6(2), 29-49.
- Rahma, A. (2016). *The effect of organizational culture on organizational effectiveness with special reference to Ethiopian revenues and customs authority* (Unpublished master's thesis). Addis Ababa University, Addis Ababa, Ethiopia.
- Ricardo, R., & Wade, D. (2001). *Corporate performance management: How to build a better organization through measurement driven strategies alignment*. Heinemann. Butterworth.
- Richard, G. (2002). *Assessing organizational culture: The case for linear methods*. Jossey-Bass. San Francisco.
- Richard, G. (2013). Organizational culture and effectiveness in higher education: A test of the culture type and strong culture hypotheses. *Educational Evaluation and Policy Analysis*, 16(3).
- Robbins, S. (1993). *Organizational behavior*. Prentice-Hall International. New Jersey.
- Robbins, S., & Judge, T. (2013). *Organizational behavior*. Pearson Prentice Hall. England.
- Rollinson, D. (2005). *Organizational behavior and analysis an integrated approach* (93<sup>rd</sup> ed.). Prentice Hall. Boca Raton, Florida.
- Roodt, G. (2004). Concept redundancy and contamination in employee commitment research: Current problems and future directions. *South African Journal of Industrial Psychology*, 30(1), 82-90.
- Roodt, G. (2004). *Turnover intentions* (Unpublished document). University of Johannesburg, Johannesburg, South Africa.
- Sadri, G., & Lees, B. (2001). Developing a corporate culture as a competitive advantage. *Journal of Management Development*, 20(10), 853-859.
- Saffold, G. (1988). Culture traits, strength, and organizational performance: Moving beyond 'strong' culture. *Academy of Management Review*, 13(4), 546-558.

- Saunders, M. (2009). *Research method for business students* (5<sup>th</sup> ed.). Pitman publishing. UK.
- Schein, E. (1990). *Organizational culture and leadership* (2<sup>nd</sup> ed.) Jossey-Bass. San Francisco, CA.
- Schein, E. (1992). Organizational culture. *Journal of American Psychology*, 45(2), 109-119.
- Schein, E. (2011). *Leadership and organizational culture*. Wiley. New York.
- Scholl, R. (1981). Differentiating organizational commitment from expectancy as a motivating force. *Academy of Management Review*, 6(4), 589-599.
- Sekaran, U. (2003). *Research methods for business: A skill building approach*. John Wiley and Sons Inc. NY.
- Selznick, P. (1948). Foundation of theory of organizations. *American Sociological Review*.
- Sempene, M., Rieger, H., & Roodt, G. (2002). Job satisfaction in relation to organizational culture. *SA Journal of Industrial Psychology*, 28(2), 23-30.
- Senge, P. (1990). *The fifth discipline: The art and practice of the learning organization*. Doubleday/Currency. New York.
- Shakil, M. (2012). Impact of organizational culture on performance management practices in Pakistan. *Business Intelligence Journal*, 16(3), 9-18.
- Sheridan, J. (1992). The relationship between organizational culture and employee retention. *The Academy of Management Journal*, 35(5), 1035-1056.
- Singh, S. (2011). Organizational innovation as competitive advantage during global recession. *The Indian Journal of Industrial Relations*, 46(4), 165–185.
- Sorensen, J. (2002). The strength of corporate culture and the reliability of firm performance. *Administrative Science Quarterly*, 47, 70-91.
- Spector, P. (2003). *Industrial and organizational psychology: Research and practice* (3<sup>rd</sup> ed.). John Wiley & Sons. New York, NY.
- Spreitzer, G. (2001). *The psychometrics of competing values culture instrument and an analysis of the impact of organizational culture on quality of life*. Research in organizational change and development.
- Stannack, P. (1996). Perspective on employee's performance. *Management Research News*, 19(4), 38-40.
- Steven, W. (2000). Organizational culture and its relationship between job tensions in measuring outcomes among business executives. *Journal of Management Development*, 19(1), 32-49.
- Stoner, J., & Freeman, R. (1992), *Management*. Prentice –Hall International. New Jersey.

- Stoner, J., Freeman, R. & Gilbert, D. (1995). *Management*. Prentice Hall. Englewood Cliffs, NJ.
- Suppiah, V., & Sandhu, M. (2012). Organizational culture's influence on tacit knowledge sharing behavior. *Journal of Knowledge Management*, 15(3), 462-477.
- Sutrisno, E. (2007). *Organizational culture* (2<sup>nd</sup> ed.). Kencana Prenada Media Group. Surabaya.
- Tabachnick, B., & Fidell, L. (2001). *Using multivariate statistics* (4<sup>th</sup> ed.). HarperCollins. New York.
- Tavitiyaman, P., & Zhang, H. (2012). The effect of competitive strategies and organizational structure on hotel performance. *International Journal of Contemporary Hospitality Management*, 24(1), 140–159.
- Tett, R., & Meyer, J. (1993). Job satisfaction, organizational commitment, turnover intention, and turnover: Path analyses based on meta-analytic findings. *Personnel Psychology*, 46(2), 259-293.
- Tharp, B. (2009) *Four organizational culture types: Organizational culture*. White Paper.
- Thompson, A., Strickland, A., & Gamble, J. (2005). *Crafting and executing strategy: The quest for competitive advantage - Concepts and cases* (4<sup>th</sup> ed.). McGraw-Hill, Irwin.
- Topaz, B. (2018). *The role of reward and benefit management towards employee satisfaction practices: The case of commercial bank of Ethiopia* (Unpublished master's thesis). Addis Ababa University, Addis Ababa, Ethiopia.
- Trevor, C. (2001). Interactions among actual ease-of-movement determinants and job satisfaction in the prediction of voluntary turnover. *The Academy of Management Journal*, 44(4), 621-638.
- Tseng, W. (2001). Culture and society. *Handbook of Cultural Psychiatry*, 23-37.
- Tvorik, S., & McGiven, R. (1997). Determinants of organizational performance. *Management Decision*, 35(6), 417-435.
- Vecchio, R. (1995). *Organizational behavior*. Dryden Press. New York, NY.
- Weick, K. (1987). Organizational culture as a source of high reliability. *California Management Review*, 29, 112-127.
- Wilkins, A., & Ouchi, W. (1983). Efficient cultures: exploring the relationship between culture and organizational performance. *Administrative Science Quarterly*, 28(3), 468-481.
- Wondwosen, K. (2014). *An assessment of organizational culture practices in commercial bank of Ethiopia: The case at head office* (Unpublished master's thesis). St. Mary University, Addis Ababa, Ethiopia.



- Xenikou, A., & Simosi, M. (2006). Organizational culture and transformational leadership as predictors of business unit performance. *Journal of Managerial Psychology*, 21(60), 566-579.
- Yilmaz, C., & Ergun, E. (2008). Organizational culture and firm effectiveness: An examination of relative effects of culture traits and the balanced culture hypothesis in an emerging economy. *Journal of World Business*, 43, 290-306.
- Yoseph, M. (2019). *Assessment of organizational cultures at commercial bank of Ethiopia: The case in South Addis Ababa district branches* (Unpublished master's thesis). St. Mary University, Addis Ababa, Ethiopia.
- Young, A., Yom, Y., & Ruggiero, J. (2011). Organizational culture, quality of work life, and organizational effectiveness in Korean university hospitals. *Journal of Transcultural Nursing*, 22(1), 22-30.
- Yusoff, F. (2011). *Organizational culture and its impact on firm performance: Case study of Malaysian public Listed Companies*. Paper presented at the International Conference on Management.
- Zain, Z. (2013). The influence of corporate culture on organizational commitment: A study on a Malaysian listed company. *European Journal of Economics/Finance and Administrative Sciences*, 17, 16-26.
- Zhang, C., Li, M., & Pan, F. (2009). The impacts of customer satisfaction on profitability: A case study of state-owned enterprises in China. *Xiamen University*, 1(1), 21.
- Zheng, W., Yang, B., & McLean, G. (2010). Linking organizational culture, structure, strategy, & organizational effectiveness: Mediating role of knowledge management. *Journal of Business Research*, 63(2), 763-771.
- Zucker, L. (1983). Organizations as institutions. *Research in the Sociology of Organizations*, 2(1), 1-47.

# APPENDIX

## Jimma University

### College of Business & Economics

Department of Management

School of Postgraduate



#### Research Questionnaire

Dear Respondent,

I am Zerihun Bekele, a postgraduate student at Jimma University, Business & Economics Faculty, and Management Department. I am in the process of completing my studies towards a Degree in Master of Business Administration (MBA), and studying this research will form part of the requirements of the qualification. My research titled as a comparative analysis of organizational culture impact on employees' performance to measure the relative performance of employees within their organization and between organizations.

Accordingly, I am undertaking my research focusing on selected commercial banks at Jimma city. Your bank is among the three banks selected for my study. Hence, your voluntarily participation in this survey is valuable. The information you provide will be only for the purpose of the study consumption and kept strictly confidential. It will take about 30 minutes to fill out questions under General profile, Organizational Culture and Employees' performance category.

Please do not write your name or contact address on the questionnaire.

Thank you in advance for your kindly cooperation!!!

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

1. Your Age :       < 20 yrs     21-30 yrs     31-40 yrs     41-50 yrs     > 51 yrs
2. Gender:       Female                       Male
3. Marital Status:     Not Married     Married             Divorced             Widowed

4. Your highest educational level:      Diploma / Level IV      Degree      Masters and above
5. How long have you been working in this organization?  
 < 1 yr      1-5 yrs      6-10 yrs      11-15 yrs      16-20 yrs      > 20 yrs
6. What is your current position?      Managerial      Non-Managerial

## Part 2: Organizational Culture of Commercial Banks

Please indicate the degree of your agreement/disagreement with the following statements associated with the **four** traits of organizational culture; Adaptability, Involvement, Consistency and Mission with respect to your bank. **(Please put “X” mark in the box which Best Describes Your View)**

<b>Your Bank’s Organizational Culture Dimensions</b>						
<b>I. ADAPTABILITY</b>	Disagree Strongly	Disagree	Slightly Disagree	Slightly Agree	Agree	Agree Strongly
New and improved ways to do work are continually adopted						
Different sections of your bank mostly cooperate to create change						
Your bank respond well to competitors and other changes in the business Environment						
Customers comment and recommendation often lead to changes						
Employees deeply understand customers wants and needs						
Customers inputs directly influences your bank’s decisions						
Innovations and risk taking are encouraged in your bank						
Learning is an important objective your bank’s day-today work						
Your bank view failures as an opportunity for learning and improvement						
<b>II. INVOLVEMENT</b>	Disagree Strongly	Disagree	Slightly Disagree	Slightly Agree	Agree	Agree Strongly
Decisions are made at the level where the right information is available						

Every employee believe that everyone can have a positive impact						
Information is widely shared so that every employee can get the information they need						
Cooperation across different sections of your bank is encouraged						
Teamwork is used to get work done, rather than chain of command						
Every employee work like they are part of a team						
There is a continuous investment to build employees skill						
The capabilities of employees are viewed as an important source of competitive advantage						
Authority is delegated so that all employees can act on their own						
<b>III. CONSISTENCY</b>	Disagree Strongly	Disagree	Slightly Disagree	Slightly Agree	Agree	Agree Strongly
Superiors & Managers "practice what they preach"						
There is a clear & consistent set of values that governs the way your bank do business						
Your bank has an ethical code that guides employees' behavior and tells right from wrong						
When disagreements occur, employees work hard to achieve a "win-win" solutions						
There is a clear agreement regarding the right way and the wrong way to do things						
There is a "strong" culture in your bank						
Employees from different sections of your bank share a common perspective						
There is good alignment of goals across levels of your bank						
Your bank's approach to do business is very consistent and predictable.						
<b>IV. MISSION</b>	Disagree Strongly	Disagree	Slightly Disagree	Slightly Agree	Agree	Agree Strongly
Your bank employees have a shared vision of what the organization will be like in the future						
Leaders of you bank have a long-term viewpoint						

Your bank vision creates excitement and motivation for employees						
Your bank leaders set goals that are ambitious, but realistic						
Your bank continuously track its progress against the stated goals						
There is widespread agreement about the goals of your bank						
Your bank have a clear mission that gives meaning and direction to employees work.						
Your bank's future strategic direction is clear to employees						
There is a long-term purpose and direction in your bank						

### **Part 3: Organizational Performance**

Please indicate the degree of your agreement/disagreement with the following statements associated with measuring **Organizational Performance** dimensions of Organizational Commitment, Job Satisfaction & Employee Turnover. **(Please put "X" mark in the box that Best Describes Your View)**

<b>Organizational Performance Measures of your Bank</b>						
<b>Job Satisfaction</b>	Disagree Strongly	Disagree	Slightly Disagree	Slightly Agree	Agree	Agree Strongly
I am satisfied with my job.						
I have a clear understanding of my job responsibilities and what is expected from me.						
The major satisfaction in my life comes from my job.						
I know the standards of work expected of me.						
I feel my opinion counts in the Organization.						
I feel my colleagues treat me with respect.						
I get a feeling of accomplishment from my job						
I feel valued by senior management						
My immediate manager lets me know how I am doing						
<b>Organizational Commitment</b>	Disagree Strongly	Disagree	Slightly Disagree	Slightly Agree	Agree	Agree Strongly
I am very happy being a member of this organization						
I enjoy discussing about my organization with people outside it						
I really feel as if this organization's problems are my own						
It would be very hard for me to leave my organization right now, even if I wanted to						
I feel that I owe this organization quite a bit because of what it has done for me						
My organization deserves my loyalty because of its treatment towards me						
This organization has a mission that I believe in and am committed to						
I feel it is 'morally correct' to dedicate myself to this organization						
<b>Employee Turnover Intention</b>	Disagree Strongly	Disagree	Slightly Disagree	Slightly Agree	Agree	Agree Strongly
Are Fringe Benefits, offered by the organization necessary to retain the employees?						

Is stand still career or no career path affects the turnover decision?						
Does Dishonest and unethical leaders affect your Job?						
Does Conflict with immediate supervisor or coworkers have a direct effect on the turnover decision?						
Does Unfair pay increase affects turnover decision?						
Does hostile environment for both the genders have great effect on Turnover?						
Does unfair performance appraisal process have great effect on Employee turnover?						
Do you agree that Organizational Politics affects the employee retention?						

*Thank you for your cooperation!!!*

#### **Part 4: Interview Questions (for Managers Only)**

1. How do you describe your bank's organizational culture in terms of the four cultural dimensions?

---

---

---

---

2. Based on your experience in this organization, which cultural dimensions have direct impact on organizational performance?

---

---

---

---

3. How do you communicate your employees about your organizational culture?

---

---

---

---

4. How do you characterize your employees at your bank in light of their performance?

---

---

---

---

*Thank you for your cooperation!!!*

**ANNEX**

Bank's Category	Cronbach's Alpha	N of Items
Public Banks	.841	9
Private Banks	.773	9

Annex1: Reliability Analysis Result of Adaptability



Bank's Category	Cronbach's Alpha	N of Items
Public Banks	.770	9
Private Banks	.771	9

Annex2: Reliability Analysis Result of Involvement

Bank's Category	Cronbach's Alpha	N of Items
Public Banks	.729	9
Private Banks	.728	9

Annex3: Reliability Analysis Result of Consistency

Bank's Category	Cronbach's Alpha	N of Items
Public Banks	.829	9
Private Banks	.826	9

Annex4: Reliability Analysis Result of Mission

Bank's Category	Cronbach's Alpha	N of Items
Public Banks	.874	18
Private Banks	.621	18

Annex4: Reliability Analysis Result of Organizational Performance

	Mean	Std. Deviation	N
Organizational Performance	86.05	10.764	131
Bank's Category	1.38	.488	138
Bank's Office Organization	1.54	.501	138
Adaptability	41.63	6.434	134
Involvement	41.67	6.106	135
Consistency	42.55	5.389	135
Mission	43.30	6.292	136

Annex5: Descriptive Statistics of the study

	Organizational Performance	Bank's Category	Bank's Office Org	Adaptability	Involvement	Consistency	Mission
Pearson Correlation	Organizational Performance	1.000	-.161	.020	-.039	.166	.572
	Bank's Category	-.161	1.000	-.042	-.200	-.364	-.038
	Bank's Office Org	.020	-.042	1.000	-.017	-.055	-.021
	Adaptability	-.039	-.200	-.017	1.000	.824	.310
	Involvement	.166	-.364	-.055	.824	1.000	.477
	Consistency	.572	-.038	-.021	.310	.477	1.000

	Mission	.587	-.088	.002	.311	.399	.753	1.000
Sig. (1-tailed)	Organizational Performance		.033	.412	.331	.030	.000	.000
	Bank's Category	.033		.311	.010	.000	.330	.154
	Bank's Office Org	.412	.311		.424	.262	.406	.489
	Adaptability	.331	.010	.424		.000	.000	.000
	Involvement	.030	.000	.262	.000		.000	.000
	Consistency	.000	.330	.406	.000	.000		.000
	Mission	.000	.154	.489	.000	.000	.000	
N	Organizational Performance	131	131	131	127	128	128	131
	Bank's Category	131	138	138	134	135	135	136
	Bank's Office Org	131	138	138	134	135	135	136
	Adaptability	127	134	134	134	131	131	132
	Involvement	128	135	135	131	135	132	133
	Consistency	128	135	135	131	132	135	133
	Mission	131	136	136	132	133	133	136

Annex 6: Pearson's Correlation Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.162 <sup>a</sup>	.026	.010	10.708	.026	1.663	2	124	.194	
2	.696 <sup>b</sup>	.484	.458	7.925	.458	26.594	4	120	.000	2.119

a. Predictors: (Constant), Bank's Office Organization, Bank's Category

b. Predictors: (Constant), Bank's Office Organization, Bank's Category, Consistency, Adaptability, Mission, Involvement

c. Dependent Variable: Organizational Performance

Annex 7: Model Summary of the study

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	381.269	2	190.635	1.663	.194 <sup>b</sup>
	Residual	14217.018	124	114.653		
	Total	14598.287	126			
2	Regression	7061.988	6	1176.998	18.741	.000 <sup>c</sup>
	Residual	7536.300	120	62.802		
	Total	14598.287	126			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Bank's Office Organization, Bank's Category

c. Predictors: (Constant), Bank's Office Organization, Bank's Category, Consistency, Adaptability, Mission, Involvement

Annex 8: ANOVA result of the study

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	90.520	4.182		21.643	.000					
	Bank's Category	-3.540	1.956	-.161	-1.810	.073	-.161	-.160	-.160	.998	1.002
	Bank's Office Org	.277	1.908	.013	.145	.885	.020	.013	.013	.998	1.002
2	(Constant)	50.764	7.623		6.660	.000					
	Bank's Category	-3.227	1.629	-.146	-1.981	.050	-.161	-.178	-.130	.788	1.269

Bank's Office Org	.422	1.420	.020	.297	.767	.020	.027	.019	.987	1.013
Adaptability	-.665	.204	-.398	-3.265	.001	-.039	-.286	-.214	.290	3.450
Involvement	.220	.247	.125	.891	.375	.166	.081	.058	.219	4.569
Consistency	.656	.218	.328	3.016	.003	.572	.265	.198	.363	2.757
Mission	.686	.173	.401	3.967	.000	.587	.340	.260	.421	2.376

a. Dependent Variable: Organizational Performance

### Annex 9: Regression Coefficient of the study variables

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics			
					Tolerance	VIF	Minimum Tolerance	
1	Adaptability	-.074 <sup>b</sup>	-.818	.415	-.074	.959	1.042	.958
	Involvement	.126 <sup>b</sup>	1.323	.188	.118	.862	1.160	.862
	Consistency	.567 <sup>b</sup>	7.778	.000	.574	.998	1.002	.997
	Mission	.578 <sup>b</sup>	7.959	.000	.583	.992	1.008	.990

a. Dependent Variable: Organizational Performance

b. Predictors in the Model: (Constant), Bank's Office Organization, Bank's Category

### Annex 10: Excluded Variables of the study

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions							
				(Constant)	Bank's Category	Bank's Office Org	Adaptability	Involvement	Consistency	Mission	
1	1	2.859	1.000	.01	.01	.01					
	2	.107	5.164	.00	.55	.41					
	3	.034	9.157	.99	.44	.58					
2	1	6.760	1.000	.00	.00	.00	.00	.00	.00	.00	.00
	2	.116	7.638	.00	.62	.05	.00	.00	.00	.00	.00
	3	.089	8.725	.00	.01	.84	.00	.00	.00	.00	.00
	4	.020	18.271	.00	.04	.00	.11	.03	.05	.15	
	5	.008	29.957	.89	.16	.08	.07	.00	.00	.13	
	6	.005	37.669	.11	.02	.02	.12	.13	.50	.53	
	7	.003	51.176	.00	.15	.01	.69	.83	.44	.19	

a. Dependent Variable: Organizational Performance

### Annex 11: Collinearity Diagnostics of the study

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	60.96	97.22	86.16	7.592	126
Residual	-22.458	20.670	-.101	8.237	121
Std. Predicted Value	-3.350	1.492	.016	1.014	126
Std. Residual	-2.834	2.608	-.013	1.039	121

a. Dependent Variable: Organizational Performance

### Annex 12: Residual Statistics of the Model

No.	Bank Name	Year Est.	Jimma Branches	District at Jimma	2017/18 Profit (Million)
1	<u>CBE</u>	1963	12	Yes	14,600
2	<u>Awash International Bank</u>	1994	2	No	1,960
3	<u>Bank of Abyssinia</u>	1996	1	No	766
4	<u>Wegagen Bank</u>	1997	3	Yes	1,050
5	<u>United Bank</u>	1998	5	Yes	706.9
6	<u>Nib International Bank</u>	1999	3	No	678.75
7	<u>Dashen Bank</u>	2003	2	Yes	1,140
8	<u>Cooperative Bank of Oromia(s.c.)</u>	2005	3	Yes	635
9	<u>Oromia International Bank</u>	2008	1	No	938
10	<u>Bunna International Bank</u>	2009	1	No	427.2
11	<u>Abay Bank S.C.</u>	2010	1	No	419
12	<u>Berhan International Bank</u>	2010	2	No	410

Annex 13: List of Commercial Banks operating in Jimma (2019)