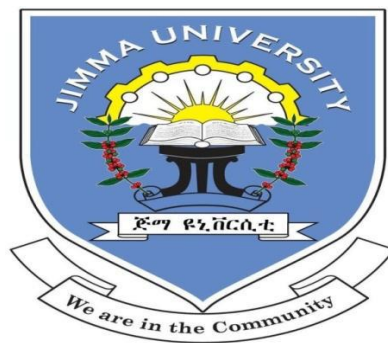


***The Effect of Organizational Culture on Employee Commitment: In  
case of Commercial Bank of Ethiopia Jimma District***

*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 Logistic & supply chain management (lscm)*

**BY:**

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COLLEGE OF BUSINESS & ECONOMICS  
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**JUNE, 2021  
JIMMA, ETHIOPIA**

*The Effect of Organizational Culture on Employee Commitment: In  
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**JIMMA UNIVERSITY**

**MBA PROGRAM**

**JUNE, 2021**

**JIMMA, ETHIOPIA**

**Certificate**

This is to certify that the research paper entitles “*The Effect of Organizational Culture on Employees Commitment Case of Commercial Bank of Ethiopia in Jimma District,*” submitted to Jimma university for the award of the degree of masters of logistics and supply chain management and is a record of confide research paper work under our guidance and supervision.

Therefore, I hereby declare that no part of this research paper has been submitted to any other university or institutions for the award of masters.

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### **Declaration**

I, the under signed, declare that this research paper is my original work and all sources of materials used for this research paper have been duly acknowledged. The paper has never been presented in this or any other university for the award of any academic degree, diploma or certificate.

Name: Shewanesh Tefera

Signature\_\_\_\_\_

Date\_\_\_\_\_

Jimma, Ethiopia

## **Abstract**

*The purpose of the study was to examine the effect of organizational culture on employees' commitment case of commercial bank of Ethiopia in Jimma district. The study adopted a quantitative research approach and the nature of the study was descriptive and explanatory. Stratified and simple random probability sampling design was used. The total sample of the study was 290 respondents with a response rate of 91.03%. The primary data needed for this purpose is collected using structured questionnaires and secondary data is collected from published or unpublished annual report and journal articles. In this study both descriptive and inferential statistics such as mean, standard deviation, correlation, and multiple regression analysis was used through SPSS Version 20 software. Based on the findings, mission had stronger positive and statistically significant effect on employees' commitment. The other three organizational culture dimensions; adaptability, consistency and involvement were ranked depending on their correlation level from most correlated positive and statistically significant effect on employees' commitment. Relatively, involvement was less positively correlated with employees' commitment. Besides, the highest accumulated mean score of mission also exposed that employees strongly agreed with the measure of mission. Based on this finding the study recommended that, the organization has to continue in communicating its mission and vision to newly hired employees consistently and safeguard employees recognize, internalize and work towards the attainment of the goals of the organization.*

**Key word:** Organizational culture, commitment, commercial bank of Ethiopia

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## **CHAPTER ONE**

### **Introduction**

The aim of this chapter is to provide background information on the study. The remaining parts of the chapter are organized as follows. The first section of the research presents background for the study, section two presents background of the organization and then statement of problems comes in the third section. The fourth, fifth and sixth section sets out research question, objectives of the research and significance of the study respectively. Finally section seven, eight and nine presents were scope, limitation and structure of the study respectively.

#### **1.1 Background of the Study**

Organizational commitment is the desire and the willingness of employees to remain in the organization and devote themselves to the success of the organization. Hakim (2015) Similarly, Jaros (2007) has explained the organizational commitment model of Allen and Meyer. This model encompasses three types of commitments: normative commitment is the first organizational commitment type which can be defined as perceived obligation towards the organization. Affective and continuance are the second and third organizational commitments types that can be explained as emotional ties the employee develops with the organization and perceived costs (economic cost or social cost) of leaving the organization respectively. Moreover, Nongo and Ikyanyon (2012) summarized the three defined characteristics of employee commitment which was devised by Mowday. The first character is strong belief in and acceptance of the organization's goals and values. Willingness to exert considerable effort on behalf of the organization is the second traits of employee commitment and the last character is a strong desire to maintain membership in the organization.

Organizational culture also known as corporate culture refers to the beliefs, attitudes, and values that the organization's members share and the behaviors consistent with them (which they give rise to). Corporate culture sets one organization apart from another and dictates how members of other organization will see you, interact with you, and sometimes judge you. Often, projects too have a specific culture, work norms, and social conventions (Adrienne, 2014). Corporate culture is based in part on employees' shared values, and is in part defined by management, company history, and

employees' professional culture (Martine, 2017). Studies show that employees' commitments are directly related to organizational culture.

Denison and Neale (2011) defined organizational culture as "the underlying values, beliefs and principles that serve as a foundation for an organization's management system, as well as the set of management practices and behaviors that both exemplify and reinforce those basic principles". These authors further explain the visible and invisible aspect of organizational cultures. The visible aspect includes working hard, proper attire, acting friendly to customers etc. In contrast, the invisible assumptions are value and core beliefs which are harder to observe including honesty, integrity, being ethical, going beyond expectations to satisfy customers.

Once the corporate culture has been identified, members should try to adapt to the frequency, formality, and type of communication customary in that culture. This adaptation will strongly affect employee commitments productivity and satisfaction internally, as well as with the client organization (Adrienne, 2014).

Various studies and literatures defined organizational culture traits in different dimension. Robbins and Judge (2013) listed the seven primary characteristics of organizational culture. These are; innovation and risk taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness and stability. Moreover, Dolan and Lingham (2012) explain Charles Handy organizational culture concepts that classify organizational cultures as power, role, task, and person culture. The first trait power culture concentrates on power among a few with few rules and little bureaucracy. Role culture, second organizational trait, is demonstrated when employees have clearly delegated authorities within a highly defined or bureaucracies structure. The third trait is task culture in which teams are formed to solve particular problems and there will be multiple reporting lines of a matrix. The last culture: person culture exists where all individuals believe themselves superior to the organization. Similarly, Coffey, Trew and Trigunarsyah (2012) explained the four organizational cultures (Involvement, consistency, adaptability and mission) depicted on Denison organizational culture model. The researcher further explains these traits as follows: involvement, the first organizational trait, ensures the participation of employees in decision making. And consistency trait emphasizes on maintenance of the status quo by being well coordinated and well integrated. The third trait, adaptability, depicts the ability of the organization

in translating the demands of the business environment into action. The last trait is mission whereby organizations devise meaningful long-term strategic direction and vision of the company.

Kondalrk (2007), Robbins and Judge (2013) have explained that agreement of employee on organizational culture builds employee commitment. Besides, these authors noted that the more members accept the core values, the greater their commitment and the greater its influence on their behavior. Similarly, various researchers found out positive and significant relationship between overall organizational culture and employee commitment Razzaq et al (2012), Azadi, et al (2013), Ghader et al (2014), Mojtaba et al (2015). Keep in view of understanding the concept of culture and employee commitment, and the relationship between organizational culture and employee commitment asserted by different researchers, this study was conducted the effect of organizational culture on employees' commitment case of commercial bank of Ethiopia in Jimma district.

## **1.2 Background of the Organization**

The first modern bank in Ethiopia was the Bank of Abyssinia which was established in 1905 during the reign of Menelik II. Modern banking in Ethiopia is believed to be started in 1905 which is made based on the 50 years agreement of Anglo-Egyptian national bank (Gezae, 2015). Before that time banking was unknown so that it was mainly used by few Ethiopians and foreigners. At the beginning the bank opened branches at Dire Dawa, Gore and Dessie.

In 1931 the bank of Abyssinia was liquidated and a new bank called Bank of Ethiopia was established (Geda, 2006). The bank of Ethiopia is the first indigenous bank in Africa. He also added that during the five years of Italian occupation, the bank of Ethiopia was ceased its function. Instead many Italian banks like Bancad' Italia, Banco di Roma, Banco di Napoli, etc. were opened in Ethiopia. Geda (2006) stated that in 1943 the state bank of Ethiopia which was fully owned by the Ethiopian government began operations in 21 branches during its existence till 1963.

In 1963 the state bank of Ethiopia was dissolved and split into two; the National Bank of Ethiopia and the Commercial Bank of Ethiopia. Based on the Financial Standards Forum (2008) in 1975 which is cited in Geda (2006), the major commercial banks were merged under the Addis Ababa Bank, and the National Bank of Ethiopia was given oversight over all financial institutions. 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 (Geda, 2006).

According to Addison &Geda (2001), with the overthrow of the Derg Regime in 1991, Ethiopia began its transition to a market economy. This transition has had profound implications for the financial system. New financial institutions have emerged, the role of the private sector in financial system has been expanded, and the role of the central bank is being reformulated. Then after, the so called commercial bank of Ethiopia was reestablished in a new form and out lined in a new structure. This time commercial bank of Ethiopia (CBE) is subdivided into 15 districts and provides its service by opening about 1150 branches throughout the nation. Of these branches about 80 are used to operate under south Addis Ababa district (SAAD). The main focus of this study is laid on the state owned commercial bank of Ethiopia specifically South Addis Ababa District (SAAD).

### **1.3 Statement of the Problem**

It is very necessary for an organization to establish an organizational culture to maintain its position in market. The organizational culture must be developed which may provide support to an organization and bring continuous improvement. The culture of an organization is very important for the progress of an organization because it impacts on employee commitment and their retention as well. Several organizations in the world have faced one form of failure and success over the past years due to cultural effects, mismanagement, ethical codes among others. Organizational culture is frequently said to be responsible for all manner of organizational ills and, on occasions, credited with creating positive qualities. A better understanding of the concept would allow people in organizations to solve problems and improve employee performance (Weerarathna, 2014) because the success or failure of any organization depends up on the culture it creates, adapts and transfers to the newly coming employees.

The organizational culture must be developed which may provide support to an organization and bring continuous improvement. The culture of an organization is very important for the progress of an organization because it impacts on employee commitment and their retention as well. Some results of previous studies found that there was a significant relationship between all the components of organizational culture including adaptability, involvement, consistency, mission and organizational commitment Momeni et al (2012);Ghorbanhosseini 2013 and Nikpour A. 2017), Mousa M. (2017) this study has found that involvement, consistency, adaptability, and mission sharing have a strong effect on organizational commitment approaches (affective commitment, continuance commitment, & normative commitment). Mersen B. (2016) this study

was initiated to investigate the effect of the selected organizational culture traits on employee commitment in study area.

A study by Nongo and Ikyanyon (2012) proved that corporate culture is important in improving the level of employees' commitment to the organization but not all corporate cultural measures have effect on employees' commitment. They used survey research design and also adopted Denison's cultural model using involvement, consistency, adaptability and mission. The result of their study shows a significant and positive relationship between involvement and commitment; and the relationship between consistency and commitment was however not significant but positive. There was also a significant and positive relationship between adaptability and commitment, while the relationship between mission and commitment was not significant and negative. Accordingly, these researchers concluded that consistency and mission are not significantly correlated with organizational commitment.

To the contrary, Azadi et al (2013); Afkhami et al (2014); Mojtaba et al (2015); research finding depict that there is significant relationship between organizational culture components and employees' commitment. The study design by Asghar, Mojtaba and Sadeghi was correlation research design and based on the limited study population, total count sampling was used. The model used by them was Denison's cultural model using the four cultural dimensions i.e. Involvement, Consistency, Adaptability and Mission which is similar with this research work and the data collection instrument was also using standard questionnaire. Therefore, they concluded that all organizational culture components are significantly correlated with employees' commitment. Accordingly to Astri (2012) as well suggest that organizational commitment is very important for managers in organization either government organization or private sector for their success. In addition, the organizational culture related with employees' commitment toward their organization and nature of influence that organizational culture has upon employee commitment of employees within organization and is better to be clearly studied so that it was as encourage the organizational commitments.

In line with this, further research is needed to identify the organizational cultures in the company under study and its relationship with organizational commitment; and also to maintain the most important organizational culture with high correlation and greater effect on employees' commitment; which may help the organization to keep professional employees and to increase the



number of committed employees by minimizing employees' turnover. Therefore, based on the above gaps the researcher was identified the effect of organizational culture on employees commitment case of commercial bank of Ethiopia in Jimma district.

### **Research Questions**

This study was mainly answers the following questions:

1. What is the effect of organization culture traits involvement, on employees' commitment of commercial bank of Ethiopia in Jimma district?
2. What is relationship between organizational culture and employee commitment of commercial bank of Ethiopia in Jimma district?

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

### **1.4.1 General Objective of the Study**

The main objective of the study was examined the effect of organizational culture on employees' commitment case of commercial bank of Ethiopia in Jimma district.

### **1.4.2. Specific Objective of the Study**

The specific objectives of the studies were:

- To examine the effect of involvement on employee commitment of commercial bank of Ethiopia in Jimma district.
- To examine the effect of consistency on employee commitment of commercial bank of Ethiopia in Jimma district.
- To determine the effect of adaptability on employee commitment of commercial bank of Ethiopia in Jimma district.
- To identify the effect of mission on employee commitment of commercial bank of Ethiopia in Jimma district.

## **1.5. Significance of the Study**

The study was conducted the effect of organizational culture on employees' commitment case of commercial bank of Ethiopia in Jimma district.

Organizational culture is one of the critical factors that enhance the attainment of organizational goals and objectives. Thus, it seems highly essential that ensuring to have highly committed

employees might help commercial bank of Ethiopia to meet the strategic objectives and goals. Furthermore, this study was having the following significance: Organizational culture is one of the critical factors that enhance the attainment of organizational goals and objectives. Thus, it seems highly essential that ensuring to have highly committed employees might help commercial bank of Ethiopia to meet the strategic objectives and goals. Furthermore, this study has the following significance: The government policy makers were benefit also from the outcome since it was assist them in examining the current policies accordingly. Additionally, this study was served as a point of departure for further research by academicians. The study might contribute to the existing literature through identifying the significance relationship between the selected organizational culture and employee commitment. Moreover, empirically identifying the contribution of organizational culture traits to employee commitment in Ethiopian context is an important addition for the literature as well. And also similar stake holders might use it as an input for further study and to investigate more in the area: in a broader and wider scope. Lastly, the study might contribute towards the advancement of theoretical knowledge and serves as a preliminary basis and reference material for future studies. It may also contribute to the existing literatures through identifying the significance relationship between the selected organizational culture and employees' commitment.

#### **1.6. Scope of the Study**

This study was focused on the effect of organizational culture on employee's commitment in the commercial bank of Ethiopia in Jimma district. Commercial bank of Ethiopia in Jimma district is one of the major public banks in Ethiopia having around 61 branches throughout the district. This study was estimated only the commitment of staffs employed in the district found in Grade 4, Grade 3, Grade 2 and Grade 1 branches by considering variable adaptively, consistency involvement and mission. In addition, these studies were a cross-sectional study in which data was collected at one point in time. As a methodological scope, the study was used only quantitative research design. The rationale behind using quantitative approach is the nature of the research questions and the most appropriate method to address the research questions.

### **1.7. Limitation of the study**

This study was conducted with all possible efforts in acquiring all the necessary data collection and processing, interpretation and analysis. However, the study encountered some limitations. In carrying out the study, several limitations were encountered among which, during data collection the concept of organizational culture was not clear for some of my respondents. Organizational culture and employee commitment advance over time through the growth phases of an organization life cycle; it is also dependent on external factors such as employee market, economic circumstances, and economic well-being of the organization and lack of properly organized secondary data that can be collected from different branches of CBE Jimma District.

### **1.8. Organization of the Study**

The research paper was organized with five chapters. The first chapter covers the introduction part that addresses the background of the study, background of the organization, the research questions, and objectives of the study, the significance and scope of the study. The second chapter comes; it was described the basic and relevant literatures related to the effect of organizational culture on employee commitment that are done previously by other researchers. In the third chapter was the research design and methodology. The chapter four presents data analysis and interpretation. Finally, summary of major finding, conclusion and recommendations were presents.

## **CHAPTER TWO**

### **Literature Review**

The aim of this chapter is to review different literatures relating to organizational culture, and employee commitment and to discuss the relationship between them. This review of literature will provide the theoretical background for the study, different empirical findings and the conceptual frameworks. In this section the researcher should focus on the following points.

#### **2.1 Theoretical Framework**

Under this section the researcher explain the theoretical review work of the previous study.

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

Organizational culture has assumed considerable importance in the 21st century, because of its impact on employee performance and job satisfaction. It is the imperative of every organization to understand its own dynamic culture so that managers can capitalize on the insights generated by the cultural perspective to wield greater control over their organizations. The culture of an organization has an important impact on its performance. With the ever - changing technology and fast - paced business arena, companies today are grappling to find new and innovative ways of improving performance with the minimal addition of cost. Many companies have now turned to exploring the sociological aspect of the business in order to improve profitability. Culture is one aspect that is not tangible, yet it plays a very important role to the success of any business enterprise. This chapter was define organizational culture, its nature and influence on an organization as well as ways of creating, transmitting and sustaining organizational culture,(Guluma 2015).

##### **2.1.2 The concept of organizational culture**

Before trying to describe the content of organizational culture, one should have to understand the concept of organizational culture. Organizational culture has been criticized as being conceptually weak, because it has been defined in many ways and each definition emphasizes a particular focus or level. Since Schein (2015) published the book *Organizational Culture and Leadership*, numerous researchers have accepted culture as a multidimensional and multilevel concept. Schein describes three levels of culture. The first level consists of visible organizational structures and actions, such as dress code, facilities, and procedures. This level of culture can be easily observed. The second level consists of espoused values manifested in the public images of organizations, such as

strategies, goals, and philosophies. While not as visible as the artifacts present in the first level, these values can be ascertained by norms, the way things are done in the organization. The third level entails of basic assumptions, or unconscious beliefs, perceptions, thoughts, and feelings. These determine both behavioral norms (the way people should behave) and organizational values (the things that are highly valued).

“Organizational culture is the shared understanding of the beliefs, values, norms and philosophies of how things work (Wallach, 1983)” So most researchers agree that subjective culture is a more significant determinant of beliefs, attitudes, and behaviors, and it provides a more distinctive basis for characterizing and interpreting similarities and differences between people indifferent organizations. To precise, an organizational culture can only exist in the configuration of a set of norms, values and beliefs regarding the integration of the subcultures into the whole; thus an organization will only present a dominant culture (Denison, 2012).

In Buono and Bowditch’s (2012,) category, the visible elements created by an organization on the first level can be regarded as objective organizational culture, while the elements on the second and the third levels are concerned with subjective organizational culture. According to them, objective organizational culture refers to the artifacts and physical settings, whereas subjective organizational culture refers to “the pattern of beliefs, assumptions, and expectations shared by organizational members and the group’s characteristic way of perceiving the organization’s environment and its values, norms, and roles as they exist outside the individual”

A basic definition of organizational culture is necessary to provide a point of departure in the quest for an understanding of the phenomenon. Martins and Martins (2003, p 380) state the general definition of organizational culture as a system of shared meaning held by members, distinguishing the organization from other organizations.

In relation to the above definition, Arnold (2005, p 625) indicates that organizational culture is the distinctive norms, beliefs, principles and ways of behaving that combine to give each organization its distinct character. These two definitions suggest that organizational culture distinguishes one organization from another organization. Therefore, organizational culture is to an organization what personality is to an individual (Johnson, 1990).

Linking up with the above definitions, Schein (1985, p 9) also defines organizational culture as “a pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”. This description highlights that organizational culture is created assumptions, which are accepted as a way of doing things and are passed on to new members of an organization.

For new employees this would mean adaptive behavior within the organization that leads to new belief systems. This new and adaptive behavior instilled through organizational values and beliefs are associated with rituals, myths and symbols to reinforce the core assumptions of organizational culture (Hofstede, 1991).

In relation to the above definition, Brown (1998, p 9) defines organizational culture as “the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization’s history, and which tend to be manifested in its material arrangements and in the behaviors of its members”. This suggests that organizational culture is articulated in the organization, in order to shape the way in which organizational members should behave. However, this pattern of values, norms, beliefs, attitudes, principles and assumptions may be unwritten or non-verbalized behavior that describes the way in which things get done; to give the organization its unique character (Brown, 1998). Given the various definitions of organizational culture which were discussed in this section, the adopted and relevant definition for this study is stated by Harrison (1993, p 11) as the “distinctive constellation of beliefs, values, work styles, and relationships that distinguish one organization from another”.

In other words, organizational culture includes those qualities of the organization that give it a particular climate or feel. As a result the distinct qualities of an organization may manifest through four dimensions, namely power, role, achievement and support (Harrison, 1993)

### **2.1.3 The concept of organizational culture**

Organizational culture is the collection of values, expectations, and practices that guide and inform the actions of all team members. Think of it as the collection of traits that make your company what it is. A great culture exemplifies positive traits that lead to improved performance, while a

dysfunctional company culture brings out qualities that can hinder even the most successful organizations. Don't confuse culture with organizational goals or a mission statement, although both can help define it. Culture is created through consistent and authentic behaviors, not press releases or policy documents. You can watch company culture in action when you see how a CEO responds to a crisis, how a team adapts to new customer demands, or how a manager corrects an employee who makes a mistake.

Schein (1999:200) defines culture as a pattern of shared basic assumptions that the group learned as it solved problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. Mullins (1999:53) defines organizational culture as the collection of traditions, values, beliefs, policies, and attitudes that constitute a pervasive context for everything one does and thinks in an organization. As Wathappa (2003:479) refers to culture as a complex whole which includes knowledge, belief, art, morals, law, custom, and other capabilities and habits acquired by man in a society.

#### **2.1.4 The importance of culture to the organization**

Organizational culture affects all aspects of your business, from punctuality and tone to contract terms and employee benefits. When workplace culture aligns with your employees, they're more likely to feel more comfortable, supported, and valued. Companies that prioritize culture can also weather difficult times and changes in the business environment and come out stronger.

Culture is a key advantage when it comes to attracting talent and outperforming the competition. 65 percent of workers consider a company's culture before applying, and almost half of employees would leave their current job for a lower-paying opportunity at an organization with a better culture. The culture of an organization is also one of the top indicators of employee satisfaction and one of the main reasons that almost two-thirds (65%) of employees stay in their job (Merfee, 2014).

### 2.1.5 Qualities of a great organizational culture

Every organization's culture is different, and it's important to retain what makes your company unique. However, the cultures of high-performing organizations consistently reflect certain qualities that you should seek to cultivate:

**Alignment** comes when the company's objectives and its employees' motivations are all pulling in the same direction. Exceptional organizations work to build continuous alignment to their vision, purpose, and goals.

**Appreciation** can take many forms: a public kudos, a note of thanks, or a promotion. A culture of appreciation is one in which all team members frequently provide recognition and thanks for the contributions of others.

**Trust:** is vital to an organization. With a culture of trust, team members can express themselves and rely on others to have their back when they try something new

**Performance:** is key, as great companies create a culture that means business. In these companies, talented employees motivate each other to excel, and, as shown above, greater profitability and productivity are the results (Carolie, 2014).

**Resilience:** is a key quality in highly dynamic environments where change is continuous. A resilient culture will teach leaders to watch for and respond to change with ease.

**Teamwork:** encompasses collaboration, communication, and respect between team members. When everyone on the team supports each other, employee will get more done and feel happier while doing it? Integrity, like trust, is vital to all teams when they rely on each other to make decisions, interpret results, and form partnerships. Honesty and transparency are critical components of this aspect of culture. Innovation leads organizations to get the most out of available technologies, resources, and markets. A culture of innovation means that you apply creative thinking to all aspects of your business, even your own cultural initiatives. Psychological safety provides the support employees need to take risks and provide honest feedback. Remember that psychological safety starts at the team level, not the individual level, so managers need to take the lead in creating a safe environment where everyone feels comfortable contributing (Carolie, 2014).



## 2.1.7 Functions of Organizational Culture

The main function of organizational culture is to define the way of doing things in order to give meaning to organizational life (Arnold, 2012). Making meaning is an issue of organizational culture, because organizational members need to benefit from the lessons of previous members. As a result, organizational members are able to profit from whatever trials and errors regarding knowledge others have been able to accumulate (Johnson, 2012). Organizational culture also determines organizational behavior, by identifying principal goals; work methods; how members should interact and address each other; and how to conduct personal relationships (Harrison, 2011). Brown (1998, p 89- 91) states the following functions of organizational culture: <sup>TM</sup>Conflict reduction. A common culture promotes consistency of perception, problem definition, evaluation of issues and opinions, and preferences for action.

**Coordination and control:** Largely because culture promotes consistency of outlook it also facilitates organizational processes of co-ordination and control.

**Reduction of uncertainty:** Adopting of the cultural mind frame is an anxiety reducing device which simplifies the world of work, makes choices easier and rational action seem possible. <sup>TM</sup>

**Motivation:** An appropriate and cohesive culture can offer employees a focus of identification and loyalty, foster beliefs and values that encourage employees to perform.

**Competitive advantage:** Strong culture improves the organization's chances of being successful in the marketplace

In addition to the above functions, Martins and Martins (2003, p 382) also mention the following as functions of organizational culture: It has a boundary-defining role, that is, it creates distinctions between one organization and the other organizations, and it conveys a sense of identity to organizational members. It facilitates commitment to something larger than individual self-interests, it enhances social system stability as the social glue that helps to bind the organization by providing appropriate standards for what employees should say and do and It serves as a meaningful control mechanism that guides or shapes the attitudes and behaviors of employees. These functions of organizational culture suggest that an organization cannot operate without a culture, because it assists the organization to achieve its goals. In general terms, organizational culture gives organizational members direction towards achieving organizational goals (Hampden-Turner, 1990).

## **2.1.8 Employees Commitment**

According to Kamau (2015) employee commitment is the degree to which the employee feels dedicated to their organization. Kamau(2015)furthermore defined as it is an effective reaction to the whole organization and the extent of attachment or trustworthiness employees' sense towards the organization. Kamau (2015) define employee commitment as basically employees' outlook to organization. Its wide in its scope and the attitude encompasses various components

### **2.1.8.1Types of employee commitment**

The description above is a very good indicator of employee commitment, but does only offer a broad description. In their article “Three component model of commitment” John Meyer and Natalie Allen discuss commitment in great detail. We can see from their insightful research that there exist three distinct types of employee commitment:

#### **1) Affective commitment**

Affective commitment relates to how much employees want to stay at their organization. If an employee is affectively committed to their organization, it means that they want to stay at their organization. They typically identify with the organizational goals, feel that they fit into the organization and are satisfied with their work. Employees who are affectively committed feel valued, act as ambassadors for their organization and are generally great assets for organizations Meyer, J.P. and Herscovitch, L. (2001).

#### **2) Normative commitment**

Normative commitment relates to how much employees feel they should stay at their organization. Employees that are normatively committed generally feel that they should stay at their organizations. Normatively committed employees feel that leaving their organization would have disastrous consequences, and feel a sense of guilt about the possibility of leaving. Reasons for such guilt vary, but are often concerned with employees feeling that in leaving the organization they would create a void in knowledge/skills, which would subsequently increase the pressure on their colleagues. Such feelings can, and do, negatively influence the performance of employees working in organizations, Herskovits, L. (2011).

#### **3) Continuance commitment**

"Do not hire a man who does your work for money, but him who does it for the love of it"

Continuance commitment relates to how much employees feel the need to stay at their organization. In employees that are continuance committed, the underlying reason for their

commitment lies in their need to stay with the organization. Possible reasons for needing to stay with organizations vary, but the main reasons relate to a lack of work alternatives, and remuneration.

A good example of continuance commitment is when employees feel the need to stay with their organization because their salary and fringe benefits won't improve if they move to another organization. Such examples can become an issue for organizations as employees that are continuance committed may become dissatisfied (and disengaged) with their work and yet, are unwilling to leave the organization, Meyer, J.P. (2011).

## **2.2 Empirical Review**

Under this section the researcher expected to exhaustively review the work of previous researchers thematically.

Findings of studies Merson(2016) and Samson (2015) examined on the effect of organizational culture towards employees commitment as among measures of consistency majority of employees agree on that Ethiopian airlines has an ethical code that guides employees' behavior and tells right from wrong. However, the result from multiple regression analysis indicates consistency doesn't have significant effect on employee commitment. Hence, as much as organizations try to maintain a strong culture by being highly consistent, well-coordinated, and well integrated; this does not have significant contribution to the level of employee commitment. This lead to the conclusion that employees prefer to be given the freedom to do the job rather than being compelled to do it in a rigid manner so while organizations need to maintain a strong organizational culture, they need to be flexible. In general as per the findings of the study, it can be concluded that organizational culture is important in improving the level of employee commitment which is asserted by the positive contribution of adaptability, mission and involvement practice to employee commitment. However, consistency; defining values and systems which creates internal system of governance with a clear set of do's and don'ts, with  $p > 0.05$  has no significant contribution to employee commitment. Ultimately, not all corporate cultural measures have significant effect on employee commitment.

In one of the path breaking contributions, organizational researcher Marks and Mirvis, (1992) have studied the post-merger integration process in more than 50 organizational combinations over the past 15 years. These mergers and acquisitions span all industry groups; involve organizations of all sizes, covering both friendly and hostile deals in multinational scenario. Their research found that in the vast majority of mergers and acquisitions, the institutional norms interfere with the ability of operant resources to achieve synergies and financial gains Marks et al., (2012). These observed as underestimating the issues relating to the operant resources especially cultural clashes triggered with individual work behavior. Studies examining cultural integration outcomes depicts culture can be considered an important dimension of M&A success and failure from the perspective of the employees and the organization as a whole. When two companies merge, people first notice their differences and start to focus on what makes their own company unique. Culture shock can lead a merge straight into the ground.

Austin (2010) investigated the effect of organizational culture on employee job performance in Nigeria (Daewoo Nigeria Limited) company. The main objective of the study were to show the way the organization effectively manage organizational cultural differences and to make appropriate recommendations for an effective resolution, aimed at ensuring organizational development, productivity, and business growth.

Nabeel Sawalha, et al. (2012) on their study investigated the impact of corporate culture dimensions (empowerment, competence development, fair rewards and information sharing) on the affective, continuance, and normative organizational commitment in the banking sector in Kuwait. An empirical analysis was conducted across permanent, full-time and part-time employees (managers and non-managers) of five large private banks in Kuwait (n = 398). Both Exploratory Factor Analysis (EFA) and hierarchical regression analyses were used to draw the relationship between these variables.

According to Frankema, (2011) cultural differences, which is considered as to be the most prominent issue for the lack of predicted performance, loss of key employees, and time consuming conflicts in merging of business. So this difference may bring culture clash, the term 'culture clash' could be used to describe the conflict between the merged organizations; which may include differences in their styles, norms, sanctions, philosophies, and objectives. This may, in fact, be the most dangerous factors when two companies decide to combine. Covin et al., (2012) argues that even, if the conditions for M&A are fortunate, still mergers can so change the nature; orientation

and character of one or both of the merged partners; which means it will require five to seven years where employees can feel whether they have truly understood one another's culture.

Many adjustment problems have been observed during the post-merger period Mirvis and Marks, (2012). These problems ascend due to employee's fear of losing the job and financial debt due to job loss. Also, fears that arise due to the loss of close team members, appointment of new team members and new supervisors can lead the employee to perform less and deliberately worsen the organizations into an ambiguous situation. By forcing employees to deal with new supervisors and new team members, they could build up worries of taking certain risks and raising sensitive issues. This can lead to develop 'us versus them' scenario, where trust for new members will be nominal.

Organizations, having this kind of situation may find themselves in dilemma due to loss of collaboration and interest among the employees of the new business amalgamation. It will be difficult to achieve the synergies that were initially sought; it will also be difficult to resolve conflicts and sensitive issues, if at all, this resistance arises often. Merger can be the most difficult time for the new team to move forward as a whole Appelbaum et al, (2014).

### **2.3 Conceptual Framework of the Study**

Under this section the researcher expected to show the conceptual frame work of the study by considering the relationship between dependent and independent variables.

Denison (2011), has developed a model which highlights four key organizational culture traits and the unique future of these model is that it is behaviorally based, designed and created within the business environment and it also uses business language to explore business-level issues . Moreover, the model depicts the correlation between cultural traits and organizational effectiveness measures which includes employee's satisfaction, return on investment, product development etc. Accordingly, he found that nearly all of the underlying organizational traits showed significant and positive correlation with organizational effectiveness. Therefore, Denison model of organizational culture is a base to select the four cultural traits emphasized under this study and has been modified to see the effect of the four cultural traits on employee commitment .The modified framework is shown below:

## Independent Variables



## Dependent Variables



Fig. 2.1 Conceptual Framework

Source: Denison (2011)

## **CHAPER THREE**

### **3. Research Design and Methodology**

This chapter includes research design and research approach, source of data, method of data collection, sampling method, sample size and sampling techniques, validity and reliability of the instrument, data collection instruments and method of data analysis.

#### **3.1 Research Design**

The term research design is a blueprint for choosing subjects, research sites and data gathering techniques to answer the research questions (McMillan and Schumacher, 2014).

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 1990).

A research design is also a plan for study that provides specification of procedures to be followed by the researcher in order to achieve the research objective as well as, to test the hypothesis (McDaniel and Gates, 2006). For the purpose of the study, the researcher was used a descriptive and explanatory research design. Descriptive research attempts to describe the information about the topic and explanatory research design is employed to examine the effect of independent variables (organization culture dimensions) on the dependent variable (employee commitment).

#### **3.2. Research Approach**

In this study quantitative approach was adopted. According to Creswell (2005), Quantitative approach is an approach in which the researcher determines what to study asks the respondent close ended questions and gather numeric data from the respondent and analyze this numbers using statistics. In order to achieve the objective of the study, this study was adopted quantitative approach to quantify the respondents' evaluation and examined the relationship between Independent variable (organizational culture) and dependent variable (employee commitment) in Jimma district through generating numerical data by using close ended questionnaire.

### **3.3 Source of Data**

There are two types of data sourcing. These two types of data source are primary data and secondary data that were used in order to obtain clear and precise information on the topic being explained. Both primary and secondary data was be implemented in order to get the maximum result. Primary data sources are original which was collected by the first user of the data through survey questionnaire from the sample respondent (N=290) of commercial bank of Ethiopia in Jimma district. Secondary data sources are available in the form of either published or unpublished sources such as journals, articles, internet browsers, bulletins and annual reports in order to obtain secondary data.

### **3.4 Data Sources, Types and Collection Procedures**

Generally, the data sources would be either primary, and secondary data sources or both. In this study the primary source of data was used to meet the objectives cited Primary Data Sources such data sources are those had been gathered from sample respondents which would be chosen through sampling from the total study population. Structured questionnaire was used to collect primary data. In order to gather data, both of data collection methods were used.

As a primary data collection method the research had used standard self-administered and close ended questionnaire that were filled by employees. For the purpose of facilitation of the study and to get pertinent information from the survey the researcher had distributed the questionnaires to the target employees and collected them. For secondary data collection mechanism, the research used data that had been collected from journal articles, books, online websites and others as a secondary data collection method.

### **3.5. Sampling Method, Sample Size and Sampling Techniques**

Population as an aggregate or totality of all the objects subjects or members that conform to a set of specifications Polit and Hungler (1999). According employee's April 2021 as the total of number of employees working in commercial bank of Ethiopia jimma district totally 1061 employees are considering as total population.



The total populations of the study were conducted at Jimma district of the banks are 1061 employees. It is very expensive in terms of money and time to collect data from all these employees, so that the researcher was to determined sample which is representative for the total population. Uma Sekarar (2003) provides a simplified formula to calculate sample sizes of finite population, which is used to determine the sample size for this particular study. The researcher was used stratified sampling techniques to distribute the survey questionnaires to acquire employee perception towards Jimma district organizational culture and their commitment. Strata sampling was considered in order ensure the sample includes representative study units from each strata or division. There are four branches to their grade levels was take under Jimma district, there are around 61 branches. All branches perform similar tasks, and share the same role in achieving the company's objectives. So, because of the homogeneity of those branches, the researcher was used simple random sampling to select the sample of respondent. After selecting the sample, the researcher was used stratified sampling to select the branches. The branches under this bank were differentiating in their grade level. Accordingly, since there are branches with grade level 1, 2, 3, and 4. From total population 290 take as sample.

After getting the sample size the researcher was used stratified sampling technique to get those respondents .This is because the branches are classified by their grade level and the number of employees under such different branches varies accordingly. A 95% confidence level is assumed for this formula to determine the sample size, at e=0.05 and the sample size is determined by (Yamane Taro, 1967) sampling formula.

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

Where „n“ is the required sample size,

N- is the population size and

E- is the level of precision

Applying the above formula

$$n = \frac{1061}{1 + 1061 (0.05)^2} = 290$$

Hence the sample sizes for this research was 290 employees of Jimma district. Therefore a sample of 290 employees was made ready for questionnaires.

This sampling technique was adopted because it was not easy to obtain records of the customers from the banks hence their wills no sampling frame to assist in the distribution of the questionnaire.

### Sample from each branch proportionally

Table 3.1 sample from each branch

<i>CBE Jimma District employee of each branch and Sample size</i>					
<i>No</i>	<i>Branch Name</i>	<i>No of population(A)</i>	<i>Sample(B)</i>	<i>summati on (A*B)</i>	<i>Sample size from Each branch (A*B/TOTAL A)</i>
1	Aba Boka	11	290	3190	3
2	Abajifar	23		6670	6
3	Agaro	46		13340	13
4	Al Amana	11		3190	3
5	Al Bereka	11		3190	4
6	Alga	11		3190	4
7	Aman	23		6670	6
8	Ambuye	15		4350	4
9	Ameya	12		3480	3
10	Asendabo	11		3190	3
11	Atnago	11		3190	3
12	Aweyitu	12		3480	3
13	Awrada	11		3190	3
14	Becho Bore	11		3190	4
15	Beshasha	11		3190	4
16	Birkan	11		3190	3
17	Bishishe	13		3770	4
18	Bitu	11		3190	3
19	Bonga	48		13920	13
20	Chida	11		3190	3
21	Chora Boter	11		3190	3
22	Debub Bench	11		3190	3
23	Dedo	11		3190	4

24	Dimtu	11		3190	3
25	Ferenji Arada	11		3190	3
26	Gacheb	11		3190	3
27	Gaki Sharoch	23		6670	6
28	Gatira	11		3190	3
29	Gera	11		3190	3
30	Ghibe	11		3190	3
31	Gimbo	11		3190	3
32	Ginjo Guduru	16		4640	4
33	Gomma	23		6670	6
34	Gura Ferda	11		3190	3
35	Hirmata	52		15080	14
36	Jimma Main	62		17980	17
37	Jiren	12		3480	3
38	Jonigach	11		3190	3
39	Limu Shay	11		3190	3
40	Limu Suntu	23		6670	6
41	Makira	11		3190	3
42	Menit Goldiya	11		3190	3
43	Mentina	11		3190	3
44	Mizan Teferi	45		13050	13
45	Nada	11		3190	3
46	Nur	11		3190	3
47	Sedecha	12		3480	3
48	Seka Chekorsa	12		3480	3
49	Sekoru	12		3480	3
50	Serbo	12		3480	3
51	Shebe	12		3480	3
52	Shenen Ghibe	13		3770	4
53	Shewa Bench	12		3480	3
54	Shishonde	21		6090	6
55	Sigmo	11		3190	3
56	Telo	11		3190	3
57	Toba	21		6090	6
58	Wacha	11		3190	3
59	Yebu	11		3190	3
60	Yem	12		3480	3
61	Aba Buna	16		4640	4
62	<i>wushush</i>	<i>12</i>		3480	3

63	<i>mencho</i>	12		3480	3
64	<i>ababuna</i>	12		3480	3
65	<i>israbale</i>	12		3480	3
66	<i>tocha</i>	12		3480	3
67	<i>waka</i>	12		3480	3
68	<i>loma</i>	12		3480	3
	<b>TOTAL</b>	<b>1,061</b>			<b>290</b>

*Source: Self survey 2021*

Moreover there were 68 branches under CBE jimma district from each branch employee selected as above tables list.

### **3.6 Validity and Reliability of the Instrument**

The data collection instrument which was developed from the literature was checked for their validity by the researcher. Then, the questionnaire was check for internal consistency and establishes reliability. Validity concerns with the degree to which a question measures what it is intended to measure. To assure the validity of the study, the researcher took the comment from the advisor and also discussed with Jimma district employees about the questionnaires before it was distributed. The questionnaire was prepared includes standard questions for the main variables; study questions on organizational culture and questions on employees’ commitment The questionnaire was evaluated by examining feasibility during questionnaire pre-testing. Feasibility of the questions was evaluated by examining study participant acceptability, and the time & ease of administration.

Reliability was also check for the survey instrument. As stated by Hair et al., (2007) reliability indicates the extents to which some variables or set of variables are consistent in what they are intended to measure. Reliability analysis was used to measure the internal consistency of a questionnaire. There are different methods of reliability test and for the purpose of this study Cronbach’s alpha is considered to be suitable. Cronbach’s alpha is the most common measure of internal consistency or reliability. According to George & Mallery (2003), the value of Cronbach’s alpha coefficient should be more than 0.7 which is an acceptable level of internal consistency or reliability. A response to the questionnaire was measured using 5- point Likert scale (i.e. Strongly Disagree, Disagree, Neither Agree nor Disagree, Agree, Strongly Agree). On part III

of the questionnaire which was about employees' commitment, the negatively worded item (5 questions) was reversing coded.

As, the coefficient for the dimensions i.e. involvement, consistency, adaptability, mission and employees' commitment was 0.836, 0.840, 0.841, 0.870 and 0.738 respectively. Overall, it shows a good reliability and internal consistency for which all was  $> 0.7$ .

### **3.7 Data Collection method**

For this research, the primary data was collected through the use of self-administered questionnaire from employees who were located in Jimma district. After identifying the sample respondents, the questionnaire was provided to them by the researcher and enough time was given to respond on all of the items in the questionnaire carefully. The questions in the questionnaire was closed ended or structured with pre-determined 5-point Likert scale for response in order to ease the process of analyzing the data from the respondents. According to Babbie & Mouton (2006), the use of questionnaires is advantageous because questionnaires are economical, speedy, there is no bias (as in interviewee: interviewer bias), and the possibility of anonymity and privacy encourages participants to be willing to respond on sensitive issues, and do so honestly. The questionnaire is preferred because it translates the research objectives into specific questions that were asked to the respondents.

### **3.8 Method of Data Analysis**

In the study both qualitative and quantitative methods of data analysis techniques was employed. Analysis of data in this research was done by using statistical tools like frequency, mean, standard deviation, correlation and multiple regressions. A descriptive analysis was also used for demographic factors such as gender, age, marital status, educational level, and for how long was the employees served in the bank.

In the study four hypotheses were analyzed using methods of statistical inference. Pearson correlation analysis was conducted to test the existence of significant relationship between the organizational culture and employees' commitment. Then, the multiple regression analyses was also conducted to determine by how much percent the independent variable i.e. organizational culture explain the dependent variable which is employees' commitment. Tables were employed to present the data and statistical package for social science (SPSS) version 20 was used to support the analysis.

### 3.9 Model specification

Based on the conceptual model of the study was expressed, mathematically the relationship between organizational culture and employees commitment is expressed in the multiple regression equation as:

$$Y = X_0 + X_1 (I) + X_2 (C) + X_3 (A) + X_4 (M) + \epsilon$$

Where: Y= employees commitment.

I = Involvement.

C = Consistency.

A = Adoptability.

M = Mission

X<sub>0</sub>= the constant parameter.

X<sub>1</sub>= Coefficient of Involvement.

X<sub>2</sub>= Coefficient of Consistency.

X<sub>3</sub>= Coefficient of Adoptability.

X<sub>4</sub>= Coefficient of Mission.

ϵ=Error term

In accordance with the above mathematical model the constructed hypothesis was tested by considering significance level of each constant parameter in multiple regression analysis.

### 3.10 Ethical Considerations

Each discipline should have its own ethical guidelines regarding the treatment of human participants on the research (Vanderstoep and Johnston 2009). . The researcher was keeping privacy (that left any personal questions), anonymity (protecting the identity of specific individuals from being known) and confidentiality or keeps the information confidential. Accordingly, the questionnaire was distributed to voluntary participants and had a clear introduction and instruction parts regarding the purpose of the research.

## CHAPTER FOUR

### 4. RESULT AND DISCUSSIONS

This chapter presented the information processed from the data collected during the study on the effect of organizational culture on employee's commitment case of commercial bank of Ethiopia in Jimma district. Primary data was collected through questionnaires which were administered. The data was afterwards scrutinized based on the objectives of the study and the findings were presented in tables and in prose. It took the student researcher distribution 290 questionnaires, of this 26 were rejected as a result of so many omissions in filling. Overall, 264 questionnaires complete responses were returned from the district.

#### 4.1. Demographic Characteristics of the Respondents

In this demographic information analysis associate subdivision, the researcher attempted to analyze the personal information, age, gender, level of education; work experience, employment cluster and marital status were obtainable. The purpose of the demographic analysis in this research was to describe the characteristics and background of the sample employees such as the proportion of male and female employees in the sample, range of age, level of education, marital status and employment cluster, with the intention that the analysis could be more important. The results obtained from the collected structured questionnaire were presented on the table.

**Table4.1: Demographic Characteristics of the Respondents**

Variables		Frequenc	Percent
<b>Age</b>	18-25	65	24.62
	26-35	112	42.42
	36-45	67	25.37
	46 and above	20	7.57
	<b>Total</b>	<b>264</b>	<b>100</b>
<b>Gender</b>	Male	153	57.95
	Female	111	42.04
	<b>Total</b>	<b>264</b>	<b>100</b>
<b>Educational level</b>	College	4	1.51
	Bachelor degree	238	90.15
	Second degree	22	8.33
	<b>Total</b>	<b>264</b>	<b>100</b>
<b>Work</b>	1-3	41	15.53
	3-5	72	27.27

<b>Experience</b>	6-10	67	25.37
	10 and above	84	31.81
	<b>Total</b>	<b>264</b>	<b>100</b>
<b>Employment cluster</b>	Management	70	26.51
	Non-Management	194	73.48
	<b>Total</b>	<b>264</b>	<b>100</b>
<b>Marital status</b>	Single	126	47.72
	Married	138	52.27
	<b>Total</b>	<b>264</b>	<b>100</b>

Source: Own Survey data, 2021

The above table indicated that the analysis of age bracket shows that most of the respondents were aged between 18-25 years as shown by 65(24.62%). 112(42.42%) of the respondents indicated they were aged between 26-35 years, 67(25.37%) were between 36-45 years. and 20(7.57%) were aged between age of 46 and above. This shows that respondents were of mature people who could cooperate in giving out information. From the findings, approximately equal percentage of both sex were taken male as shown by 153 (57.95%) while female respondents were 111 (42.04%). This shows that the researcher was not gender biased in collection of data since both genders were represented well. According to the results, out of the respondents who filled the questionnaires only 4(1.51%) were college, 238(90.15%) had reached the bachelor degree level, while 22(8.33%) had attained a second degree. This reveals that most of respondents could be relied upon to give information concerning the subject understudy. When I see the year of service of the respondents, 41 (15.53%) of the respondents served the organization between 1-3 Years, 72 (27.27%) of the respondents served between 3-5 Years, 67 (25.37%) of the respondents served between 6-10 Years and the rest 84 (31.81%) of the respondents served for more than 10 Years. In General, 57.4% of the respondents were employees who served the organization for less than 5 years. Regarding Level of Education of the respondents, most of the respondents i.e. 228 (68.9%) were university graduates with bachelor degree, 72 (21.8%) of them were college graduates with diploma/level IV certificate and the remaining 31 (9.3%) of them were second degree holders. Furthermore, majority of the respondents i.e. 194 (73.48%) were in Non-management cluster and the remaining 70 (26.51%) of the respondents were management position holders. Regarding marital status of the respondents, 126 (47.72%) of them were single and the remaining 138 (52.27%) were married.



## 4.2 Descriptive Statistics

This part consists of the descriptive statistics of the variables under study. The variables of the descriptive statistics were included; involvement, consistency, adaptability and mission on the employee's commitment using mean and standard deviation using 5 point Likert scale. The 5-point with their respective numeric value was: 1: strongly disagree; 2: disagree; 3: neither agree nor disagree, 4: agree and 5: strongly agree.

### 4.2.1 Effect of Involvement on Employee Commitment

In this section, the responses of the respondents on the first dimension of organizational culture, i.e. Involvement, were evaluated as below, using the 5 - point likert scale.

**Table 4.2: Descriptive Analysis on Involvement**

Characteristics	N	Mean	Standard Deviation
In my organization, decisions are usually made at the levels where right information is available	264	3.59	0.025
I believe that I can have a positive impact	264	4.23	0.638
I can get the information I need as information is widely shared	264	3.94	0.837
Cooperation across different parts of the organization is actively encouraged	264	3.89	0.889
In my organization, teamwork is used to get work done, rather than hierarchy	264	3.99	0.997
I work like I am part of a team	264	4.41	0.665
In my organization, there is a continuous investment to develop the skills of employees	264	3.58	0.056
The capabilities of employees are viewed as an important source of competitive advantage in my organization	264	3.67	0.052
In my organization, authority is delegated so that employees act on higher positions by their own	264	3.56	0.18
<b>Grand Mean=3.87</b>			

Source: Own Survey data, 2021

As revealed in the above table, the mean score of 3.59 also implies that the sample cluster on average moderately agreed on the first item under involvement. When employees were requested if they consider they can have a positive impact, the mean score of 4.23 majority of the respondents agreed on the item “I believe that I can have a positive impact” under Involvement which is to mean that they believe they have an impact which is important for the organization. When employees were asked if they can get the information they need as information is widely shared, the mean score of 3.94 the employees on average agreed that they can get the information they need as information is widely shared in the organization. On the other hand, the mean score of 3.89 on average illustrated that the active encouragement of cooperation across different parts of the organization. Mean score of 3.99 that team work is used to get work done, rather than hierarchy in the organization.

In line with this, the researcher summarized that majority of the respondents in the organization under study, agreed that they can get the information they need on time, agreed also on the existence of active encouragement of collaboration across different parts of the organization and also agreed on the utilization of team work to get the work done, rather than hierarch.

The maximum mean score for responses on the item under involvement was 4.41, on “I work like I am part of the team” which implies that employees were exerting team effort to get work done and it indicates the existence of team work spirit in the organization.

Furthermore, mean score of 3.58 on the item requesting if there is a continuous speculation to develop the skills of employees in the organization implies that, respondents on average moderately agreed on the existence of continuous investment on the development of skills and knowledge of employees in the organization. Therefore, the researcher can generalize that majority of the respondents believe that awareness is being given on the development of employees’ skill and knowledge in different aspects so that employees stay updated for better performance in the competitive market. In addition to that, the mean score of 3.67 implied that respondents agreed on the consideration of employees’ capabilities as an importance source of competitive advantage in the organization. At last, the mean score of 3.55 implies that the respondents agreed on the existence of delegation of Authorities to employees to act on higher positions by their own.

#### 4.2.2 Effect of Consistency on Employee Commitment

The study sought to make here below on the responses obtained from the respondents through the structured questionnaire on the second dimension of organizational culture, i.e. consistency, in the organization.

**Table 4.3: Descriptive Analysis on Consistency**

Characteristics	N	Mean	Standard Deviation
There is a clear and consistent set of values that govern the way the organization do its business	264	4.09	0.819
There is an ethical code that guides employees" behavior and tells right from wrong	264	4.16	0.916
When disagreements occur, employee work hard to achieve a "win-win" solutions	264	3.59	0.944
In my organization, there is a clear agreement about the right way and the wrong way to do things	264	3.98	0.046
It is easy to reach consensus, even on difficult issues	264	3.45	0.943
Employees from different parts of this organization share a common perspective	264	3.86	0.873
It is easy to coordinate projects across different parts of the organization	264	3.58	0.028
In my organization, the approach to do business is very consistent and predictable	264	3.84	0.003
<b>Grand Mean=3.81</b>			

Source: Own Survey data, 2021

According to Majid (2012) the above table, the mean score of 4.09 implies that the respondents on strongly agreed on the existence of clear and consistent set of values that govern the way the organization do its business. On the other hand, the maximum mean score, 4.16 among the eight items under consistency shows that respondents on average strongly agreed that there is an ethical code that guides employees" behavior and tells right from wrong. On the other note, the mean score of 3.59 on the third item under consistency indicates, the respondents agreed on that employees work hard to achieve a "win-win" solutions when disagreement occur. The mean score of 3.98 implies that there is a clear agreement about the right and the wrong way to do things.

The relatively least mean score of 3.45 under consistency implies that the respondents on average moderately agreed on the item “It is easy to reach consensus, even on difficult issues” On the other hand, the mean score of 3.86 implies that the respondents strongly agreed on the sharing of common perspective among employees from different parts of the organization. This implies the high level existence of shared common perspective among employees, from different parts in the organization. On the other hand, the mean score under consistency i.e. 3.58 of the respondents agreed on the item “it is easy to coordinate projects across different parts of the organization”. The mean score of the last item under consistency, 3.84 implies that the respondents show their agreement on the consistency and predictability of the approach to do business in the organization. To summarize, majority of the respondents agreed on the existence of a clear and consistent set of values and also on the presence of ethical code that guides employees’ behavior in the organization. Besides, they also agreed on that employees work hard to achieve a win-win solution when disagreement occurs. The researcher also summarized that majority of the illustration employees know what is right to do and what is wrong not to do as they believe that there is a clear agreement.

### 4.2.3 Effect of adaptability on Employee Commitment

The responses on the next dimension of organizational culture i.e. Adaptability using the 5-point likert scale was also estimated here below.

**Table 4.4: Descriptive analysis on adaptability**

Characteristics	N	Mean	Standard Deviation
In my organization, new and improved ways to do work are continually adapted	264	4.05	0.809
Different parts of the organization often cooperate to create change	264	3.86	0.903
My organization respond to competitors actions and other changes in the business	264	4.12	0.775
Customers comment and recommendations lead to changes	264	4.29	0.779
I understand customers wants and needs	264	4.37	0.678

Customers inputs directly influences my organization decisions	264	4.28	0.779
In my organization, Innovation and risk taking are encouraged and rewarded	264	3.73	0.019
Learning is an important objective in a day-to-day work of this organization	264	4.19	0.839
My organization view failures as an opportunity for learning and improvement	264	3.46	0.209
<b>Grand Mean=4.03</b>			

Source: Own Survey data, 2021

The above table indicated that when employees were asked if new and improved ways to do work were continually adapted in the organization, the mean score of 4.05 implied that the sample respondents on average agreed that the organization continually adapted new and improved ways to do work which helped the organization to stay fit in the competitive global market. The mean score of 3.86 implied that the respondents on average agreed on which different parts of the organization often cooperate to create changes in the organization. On the other hand, the mean score of 4.12 implied that the respondents on average agreed the respondents agreed that the organization responds to competitor's actions and other changes in the business environment. Furthermore, 4.29 mean score of the respondents agreed that customers comment, suggestions and recommendations lead the organization to changes.

The maximum mean score i.e. 4.37 surrounded by the nine items under adaptability indicates that the respondents on average agreed on the item "I understand customers wants and needs". This implies that majority of the respondents understand what the customers' needs and wants are. This shows that customer is extremely appreciated in the organization, and employees work hard to satisfy customer's needs and wants. When employees were also requested on the item "customer inputs directly influence the organization decision" the mean of 4.28 implied that respondents on average agreed on that organizations input directly influence the organization decision. The relatively smallest amount mean score from the items under adaptability is 3.46 on "my organization view failures as an opportunity for learning and improvement".

To sum up, majority of the respondents strongly agreed that the organization continually adapted new and improved ways to do work. The analysis also shows that changes were welcomed in the organization and different parts of the organization cooperate and create changes for improvement. As its customers are the back bone for the success of the organization, majority of the respondents agreed on the understanding what the customers’ needs and wants are and work hard to meet their needs as a result.

#### 4.2.4 Effect of mission on Employee Commitment

The discussion made here below on the responses obtained from the respondents through the structured questionnaire on the last dimension of organizational culture, i.e. mission, in the study area.

**Table 4.5: Descriptive analysis on mission**

Characteristics	N	Mean	Standard Deviation
In my organization, there is a clear mission that gives meaning and direction to work	264	4.35	0.818
My organization ‘s strategic direction is clear to me	264	4.22	0.872
In my organization, there is a long term purpose and direction	264	4.37	0.761
Leaders set goals that are ambitious, but realistic	264	3.89	0.939
There is widespread agreement about the goals of this organization	264	4.12	0.768
I have a shared vision of what my organization will look like in the future	264	4.31	0.763
In my organization, Leaders have a long-term viewpoint	264	3.85	0.919
My organization ‘s vision creates excitement and motivation for me	264	4.09	0.033
<b>Grand Mean=4.15</b>			

Source: Own Survey data, 2021

The above table indicated that the highest mean score of 4.37 implied that the respondents on average strongly agreed on the existence of long-term purpose and direction in the organization. When employees requested on the existence of clear mission that gives the mean score of 4.35

implied that the respondents on average strongly agreed that there is a long- term direction along with a clearly stated mission that gives meaningful direction to work. This implies that the organization has a clearly stated mission which involves a clearly stated goals & objectives and vision. On the other hand, the mean score of 4.22 implies that the respondents on average agreed on the item “My organization strategic direction is clear to me” under Mission. Mean score of 4.31 implies that the respondents on average agreed that employees have a shared vision of what the organization will look like in the future. Furthermore, the mean score of 4.09 of the respondents agreed & strongly agreed on the item “My organization vision creates excitement and motivation for me” under mission.

To summarize, majority of the respondents strongly agreed on the existence of clearly stated mission, long term purpose and direction in the organization under study. The analysis also implies that the goals set by leaders were achievable and realistic. Moreover, majority of the respondents also agreed that employees have a shared vision of what the organization will look like in the future.

#### **4.2.5 Descriptive Analysis on Employees’ Commitment**

In this part, the responses obtained from the sample employees through the structured questionnaire on employees’ commitment were discussed here below. There are eighteen substance included on the survey questionnaire to measure employees’ commitment. Among the eighteen, five questions which include negative wordings were reversing implicit.

Thus, respondents were insisted to rate them from strong disagreement to strong agreement according to the 5 point likert scale.

**Table 4.6: Descriptive Analysis on Employees’ Commitment**

<b>Characteristics</b>	<b>N</b>	<b>Mean</b>	<b>Standard Deviation</b>
I would be very happy to spend the rest of my career with this organization	264	3.34	0.248
I really feel as if this organization problems are my own	264	4.07	0.993
I do not feel like „part of the family” in this organization	264	3.45	0.393
I do not feel „emotionally attached” to this organization	264	3.21	0.395
This company has a great deal of personal meaning for me	264	3.59	0.109

I don't feel a „strong“ sense of belonging to my organization	264	3.45	0.379
It would be very hard for me to leave my organization right now, even if I wanted to	264	3.52	0.215
Too much in my life would be disrupted if I decided to leave my company now	264	3.28	0.238
Right now, staying with my organization is a matter of necessity as much as desire	264	3.56	0.086
I feel that I have very few options to consider leaving this organization	264	3.21	0.184
One of the few serious consequences of leaving this organization would be the scarcity of available alternatives	264	3.17	0.212
One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice	264	3.19	0.209
I think that people these days move from organization to organization too often	264	3.76	0.089
I don't believe that a person must always be loyal to his/her organization	264	3.23	0.355
One of the major reasons I continue to work in this organization is that I believe loyalty is important and therefore feel a sense of moral obligation to remain	264	3.56	0.169
If I got another offer for a better job elsewhere, I would not feel it was right to leave my organization	264	3.14	0.337
I believe in the value of remaining loyal to one organization	264	3.67	0.138
Things were better in the days when people stayed in one organization for most of their careers	264	3.47	0.292
<b>Grand Mean=3.43</b>			

Source: Own Survey data, 2021

The employees' commitment survey tool uses 5 Point likert scale that is 1: strongly disagree 2: disagree, 3: neither agrees nor disagrees, 4: agree and 5: strongly agree. Thus, a mean score of 3 which is the midpoint indicates ambivalence, a mean score below 3 indicates lower



commitment and a mean score above 3 and below 4 indicates moderate commitment and a mean score of 4 or above indicates higher commitment. Thus, as represented on the above table, the mean score of 3.34 on the item “I would be very happy to spend the rest of my career with this organization shows that the sample respondents moderately agreed on the item.

In line with this, the researcher summarized that more than more of the respondents would be very happy to spend the rest of their career with the subject organization and willing to stay as a committed member for the organization. The highest mean of 4.07 is on the item “I really feel as if this organization problem were my own” shows that the sample respondents strongly agreed on the item. To summarize, majority of the respondents moderately agreed that they feel as if the problem of organization under study, were their own. They also agreed that the organization has a great deal of personal meaning for them.

## **4.5 Inferential Statistics**

One of the major objectives of the study is to assess the relationship that the selected organizational cultures (i.e. involvement, consistency, adaptability and mission) have with employees’ commitment and its effect on it. For this purpose, inferential statistics of correlation and regression analysis have been used and the results were presented in the under units.

### **4.5.1 Pearson Correlation**

The relationship of the variables is expressed by value within the range of -1.00 to + 1.00 as Pearson product moment correlation technique indicates. Pearson correlation coefficient will be +1 in the case of a perfect increasing (positive) linear relationship (correlation), -1 and 1 in all other case indicating the degree of liner dependency between variables. To determine the relationship between the four cultural dimensions (i.e. involvement, consistency, adaptability and mission) and employees’ commitment, Pearson correlation was computed. Table 4.7 presents the results of Pearson correlation matrix on the relationship between the organizational culture dimensions (i.e. involvement, consistency, adaptability and mission) and employees’ commitment.

**Table 4.7: Correlations matrix**

Variables		EC	I	C	A	M
Employees' Commitment	Pearson Correlation	1	.827**	.776**	.607*	.655**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	264	264	264	264	264
Involvement	Pearson Correlation	.695**	1	.580**	.493*	.570**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	264	264	264	264	264
Consistency	Pearson Correlation	.716**	.630**	1	.465*	.486**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	264	264	264	264	264
Adaptability	Pearson Correlation	.784**	.693**	.565**	1	.276**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	264	264	264	264	264
Mission	Pearson Correlation	.827**	.770**	.786**	.276**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	264	264	264	264	264

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

Source: SPSS Correlation result output, 2021

As per table 4.7 above, there were statistically significant positive relationship between employees' commitment and all the four organizational culture dimensions (i.e. involvement, consistency, adaptability and mission) at  $p < 0.01$  level. Therefore, I can say that employees' commitment had statistically significant positive correlation with all the four cultural dimensions. Moreover, mission had stronger positive and statistically significant correlation with  $r = 0.827$  with employees' commitment than the other cultural dimensions. Following to mission, adaptability had also strong and positive correlation with  $r = 0.784$  to employees' commitment. Similarly, consistency had also strong positive correlation with  $r = 0.716$  to employees' commitment and also involvement as cultural dimension was less positively correlated with  $r = 0.695$  to employees' commitment than other cultural dimensions. In general, the above correlation result shows that all the designated cultural dimensions based on Denison's cultural model i.e. involvement, consistency; adaptability and mission had positive correlation to employee's commitment. Moreover, mission had

stronger positive and statistically significant correlation with employees' commitment. Whereas, involvement has less positive correlation with employees' commitment.

### 4.5.2. Assumptions and tests

To get valid result the assumptions underlying OLS regression needs to be verified and accordingly test for normality of residuals, homoscedasticity, multicollinearity and model specification test is conducted as follows:

#### 4.5.2.1 Normality test

The study used histogram methods of testing the normality of the data. As depicted in figure 6.1 the residuals seem to follow a normal distribution. Thus we can conclude that residuals are normally distributed.

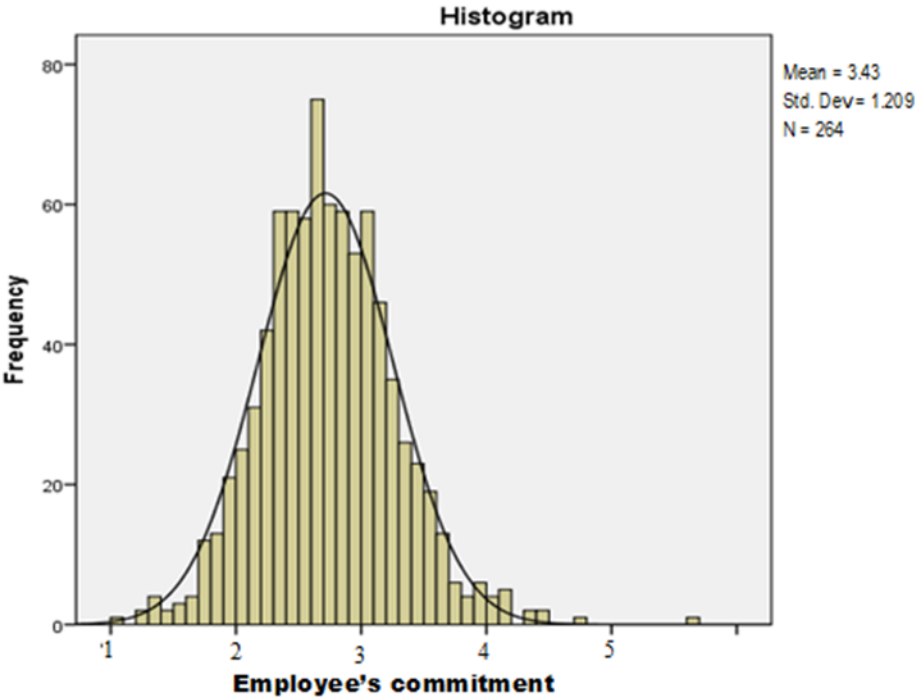


Figure 4.1: Test for normality

#### 4.5.1.2 Test for Multicollinearity

The primary concern is that as the degree of multicollinearity increases, the regression model estimates of the coefficients become unstable and the standard errors for the coefficients can get wildly inflated. As a rule of thumb, a variable whose VIF values are greater than 10 may merit further investigation. Tolerance, defined as  $1/VIF$ , is used by many researchers to check on the degree of collinearity. A tolerance value lower than 0.1 is comparable to a VIF of 10. It means that

the variable could be considered as a linear combination of other independent variables. As it was depicted in the following table 4.8 there is no the problem of multicollinearity since the VIF values are less than 10 and 1/VIF values are greater than 0.1.

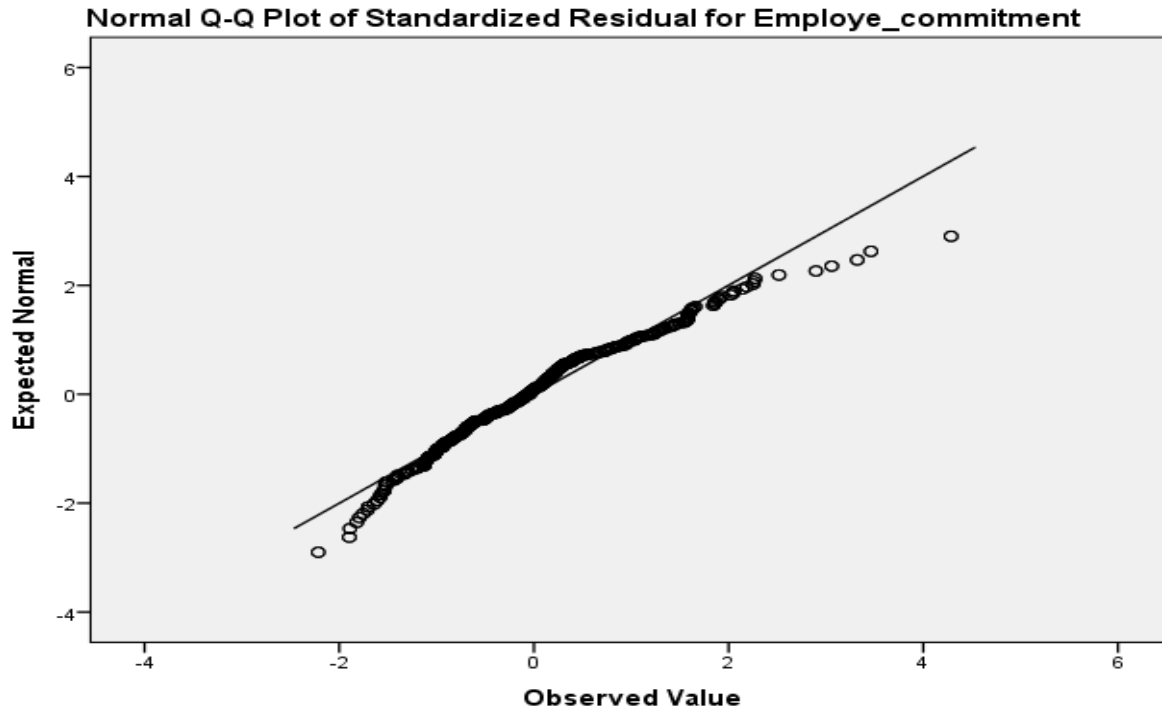
**Table:-4.8 Test for multicollinearity VIF**

Coefficients

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.	Co linearity Statistics	
	B	Std.Error	Beta			Tolerance	VIF
(Constant)	1.472	.196	.082	7.501	.000		
Involvement	0.070	0.074	0.056	0.935	.012	.79	1.26
Consistency	0.045	0.082	0.185	0.548	.033	.86	1.17
Adaptability	0.166	0.068	0.242	2.457	.031	.75	1.33
Mission	.203	.059	.242	3.466	.041	.74	1.36

**4.5.2.3. Linearity Test**

Linearity is used to check whether all the estimates of regression including regression coefficients, standard errors and tests of statistical significance are biased or not. To check the linearity assumption in multiple linear regressions the normal q-q plot was used, the plot shows all observed values somewhat spread along the straight diagonal line. Figure 4.2 in below shows us most of the observed values are spread very close to the straight line; there is high likelihood that the data are normally distributed and linear.



**Figure 4.2: Test for linearity**

### 4.5.2 Multiple Regression Analysis

Multiple regression analysis is the most common and extensively used method to explore the relationship between a single dependent variable and multiple independent variables or predictors (Pallant, 2005). Multiple regression analysis also suggests that how much of the variance in the dependent variable can be explained by the independent variables. In order to see the influence of organizational culture dimensions (i.e. involvement, consistency, adaptability and mission) on employees' commitment, multiple regression analysis was employed. The following table presents the results of multiple regression analysis. The squared multiple correlation coefficients (R square) tell us the level of variance in the dependent variable (employees' commitment) which is explained by the model.

**Table 4.8: Model Summary**

Model Summary <sup>b</sup>					
Model	R	R <sup>2</sup>	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
<b>1</b>	.898 <sup>a</sup>	.824	.816	.97277	1.955

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

Source: SPSS Regression results output, 2021

The model summary on table 4.8 offers the values of R, R square and adjusted R square for the model that has been derived. For this data R which is the degree of association between organizational culture dimensions and employees' commitment has a value of 0.898, the value of R square is 0.824 and the adjusted R square has a value of 0.816. The outcomes of multiple regression analysis, as presented on the above table, exposed that the adjusted R square of 0.816 indicates that 81.6% of the variation of employees' commitment can be predicted by the independent variables i.e. involvement, consistency, adaptability and mission. This implied that employees' commitment is influenced by 81.6% of the organizational culture in the organization. The remaining 18.4% of the variation of the employees' commitment can be explained by other variables factors giving room for further research to investigate other factors which affect employees' commitment.

**Table 4.9: ANOVA**

<b>Model</b>	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1 Regression	22.35	4	5.59	26.622	.000 <sup>b</sup>
Residual	68.43	260	.23		
Total	90.78	264			

a. Dependent Variable: employees' commitment

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

ANOVA analysis is normally used to compare the mean scores of more than two variables. It is also called analysis of variance because it compares the variance between groups (Pallant, 2005). The above table shows that the p-value for F-Statistics (0.000) is less than the significance level 0.05 ( $p < 0.05$ ). This is to mean that the model is significant/ acceptable from a statistical perspective. To explain more, accepting at least one of the cultural dimensions (i.e. involvement or consistency or adaptability or mission) had a significant influential relationship on employees' commitment.

**Table 4.10: Coefficient Determination**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
<b>1 (Constant)</b>	1.472	.196		7.501	.000
<b>Involvement</b>	.070	.074	.082	.935	.012
<b>Consistency</b>	.045	.082	.056	.548	.033
<b>Adaptability</b>	.166	.068	.185	2.457	.031
<b>Mission</b>	.203	.059	.242	3.466	.041

a. Dependent Variable: employees' commitment

Source: SPSS Regression results output, 2021

As it is stated earlier in the first chapter, this study aims to identify the most contributing independent variable/s in the prediction of the dependent variable. Hence, the coefficient explains the average amount of change in dependent variable that is caused by a unit of change in the independent variable. Accordingly, the unstandardized beta coefficient ( $\beta$ ) tells us the unique contribution of each factor to the model. A high beta value ( $\beta$ ) and a small p value ( $<0.05$ ) indicate the predictor variable has made a statistically significance contribution to the model.

The table 4.10 indicates that adaptability, mission consistency ,involvement had statistically significant contribution to employees' commitment at 95% confidence level, since their p-values are 0.012,0.033,0.031 and 0.041 respectively and the significance level for them were less than 0.05 ( $p<0.05$ ) by having Coefficients 0.07,0.045,0.166 and 0.203 respectively for each independent variable . In general, adaptability, mission consistency, and involvement may increase by one unit employee commitment also increase by proportional Coefficients by affect each independent variable with dependant variable (employee commitment of commercial bank of Ethiopia).

The following model explains about total factors of variable over employee commitment.

$$Y=1.472+0.070X_1+0.045X_2+0.166X_3+0.203X_4+e$$

Where:

Y= employees' commitment

X1 = involvement

X2 = consistency

X3= adaptability

X4 = mission

e = error term

Hypothesis testing is based on unstandardized coefficients Beta ( $\beta$ ) and P-value to test whether the hypotheses were accepted or rejected. There is significant relationship between involvement and employees' Commitment. The results of multiple regression, as presented on table 4.10 above, revealed that Involvement has a positive but insignificant influential relationship (contribution) to employees' commitment with  $\beta= 0.070$ , at 95% confidence level ( $p >0.05$ ). The Beta value ( $\beta$ ) i.e. 0.070 shows that if there is one unit increase in involvement, there will be 7% increase on employees' commitment. Therefore, the researcher accepts the hypothesis. This indicates that Involvement has a positive but statistically significant influential relationship (contribution) to employees' commitment.

There is significant relationship between consistency and employees' commitment. The results of Multiple Regression, as presented in table 4.10 above, revealed that consistency has a positive statistically significant influential relationship (contribution) to employee's commitment with  $\beta= 0.045$ , at 95% confidence level ( $p >0.05$ ). The Beta value ( $\beta$ ) i.e. 0.045 shows that if there is one unit increase in consistency, there will be 4.5% increase on employees' commitment. Therefore, the researcher accepts the hypothesis. This indicates that consistency has a positive statistically significant influential relationship (contribution) to employees' commitment.

There is significant relationship between adaptability and employees' commitment. The results of multiple regression, as presented in table 4.10 above, revealed that adaptability has a positive and significant influential relationship (contribution) to employee's commitment with  $\beta = 0.166$ , at 95% confidence level ( $p <0.05$ ). The Beta value ( $\beta$ ) i.e. 0.166 shows that if there is one unit increase in adaptability, there will be 16.6% increase on employee's commitment. Therefore, the researcher accepts the hypothesis, and this indicates that adaptability has a positive and statistically significant influential relationship (contribution) to employees' commitment.

There is significant relationship between employees' identification with organizational mission and employees' commitment. The results of Multiple Regressions, as presented in table 4.10 above, revealed that employees' identification of organizational mission have a positive and



significant influential relationship (contribution) to employee's commitment with  $\beta = 0.203$ , at 95% confidence level ( $p < 0.05$ ). The Beta value ( $\beta$ ) i.e. 0.203 shows that if there is a one unit increase in employees' identification of organizational mission, there will be 20.3% increase on employees' commitment. Therefore, the researcher accepts the hypothesis. This indicates that employees' identification with organizational mission has statistically significant influential relationship (contribution) to employees' commitment. Overall the above results of the multiple regression analysis of this study shows adaptability is the all contributing organizational culture traits in the prediction of employee commitment with beta value .386. Similarly, study conducted by Nongo and Ikyanyon (2012) proved that adaptability predict commitment more than any other corporate cultural variable ( $\beta = .305$ ). And hence, employees are more committed to organizations that adapt to changing circumstances. In the same token, these researcher asserted that mission and involvement are the next organizational culture traits which contributes to the prediction of employee commitment. This finding is aligned with the finding of this research which depicts that the all organizational cultures have high contribution with beta coefficient the change level of employee commitment of the employee in the bank.

#### **4.6 Discussion findings of the research with previous studies**

This study find out that the four factors measuring organizational culture score within the range of 0.530 to 0.641 correlation coefficients with employees' commitment. Thus, all the independent variables adaptability, mission, involvement and consistency show a moderate level of positive relation with the dependent variable. This finding is consistent with the findings of other researchers.

Asghar, Mojtaba & Sadeghi (2015) undertook Pearson correlation test and concluded that there is moderate level of correlation between employee commitment and involvements ( $r=0.44$ ). In addition these researchers found out that correlation coefficient score ( $r=0.35$ ) which indicates there is moderate level of positive relation between consistency and employee commitment. Furthermore, other researchers also found that there is high correlation between the two organizational culture traits, namely involvement and consistency, with the dependent variable and the correlation coefficient was  $r=0.83$  and  $r=0.76$  respectively (Azadi, Bagheri, Eslami and Aroufzad, 2013)

In addition, this study found out that there is positive correlation between the other two organizational culture traits: adaptability and mission with employee commitment, which is

consistent with Azadi, Bagheri , Eslami & Aroufzad (2013) finding. These researchers noted that correlation coefficients of adaptability ( $r=0.85$ ) and mission ( $r=0.81$ ) are indicators for the existence of high correlation between the two organizational culture traits and the dependent variable.

The result of multiple regression analysis of this study shows adaptability is the most contributing organizational culture traits in the prediction of employee commitment with beta value .386. Similarly, study conducted by Nongo and Ikyanyon (2012) proved that adaptability predict commitment more than any other corporate cultural variable ( $\beta =.305$ ). And hence, employees are more committed to organizations that adapt to changing circumstances. In the same token, these researcher asserted that mission and involvement are the next organizational culture traits which contributes to the prediction of employee commitment. This finding is aligned with the finding of this research which depicts that the two organizational cultures have high contribution next to adaptability with beta value .227 (involvement) and .137 (mission).

Unlike the finding of past studies (Ghader and Afkhami (2014); Azadi, Bagheri , Eslami and Aroufzad (2013) ; Asghar, Mojtabaand Sadeghi (2015) ; Hakim (2015) whose research finding shows that consistency has significant relationship with organizational commitment, this study found a contrary result. As per the findings of the study consistency doesn't have significant effect on employee commitment as it is explained by significance level  $p>0.05$ . This indicates that, as much as the company tries to maintain a strong culture by being highly consistent, well-coordinated and well integrated, this doesn't significantly contribute to level of employee commitment. Moreover, this finding is similar with Nongo and Ikyanyon (2012) findings who have indicated that employee prefer to be given the freedom to do the job rather than being compelled to do it in a rigid manner thereby consistency has no significant effect to employee commitment.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND IMPLICATONS

#### 5.1. Introduction

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

#### 5.2. Summary of Findings

The researcher summarized the following based on the research findings

- ✚ This research has shown that there is a statistically significant four organizational culture and employee commitment in which  $p < 0.05$ . Those culture involvement, adaptability, consistence and mission.
- ✚ Pearson coefficients indicate that all organizational culture traits have a positive correlation within the range employees “of 0.04 to 0.203, all were significant at  $p < 0.05$  level.
- ✚ The study found that significant correlation matrix between organization culture and employees commitment. That means an identity matrix is matrix in which all of the diagonal elements are 1 and all off diagonal elements are close to 0 in a good model.

#### 5.3 Conclusions

From the findings the study established that involvement culture traits is positively significant to influence overall organization 4 culture thus the study concludes that Involvement Culture traits had positive influence employees commitment concludes that employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization. When capability development is higher than empowerment, this can be an indication that the organization does not entrust capable employees with important decision making that impact their work.

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

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

On the other hand, Consistency Culture construct in this study remained marginally significant in predicting employees “commitment. Organizational culture in especially large organizations enhances coordination among the employees to discharge their functions. This finding can be attributed to employees being entirely accustomed with how corporate culture facilitates consistency of work and approach in line with the organizational core values. Thus try to maintain a strong culture since incredibly consistent, harmonize and well integrated, this insignificantly contribute to level of employee commitment.

Finally, it can be concluded from the results discussed above that organizational culture plays significant role in employees“ commitment, Involvement, adaptability, mission and consistency, significant contribution to employee commitment these mean if organizational culture increase the employee commitment also increase.

#### **5.4 Recommendations**

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

management to create a comprehensive understanding that can Adopting Involvement, adaptability, mission and consistency, culture traits as an organization impressing to influence stakeholders and create better decisions.

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

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

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

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

## **5.5 Future Research Directions**

The sample size of this study was limited to commercial bank of Ethiopia jimma district, In this regard, to make the conclusion and recommendation more wide and applicable for more organizations, future

researches may conduct the research in industry wide or nationwide by increasing the sample size and diversify organization types.

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

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

Generally these study r-square 82.4% the explain variable consider is affect employee commitment in commercial bank of Ethiopia jimma district the explain organizational culture not consider in these study factors measure 17.6% so these shows in future further study is required.

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**APPENDIX**  
**JIMMA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**  
**DEPARTMENT OF MANAGEMENT**

**Questionnaire on ‘Organizational Culture and Employees’ commitment’**

**Dear Respondents:**

This research is conducted as a partial fulfillment for masters of art in logistics and supply chain management at Jimma University and focuses on assessing, the effect of organizational culture on employees commitment case of commercial bank of Ethiopia in Jimma District “.To ensure the success of the research, I would like to seek your support and cooperation in responding the questionnaire as soon as possible.

The information that you are providing in this questionnaire was used for academic purpose only and was kept confidential. The soundness and the validity of the findings is highly depending on your reliable and genuine responses.

Thank you in advance for your valuable time and cooperation!

**Note:**

✚ Please put a „√“ mark on your choice on the space provided. ✚  
You don’t need to write your name on the questionnaire.

**Part I: Demographic Information**

1. Age:           18-25 Years       26-35 Years       36-45 Years       46 and above
2. Gender:      Male              Female
3. Highest Level of Education:  
College Diploma/Level IV Certificate      Second Degree (MA/MSc/MBA)  
Bachelor Degree                                      Others \_\_\_\_\_
4. How many years did you work in Jimma district?  
1-3 years                                       6-10 years  
3-5 years                                       Above 10 years
5. Marital Status:  
Single       Married               Divorced               Widowed
6. Employment Cluster:  
Management                              Non Management

**Part II: Organizational Culture**

Please indicate the degree of your agreement/disagreement with the following statements associated with the four dimensions of organizational culture: Involvement, Consistency, Adaptability and Mission in commercial bank of Ethiopia Jimma district. Please read carefully and indicate the magnitude by putting a „√“ mark on the number that best describes your view.

<b>Dimensions of Organizational Culture</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither Agree</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>Involvement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
In the organization, decisions are usually made at the levels where right information is available					
I believe that I can have a positive impact					
I can get the information I need as Information is					
Cooperation across different parts of the organization					
In my organization, teamwork is used to get work done, rather than hierarchy					
I work like I am part of a team					
In the organization, there is a continuous investment to develop the skills of employees					
The capabilities of employees are viewed as an important source of competitive advantage in					
In the organization, authority is delegated so that employees act on higher positions by their					
<b>Consistency</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither Agree</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
There is a clear and consistent set of values that					
There is an ethical code that guides employees"					
When disagreements occur, employee work hard to					
In the organization, there is a clear agreement about the right way and the wrong way to do things					
It is easy to reach consensus, even on difficult issues					
Employees from different parts of this organization					
It is easy to coordinate projects across different parts					

In my organization, the approach to do business is very consistent and predictable

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<b>Adaptability</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither Agree nor Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
In the organization, new and improved ways to do work are continually adapted					
Different parts of the organization often cooperate to create change					
My organization respond to competitors actions and other changes in the business environment					
Customers comment and recommendations lead to changes					
I understand customers wants and needs					
Customers inputs directly influences my organization "s decisions					
In the organization, Innovation and risk taking are encouraged and rewarded					
Learning is an important objective in a day-to-day work of this organization					
The organization view failures as an opportunity for learning and improvement					
<b>Mission</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neither Agree nor Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
In the organization, there is a clear mission that gives					
The organization strategic direction is clear to me					
In the organization, there is a long term purpose and					
Leaders set goals that are ambitious, but realistic					
There is widespread agreement about the goals of this organization					
I have a shared vision of what the organization will look like in the future					
In my organization, Leaders have a long-term viewpoint					
The organization vision creates excitement and motivation for me					

### Part III. Employees Commitment

The following questions are about employees' commitment to the organization. Please indicate the magnitude of your agreement/disagreement by putting '√' mark on the number that best describes your view.

Employees' Commitment	Strongly disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
	1	2	3	4	5
I would be very happy to spend the rest of my career with this organization					
I really feel as if this organizations problems are my own					
I do not feel like „part of the family“ in this organization					
I do not feel „emotionally attached“ to this organization					
This organization has a great deal of personal meaning for me					
I don't feel a „strong“ sense of belonging to my organization					
It would be very hard for me to leave my organization right now, even if I wanted to					
Too much in my life would be disrupted if I decided to leave my organization now					
Right now, staying with my company is a matter of necessity as much as desire					
I feel that I have very few options to consider leaving this organization					
One of the few serious consequences of leaving this organization would be the scarcity of available alternatives					
One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice					
I think that people these days move from company to organization too often					
I don't believe that a person must always be loyal to his/her organization					
One of the major reasons I continue to work in this organization is that I believe loyalty is important and therefore feel a sense of moral obligation to remain					
If I got another offer for a better job elsewhere, I would not feel it was right to leave the organization					
I believe in the value of remaining loyal to one organization					
Things were better in the days when people					