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**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEE  
JOB PERFORMANCE: THE CASE OF WEGAGEN BANK S.C**

**BY:**

**SINTAYEHU LEMMA**

**AUGUST, 2020**  
**ADDIS ABABA, ETHIOPIA**

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**ID (SGS/0249/2011A)**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE  
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**ADVISOR: SOLOMON MARKOS (PHD)**

**AUGUST, 2020  
ADDIS ABABA, ETHIOPIA**

## STATEMENT OF DECLARATION

I, Sintayehu Lemma Chaka, hereby declare that the thesis entitled **“The Effect of Organizational Culture on Employee Performance; The Case of Wegagen Bank S.C.”** is my original work. I have carried out the present study independently with the guidance and support of the research advisor, Dr. Solomon Markos. Any other contributors or sources used for the study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other Institution.

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## STATEMENT OF CERTIFICATION

This thesis has been submitted to St. Mary's University School of graduate studies for examination with my approval as university advisor.

ADVISOR: DR. SOLOMON MARKOS

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**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
FACULTY OF BUSINESS**

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

SPSS	Statically Package for Social Science
OC	Organizational Culture
EP	Employee Performance
SD	Standard Deviation

## ABSTRACT

*This study aims to examine the relationship between organizational culture and employees' performance. The researcher used explanatory research design with quantitative research approach in order to meet the objective of the study. The target population for this study was employees of Wegagen Bank S.C. located in Addis Ababa, Head Quarter. Out of 600 permanent employees, 240 respondents were selected using Stratified Random Sampling Technique. The four components of the organizational culture Involvement, Consistency, Adaptability and Mission were visualized based on Denison's Model. A total of 240 questionnaires were used for this study and the data were analyzed using descriptive and inferential statistics. The data collected was then summarized, classified, tabulated and analyzed using SPSS and Microsoft office tools. The study revealed that there is statistically significant positive relationship between all the four organizational culture dimensions (i.e. involvement, consistency, adaptability and mission) and employees' performance. The result of multiple regression Analysis revealed that 39.9% of the variation of employees' performance can be predicted by the independent variables i.e. involvement, consistency, adaptability and mission. In addition, the three organizational culture dimensions (i.e. consistency, adaptability and mission) had significant and positive contribution to employees' performance at 95% confidence level. However, involvement had a positive but statistically insignificant contribution towards employees' performance. Accordingly maintaining the organizational culture with significant contribution towards employee performance (i.e. Identification with mission and adaptability) by communicating its mission and vision to the newly hired employees consistently and rewarding innovation to encourage employees for further creativity is recommended by the researcher. The need to establish clearly defined and visible expression of organizational culture is also recommended by the researcher.*

*Keywords: organizational culture, involvement, consistency, adaptability, mission, and employee performance*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Culture as a concept has had a long and checkered history. It has been used by the layman as a word to indicate sophistication, as when we say that someone is very “cultured.” It has been used by anthropologists to refer to the customs and rituals that societies develop over the course of their history. In the last several decades it has been used by some organizational researchers and managers to refer to the climate and practices that organizations develop around their handling of people, or to the espoused values and credo of an organization. In this context, managers speak of developing the “right kind of culture,” a “culture of quality” or a “culture of customer service,” suggesting that culture has to do with certain values that managers are trying to inculcate in their organizations. Also implied in this usage is the assumption that there are better or worse cultures and stronger or weaker cultures, and that the “right” kind of culture will influence how effective the organization is (Schein, 2004).

Perhaps the most intriguing aspect of culture as a concept is that it points us to phenomena that are below the surface, that are powerful in their impact but invisible and to a considerable degree unconscious. In that sense, culture is to a group what personality or character is to an individual. We can see the behavior that results, but often we cannot see the forces underneath that cause certain kinds of behavior. Yet, just as our personality and character guide and constrain our behavior, so does culture guide and constrain the behavior of members of a group through the shared norms that are held in that group. To complicate matters further, one can view personality and character as the accumulation of cultural learning that an individual has experienced in the family, the peer group, the school, the community, and the occupation. In this sense, culture is within us as individuals and yet constantly evolving as we join and create new groups that eventually creates new cultures. Culture as a concept is thus an abstraction but its behavioral and attitudinal consequences are very concrete indeed (Schein, 2004)

According to Fakhra, Zahid, & Muhammed (2013), the organizational culture proposed employees the way things should be done. It can also be the guiding tenets with which employees of an organization are expected to abide with, without unnecessary objection. Traditions, behavioral patterns and belief systems are the major components of organizational culture.

These components determine the mode of operating of the organization and the chances of the organization remaining in business or eventually staying out of business.

Culture is deeply associated with values and beliefs shared by personnel in an organization. These norms attributable to culture are invisible but have a great impact on the performance of employees and profitability. It is what is important and unimportant in the organization. Organizational culture definitely have impact on the performance of the employee, this impact may be negative or positive. If the organizational culture has positive effect on the employee, then the optimum performance of the employee is certain but if the impact of the culture on the employee is negative then, the negative side of the coin is expected.

The culture of an organization depends on its environment, objectives, and belief system and management style. Hence, the prevailing collaborative culture in Wegagen Bank was informed by the nature and area of coverage of its activities. A strong organization culture indicates that employees are like-minded and hold similar beliefs/ethical values while a weak organizational culture indicates that employees are unlike-minded and hold dissimilar beliefs/ethical values. Thus, organizations can only achieve their goals by aligning their corporate culture with their performance management system. In adopting a collaborative culture in the execution of its activities, Wegagen Bank should empower its employees to exercise greater control/autonomy over their work thus influencing their job performance, commitment, self-confidence and self-esteem. It is against this background that it becomes relevant to discuss organizational culture and employees' performance in Wegagen Bank S.C.

According to Hellriegel & Slocum (2009), organizational culture can enhance performance in a large scale. Based on this, the culture of an organization allows the employees to be acquainted with both the firm's history as well as current methods of operation and this specific direction endows the employees with guidance about expected and accepted future organizational behaviors and norms.

As stated by Furnham & Gunter (1993), organizational culture functions as the internal integration and coordination between firm's operations and its employees. Internal integration has to do with the societal interaction of new members with the existing ones, creating boundaries of the organization feelings of identity among personal and commitment to the organization. A strong organizational culture supports adaptation and develops employee performance by motivating

employees towards a shared goal and objective, and finally shaping and channeling employees' behavior to that specific direction. Although, there are certain parameters that are taken into consideration to understand the impact of organizational culture on employee performance, which includes: employee participation, innovation and risk-taking, reward systems, openness to communication, customer service orientation.

## **1.2 Statement of the Problem**

According to Kandula (2006), the key to good performance is a strong culture. He further maintains that due to difference in organizational culture, same strategies do not yield same results for two organizations in the same industry and in the same location. A positive and strong culture can make an average individual performance and achieve brilliantly whereas a negative and weak culture may de-motivate an outstanding employee to underperform and end up with no achievement. The concept of organizational culture has drawn attention to the long-neglected subjective or "soft" side of organizational life. As organizations grow, they tend to face more challenges. These challenges have, therefore, created the need to change the organization's culture to be more supportive to their employees.

Different studies are conducted by different researchers regarding organizational culture and its effect on employee's performance and job satisfaction. According to Olawuyi & Shakur (2017), there is significant correlation between organizational culture and increased productivity and also that there is significant correlation between organizational culture and employee performance.

A study conducted by Stephen .E.N. & E.A. (2016), investigated the connection between organizational culture and its impact on employee performance and job satisfaction. According to their results, organizations should also develop a culture that encourages employees to be innovative and creative and also see the employees as humans and not logs in machines. Furthermore, organizational culture of must be binding on all member and staff of the organization as this will encourage uniformity among members of the organization and thus enhance commitment and group efficiency. According to Mohammed & Abukar(2013 ), examined the impact of organizational culture on employee performance of Mogadishu Universality and found that there is a positive correlation between organizational culture and employees' performance.

A critical review of organizational culture on employee Performance has been also studied by (Narayana, 2017) and the study found out that the effect of culture is very important in every organization and it enhances employee's performance resulting employee's commitment which helps the organization to prosper & flourish and influence the level of organizational goal in a positive way. A study conducted by Hanna(2019) on Berhan International Bank indicated that there is a strong relation between organizational culture employee's performances. Similarly, a study conducted by Senait (2019) on Economic Commission for Africa presented that organizational culture has strong correlation with employee performance. In the context of Wegagen Bank S.C, research studies were conducted by employees of the Bank in different areas such as Loan Collection, Non-Performing Loan, Assessment of Turnover, Employee Motivation and the like. However, the effect of organizational culture on employee performance has not been yet conducted by any researcher and employees.

Taking in to consideration of the above issue, the researcher has conducted preliminary interview with Human Resource Management Director. Based on this interview, the researcher understood that the performance appraisals of the employees are so poor. In actual fact, the Bank has been evaluating the Balance Scored Card (BSC) appraisal every semi- annual. There are parameter of measurement in the appraisal score sheet that are related with organizational cultures such as poor communication, trust, building customer loyalty, integrate, respect and learning capability.

According semi-annual appraisal of 2012 E.C, the summery result of each employee in the Balance Scored Card (BSC) indicated that the total scores are not in the satisfaction level. These circumstances indicate that the Bank managers are in most cases concerned with the leading financial indicators, and tend to forget the role that other lagging non-financial indicators like organizational cultures have in shaping the behaviors of employee believes and value systems that are critical in achieving the needed performance. In this note, the Bank has been faced with the challenge of improving the performance of employee. Therefore, considering the results of semi-annual appraisal, the researcher notified that there is a gap between the employee performance and the organizational culture. In response to this, the study attempts to investigate the effect of organizational culture traits on employee performance at Head office level. To address this issue, the study will be focused on the effect of four variables of organizational culture such as consistency, adaptively, involvement and mission as an independent variables and employee performance as dependent variables.



### **1.3 Research Questions**

This study attempts to address the following research questions

- I. To what extent does employee involvement as an element of organizational culture impact on employee job productivity?
- II. Is there any relationship between involvement cultural trait and employees' performance?
- III. Is there any relationship between adaptability cultural trait and employees' performance?
- IV. Is there any relationship between uniformity cultural trait and employees' performance?
- V. To what extent does organizations mission as an element of organizational culture influence employee performance?

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

#### **1.4.1 General Objectives**

The primary objective of this study is to assess the effect of organizational culture on employee performance at Wegagen Bank S.C.

#### **1.4.2 Specific Objectives**

- I. To assess the prevalent organizational culture elements and employees' performance
- II. To examine the effect of involvement cultural trait on employees' performance
- III. To examine the effect of adaptability cultural trait on employees' performance
- IV. To examine the effect of consistency cultural trait on employees' performance
- V. To examine the effect of mission cultural trait on employees' performance.

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

Organizational culture is a popular but also a very complex concept that has been identified as an influential factor affecting the successes and failures of organizations in diverse ways. However, culture is a very versatile concept, and there are many differences in both defining and applying it. The existing literature on organizational culture and employees' performance is mainly focused and carried out in developed countries and considering the determinants, influences and composition of the culture, it cannot apply universally in different environments like Ethiopia.

Hence the findings of those studies cannot be invoked with full confidence in understanding the Ethiopian organizational situations. In the light of this observation, it is envisaged that the results of this study fills some gaps and at the same time make modest contributions to the body of existing knowledge.

The findings of this study can be used to tackle problems arising from work situations in the Bank service context. This study also critically examined how the culture of the organization affects individual employees' performance in general and how this in return determines organizational performance.

The final report provides adequate information on how cultural elements affect employee's performance at a place of work. Thus, the study's finding can be used to enrich the thinking of top management on how to develop good image of their institutions through enriching the organizations' culture among its employees.

The study can also be a source of information for improving effectiveness of the public service intuitions service delivery by increasing employee's commitment. Furthermore, the findings can be used as a reference for researchers who intend to pursue a study in similar subject matter.

### **1.6 Delimitation of the Study**

The research is confined to Wegagen Bank S.C. at Head Office level. While it should include all Branch Offices in Ethiopian, it would not be feasible for the researcher to take it up in wider perspective and scope because of shortage of time and limited resource. In the conceptual perspective, even though there are many dimensions to measure an organizations culture, the study only considers selected cultural elements such as employee involvement, consistency, adaptability of operations and the mission of the institution adopted from (Denison D. , 1990) which the researcher found fitting to the study. These dimensions are used in analyzing organizational culture on effect of employee performance and will be investigated using explanatory research design.

### **1.7 Definition of key concepts**

**Organizational:** employees are the basic building blocks of an organization. The success and development of an organization depends on how effectively and efficiently its employee performs and culture is a means through which employees discover and correspond what is suitable or undesirable in an organization in the light of values and norms. Culture can be found in any organization, no matter how small or large the organization could be. Organization culture sets a framework within which individual and group behavior takes place in terms of employees' communication whether it is open or closed or they are given autonomy or recognition for their achievements (Kokila& Ramalingam, 2015).

**Organizational Culture:** It is a statement of beliefs and values of an organization and contributes for organizations a sense of identity and establishes, through the organization's rituals, legends, values, norms, meanings, beliefs, and languages, the manner in which functions are carried out (Schein, 2011). According to Armstrong(2011), Organizational or corporate culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organizations behave and things get done

**Employee performance:** an employee performance is work outcome in quality and quantity that achieved by someone in conducting his responsibility (Mangkunegara, 2005).

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

The study is divided in to five chapters. The first chapter deals with introduction which encompasses background of the study, statement of the problem, research questions, objectives of the study, research hypotheses, scope of the study, limitation of the study, significance of the study, as well as organization of study.

The second chapter deals with the review of related literatures on organizational culture and job satisfaction. This part gives a highlight on the theoretical, empirical and conceptual framework of the topic under study.

The third chapter has comprised research Design and Methodology used in conducting the study which includes research Design, Population and Sampling technique, instrument of data collection, validity and reliability assurance, ethical consideration and method of analyzing the data used in the research.

The third chapter discussed research design and methodology which includes population and sampling size, data type and source, data collection instrument, data analysis technique and methods. The fourth chapter is namely data presentation, analysis and interpretation, it is carefully diagnosed the data collected through questionnaire. The fifth chapter is dedicated to summary of findings, conclusions and recommendations by the researcher based on the outcomes the overall study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Theoretical Literature**

Organizational culture is one of the major issues in academic research and education, in organization theory as well as in management practice. There are good reasons for this: the cultural dimension is central in all aspects of organizational life. Even in those organizations where cultural issues receive little explicit attention, how people in a company think, feel, value and act are guided by ideas, meanings and beliefs of a cultural (socially shared) nature. Whether managers think that culture is too soft or too complicated to bother about or whether, there is no unique corporate culture does not reduce the significance of culture. Senior organizational members are always, in one way or another, ‘managing culture’ – underscoring what is important and what is less so and framing how the corporate world should be understood. Organizations practicing intensive ‘numbers management’ may develop and reproduce a culture celebrating performance indicators and rituals around the handling of these. In most contemporary organizations, corporate culture receives a lot of attention and is seen as crucial. However, even in those cases where top managers have a strong awareness of the significance of culture, there is often a lack of a deeper understanding of how people and organizations function in terms of culture. Culture is as significant and complex as it is difficult to understand and ‘use’ in a thoughtful way. Awareness of an interest in culture varies between managers and companies. It is often difficult to attain a high level of cultural awareness to guide actions. The interest in quick fixes in much management writings and thinking is unhelpful (Alvesson, 2002).

Culture therefore gives organizations a sense of identity and determines, through the organization’s legends, rituals, beliefs, meanings, values, norms and language, the way in which ‘things are done around here’. An organizations’ culture encapsulates what it has been good at and what has worked in the past. These practices can often be accepted without question by long-serving members of an organization. One of the first things a new employee learns is some of the organization’s legends. Legends can stay with an organization and become part of the established way of doing things. Over time the organization will develop ‘norms’ i.e. established (normal) expected behavior patterns within the organization. A norm is defined as an established behavior pattern that is part of a culture (Donnell & Boyle, 2008).

At the heart of organization development and improved performance is the need for effective management. It is the role of management to act as an integrating activity and to co-ordinate, guide and direct the efforts of members towards the achievement of goals and objectives.

The process of management, however, does not take place in a vacuum but within the context of the organizational setting. Applications of organization behavior and the effective management of human resources are dependent therefore not only upon the nature of the industry or business, but also upon the characteristic features of the individual organization and its culture. The pervasive nature of culture in terms of 'how things are done around here' and common values, beliefs and attitudes will therefore have a significant effect on organizational processes such as decision-making, design of structure, group behavior, work organization, motivation and job satisfaction, and management control (Mullins, 2005).

The cultural knowledge of individuals is not identical. Individual difference, perhaps arising from different home, educational and micro social contexts, leads to intra-cultural variation. Hence within any culture, or even sub cultural group, differences exist. Most cultures are tolerant of such differences; in fact, it may provide a mechanism for cultural change or dynamism. For example, national subcultures, based on criteria such as socioeconomic class, ethnic/religious background or occupation, stimulate both debate and conflict, which can provide an opportunity for learning and change. Although culture is created and sustained in social contexts, such as in an organization, it is dynamic and constantly evolving. At the organizational level culture is learned by recruits through the process of socialization, including training and managerial interventions, whereas educational systems, the media, history, political processes and the like help shape national culture (Brooks, 2006).

As mentioned by Sinha (2008), organizational culture is the totality of an organization's unique characteristics that are focused on how employees view and value work and relate with each other compared to other non-work concerns. Both organizational culture and work culture are jointly influenced by the surrounding societal and global cultures. Organization climate is different from organizational culture as the former is only the perceptual configurations of the organization. An organization may have an integrated, differentiated, or fragmenting culture depending on the degrees of congruence among the subcultures and the characteristics within the subcultures.

Different scholars sample different core values, norms, and practices to recognize different types of organizational cultures. Organizational culture starts building up at the initiative of the founder and

his team of top leaders who form the organization and hire employees who too get involved in giving the organizational culture a shape.

### **2.1.1 Important of Organizational Culture**

At the heart of organization development and improved performance is the need for effective management. It is the role of management to act as an integrating activity and to co-ordinate, guide and direct the efforts of members towards the achievement of goals and objectives. The process of management, however, does not take place in a vacuum but within the context of the organizational setting. Applications of organizational behavior and the effective management of human resources are dependent therefore not only upon the nature of the industry or business, but also upon the characteristic features of the individual organization and its culture. The pervasive nature of culture in terms of 'how things are done around here' and common values, beliefs and attitudes will therefore have a significant effect on organizational processes such as decision-making, design of structure, group behavior, work organization, motivation and job satisfaction, and management control (Mullins, 2005)

### **2.1.2 Influences on the Development of Organizational Culture**

The culture and structure of an organization develop over time and in response to a complex set of factors. We can, however, identify a number of key influences that are likely to play an important role in the development of any corporate culture.

**History:** The reason, and manner in which, the organization was originally formed, its age, and the philosophy and values of its owners and first senior managers will affect culture. Primary function and

**Technology:** The nature of the organizations 'business' and its primary function have an important influence on its culture. This includes the range and quality of products and services provided the importance of reputation and the type of customers.

**Goals and objectives.** Although a business organization may pursue profitability, this is not by itself very clear or a sufficient criterion for its effective management.

**Size.** Usually larger organizations have more formalized structures and cultures. Increased size is likely to result in separate departments and possibly split-site operations.

**Location.** Geographical location and the physical characteristics can have a major influence on culture – for example, whether an organization is located in a quiet rural location or a busy city center. This can influence the types of customers and the staff employed.

It can also affect the nature of services provided, the sense of 'boundary' and distinctive identity, and opportunities for development (Mullins, 2005)

### **2.1.3 Strong and Weak Organizational Cultures**

Organizational culture can be either weak or strong, in a strong culture; the organization's core values are held strongly and shared widely. Strong organizational cultures have a great influence on the behavior of organizational members (Martins & Martins, 2003). A weak culture, on the other hand, means the opposite of a strong culture, in other words, organizational members do not subscribe to the shared beliefs, values and norms (O'Reilly, Chatman.& Caldwell, 1991).

### **2.1.4 Changing Organizational Culture:**

Change is a pervasive, persistent, and permanent condition for all organizations. Not only are managers faced with continual change, but also the rate of change has been accelerating. Some have described the growth in the rate of change faced by organizations as exponential. Effective managers must view managing change as an integral responsibility rather than as a peripheral one. People in organizations now must change and adapt to advance their careers, to improve their productivity, and to carry out a variety of roles in organizations. Likewise, organizations must be flexible, creative, and responsive to remain distinct, retain market share, and grow new businesses, strategies, and opportunities (John M. et al., 2014)

### **2.1.5 Function of Organizational Culture**

Culture defines the rules of the game. First, it has a boundary-defining role: It creates distinctions between organizations. Second, it conveys a sense of identity for organization members. Third, culture facilitates commitment to something larger than individual self-interest. Fourth, it enhances the stability of the social system. Culture is the social glue that helps hold the organization together by providing standards for what employees should say and do. Finally, it is a sense-making and control mechanism that guides and shapes employees' attitudes and behavior. A strong culture supported by formal rules and regulations ensures employees will act in a relatively uniform and predictable way. Today's trend toward decentralized organizations make culture more important than ever, but ironically it also makes establishing a strong culture more difficult. When formal authority and control systems are reduced through decentralization, culture's shared meaning can point everyone in the same direction. However, employees organized in teams may show greater allegiance to their team and its values than to the organization as a whole (Robbins & Judge, 2015).

## **2.1.6 The Consequences and Implications of Organizational Culture**

Depending on its strength, a firm's organizational culture can have a pervasive impact on organizational effectiveness. six major consequences and implications of organizational culture on competitive advantage and organizational effectiveness (DuBrin,2019). The right organizational culture contributes to gaining competitive advantage in several ways, including increased market share, profit, and smooth functioning of the organization.

**Productivity, quality, and engagement:** The consequence of competitive advantage and organizational effectiveness often happens because a culture that emphasizes productivity, including high quality, encourages workers to be productive and engaged Employees Performance.

**Creativity and innovation:** A major contributor to innovation is a corporate culture that encourages creative behavior.

**Compatibility of mergers and acquisitions:** A reliable predictor of success in merging two or more firms is the compatibility of their respective cultures

**Person–organization fit:** An important success factor for the individual is finding an organization that fits his or her personality

**Pointing to direction of leadership activity:** Much of a top-level manager's time is spent working with the forces that shape the attitudes and values of employees at all levels.

**Emotional and physical safety of workers:** An organizational culture in which rudeness, incivility, and sexual harassment are discouraged and punished increases the probability of workers feeling safe emotionally and physically.

## **2.1.7 Models of Organizational Culture**

While there is no single "type" of organizational culture and cultures can vary widely from one organization to the next, commonalities do exist and several models by researchers have been proposed till to date explaining the organization culture and some researchers have developed models to describe different indicators and dimensions of organizational cultures. The prominent scholars exploring organizations culture are as follow:

### **2.1.7.1 Edgar Schein's Model of Organizational Culture**

According to Schein (2011), there are three levels in an organization culture and his model focuses on artifacts, values, and assumptions.

**Art facts:** The first level is the characteristics of the organization which can be easily viewed, heard and felt by individuals collectively known as artifacts.



The dress code of the employees, office furniture, facilities, behavior of the employees, mission and vision of the organization all come under artifacts and go a long way in deciding the culture of the workplace. And this aspect of the organizational culture is the simplest perspective on culture which is provided by the tangible artifacts that reveal specific cultural predispositions.

**Values:** The next level according to this model which constitutes the organization culture is the values of the employees and rules of behavior. The values of the individuals working in the organization play an important role in deciding the organization culture.

The thought process and attitude of employees have deep impact on the culture of any particular organization. The mind-set of the individual associated with any particular organization influences the culture of the workplace.

**Assumed Values:** The third level is the assumed values of the employees which can't be measured but do make a difference to the culture of the organization. There are certain beliefs and facts which stay hidden but do affect the culture of the organization. The inner aspects of human nature come under the third level of organization culture. The organizations follow certain practices which are not discussed often but understood on their own and much more difficult to deduce through observation alone. These are tacit assumptions that infect the way in which communication occurs and individuals behave. They are often unconscious, yet hugely important.

According to Schein (1992), understanding the organization's culture may start from observing its artifacts: its physical environment, employee interactions, company policies, reward systems, and other observable characteristics. However, simply looking at these tangible aspects is unlikely to give a full picture of the organization, since an important chunk of what makes up culture exists below one's degree of awareness.

The values and deeper, the assumptions that shape the organization's culture can be uncovered by observing how employees interact and the choices they make, as well as by inquiring about their beliefs and perceptions regarding what is right and appropriate behavior.

### **2.1.7.2 Robert A Cooke's Model of Organizational Culture**

According to Cooke (1987), the culture of an organization is the way employees behave at the workplace to ensure stable future and growth. And he proposed the following three types of culture in the organization:

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

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

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

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

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

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

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

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

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

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

**Aggressive Culture:** organizations following an aggressive culture promote competition amongst the employees. They encourage the employees to compete against each other so that each one performs better than his fellow worker.

In such a culture, employees seeking their colleague's assistance are often called as incompetent employees. Every individual vies for power, attention and strive hard to win appreciation. The key features of such a culture are opposition, power, perfectionist and competitive.

### **2.1.7.3 Hofstede's Model of Organizational Culture**

Accordingl to Hofsted (1980), various ideologies, beliefs and practices of an organization which make it different from others. The culture of any workplace decides how employees would behave with each other or with the external parties and also decide their involvement in productive tasks. Accordingly, there are majorly six factors which influence the culture of the workplace.

**Power Distance Orientation:** power distance refers to the differences in the work culture as per the power delegated to the employees. There are some organizations which believe in appointing team leaders or team managers who are responsible for their respective teams and have the challenge of extracting the best out of the members. The team members also have to respect their team leaders and work as per their orders and advice. However, in some organizations, every employee is accountable for his own performance. No special person is assigned to take charge of the employees. The individuals are answerable to none except for themselves. Every employee gets an equal treatment from the management and has to take ownership of his /her own work.

**Masculinity and Femininity:** this refers to the effect of differences in male and female values on the culture of the organization. Organizations where male employees dominate their female counterparts will follow different policies as compared to organizations where females have a major say in the decision making process of the organization.

Male employees would be more aggressive as compared to the females who would be more caring and soft-hearted. The responsibilities also vary as per the sex of the employees.

**Individualism and Collectivism:** It could be described as the degree to which an organization integrates a group mentality and promotes a strong sense of community (as opposed to independence) within the organization. There are some organizations which strongly rely on team work. Here individuals with a common interest come together and work as a team.

These organizations believe that the output is always more when individuals exchange their ideas, discuss things among themselves to come out with innovative ideas. In such a scenario the employees share a healthy relationship and take each other's help when required.

**Uncertainty Avoidance Index:** uncertainty avoidance describes an organization's comfort level with risk-taking. As risk and return are largely correlative in the business environment, it is particularly important for organizations to instill a consistent level of comfort with taking risks. Uncertainty avoidance index refers to a culture where employees know how to respond to unusual and unforeseen circumstances. It deals with the tolerance level of the employees in both comfortable and uncomfortable situations.

**Long Term Orientation:** this is the degree to which an organization or culture plans pragmatically for the future or attempts to create short-term gains. There are some organizations which focus on long term relationship with the employees. In such organizations people have a steady approach and strive hard to live up to the expectations of the management. Employees get attached to the organization and do not look at short term objectives. On the contrary, some organizations have employees who are more concerned with their position and image. They follow a culture where people move on in a short span of time and nothing is done to retain them. The employees are concerned only with their profits and targets and leave as and when they get a better opportunity.

**Tolerance and Restraint:** this pertains to the amount (and ease) of spending and fulfillment of needs. For example, a restrained culture may have strict rules and regulations for tapping company resources.

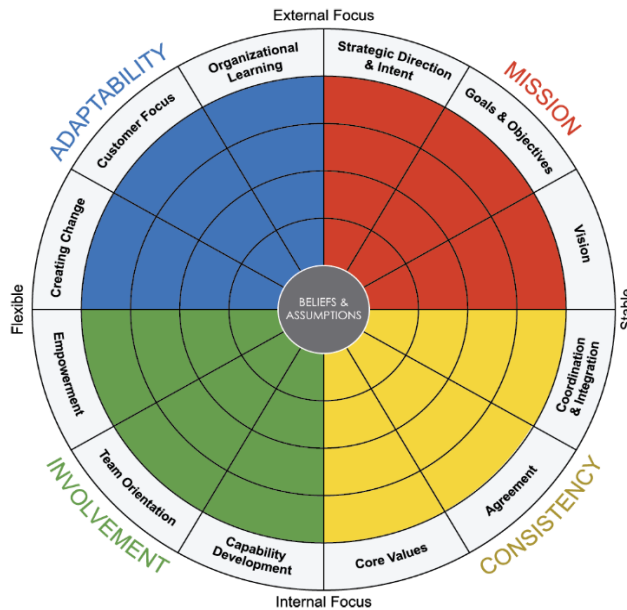
#### **2.1.7.4 Denison's Framework of Organizational Culture**

The values and beliefs of an organization give rise to a set of management practices, which are concrete activities usually rooted in the values of the organization (Denison D. , 1990). These activities stem from and supplement the dominant values and beliefs of the organization. Accordingly, Denison's model states that the four broadly defined cultural traits of involvement, consistency, adaptability, and mission, collectively facilitate an organization's capabilities for integrating and coordinating internal resources as well as its adaptation the external environment, thereby leading to exceptional organizational performance. Organizations with strengths in two of the attributes often share certain orientations and outcomes.

An organization with a strong internal focus is focused on the flow of the internal integration of systems, structures, and processes. It values its people and honors itself on the quality of its products or services. A strong internal focus has been associated to higher levels of quality, fewer defects and less rework, good resource utilization, and high employee satisfaction.

The Denison Model of organizational culture highlights four key traits that an organization should master in order to be effective. At the center of the Model are the organization's "Beliefs and Assumptions." These are the deeply held aspects of an organization's identity that are often hard to access.

Figure 2.1 The Denison Model of organizational culture



Source: Over view of introduction of Denison Model.

## 2.1.8 Relationship b/n Organization Culture Traits and Employee Job Performance

### 2.1.8.1 Culture of Empowerment and Employee Job Performance

According to Orpen (2015), employee empowerment can be an integral element of organizational culture change in that it embodies the concepts of intrinsic motivation, internal justification for decision-making, shared responsibilities, and integration for problem solving. As employees mature in an organization, they gain more knowledge, internalize justification for the actions they take, and become more intrinsically motivated. Alongside this internalization process, employees tend to take a more active role in intervening in the actions of newer employees and offering feedback regarding culture-consistent behaviors.

When employees are empowered, they feel motivated to work because then nothing holds them back as they know what is expected of them and are competent in their duties. More open forms of participative management give workers decision-making authority regarding their domains of responsibility (Macey et al., 2009). When companies shift to the more open forms of participative management, they begin the process of empowering their employees. Kurstedt & Mallk (1996)

assert that an organization's level of empowerment is related to its culture. A strong culture supports the empowerment process in many ways. First, companies with strong cultures provide continuity and clarity with respect to their missions. Second, companies with strong cultures minimize mixed signals because they have reduced ambivalence in their communications, and management tends to speak with one voice. Third, companies with strong cultures have a central core of consistency that drives the basic decision-making processes throughout the organization. This central core promotes consistency regarding basic values and beliefs, yet allows for individual interpretations and responses for items outside the central core.

Fourth, strong culture firms help employees build social currency based on track record, reputation, knowledge, and network of relationships. This social currency builds communication and trust and provides the power to get things done independent of formal titles and authority. Manyoni (2012) emphasizes that an organization that effectively communicates information to its employees and makes it accessible to its employees makes them feel part of the organization. This makes employees want to do their best not just for their paycheck, but for the organization. The kinds of information that can be transmitted to employees include: the long-term plans of the organization and new developments such as opportunities or problems faced by the company.

Another way of establishing a culture of involvement in an organization is by incentivizing employees so as to increase their performance. This can be by informing them of the financial position of the organization and, when possible, sharing with them the profits.

Most employers believe that offering additional money will draw more production from their employees (Anderson, 2012). Many times this is not true. What employees most often want is to know that they matter to the company or organization. Adding to their salaries, says Anderson (2012), does show them they are important, but normally this is the least effective means of increasing employee performance. It is also the most expensive. Some little gestures of recognition employed by an organization increase employee job performance.

Multinational organizations for example, put up a map on the wall of the staff canteen. When people join the company, they put a pin on the country they are from. This makes the new employee feel welcome to the team, and is good for communication. Organizations that have a culture of celebrating birthdays, organizing get-togethers, whether it's paintballing sessions or a small glass of

wine in the staff room at the end of an afternoon, helping a charity is another way to give workers a common purpose and a feel-good factor (Macleod & Brady, 2008).

As stated by DeWitt (2010), organizations that have a culture of recognizing for a job well done boost morale and offer a greater sense of achievement. The moment employees understand that they are appreciated and that their efforts matter beyond earning a paycheck, performance will normally increase. Regular times of recognition in small or simple ways can help employees know their value and increase their performance.

Another strong trait of organizational culture that enhances high performance among employees in an organization is team work. Xenikou and Simosi, (2006) say that organizational norms that encourage cooperation, teamwork, and participation are related to performance because they facilitate group coordination and synergy of divergent organizational resources.

He adds that moreover, self-actualization and employee development are the basis of creating a large pool of organizational resources that reflect the human capital within organizations and lead to organizational efficiency.

#### **2.1.8.2 Organizational Culture of Involvement and Employee Job Performance:**

Involvement in this context is to be understood as a regular participation of employees in deciding how their work is done, making suggestions for improvement, goal-setting, planning, and monitoring of their performance (Macleod & Brady, 2008). A performance culture is built around shared desire to exceed expectations and achieve remarkable results. However, this starts with individuals. Organizations with high performing cultures, notes Achua & Lussier (2013), see their employees as their number one asset.

They treat employees with dignity and respect, grant them greater autonomy, involve them in decision-making, celebrate individual and team achievements, and use a full range of rewards and punishment to enforce high performance standards (Achua & Lussier, 2013). One way of enhancing employee job performance is by involving them in the organization's decision-making at least to a level that they are allowed (Manyonyi, 2012).

There are decisions that require secrecy due to their nature, and this is understandable, but there are others that should involve employees in an organization. These decisions, (Manyonyi, 2012) advises, should be made with the participation of the people they affect; this means consulting them

or having a discussion in order to get their views and generate new ideas. An organization with a culture of involving its employees will tend to perform well because the employees will own the decision, and, therefore, hold themselves responsible in case of any failure. It's easy to get so swept away thinking of solutions in board meetings that managers forget to consult the people who matter the employees (Bakker et al., 2008).

### **2.1.8.3 Organizational Culture of Consistency and Employee Job Performance:**

Consistency implies the extent to which the values, beliefs and standards of behavior are acquired and shared among employees in an organization (Denison, 1990). Organizational culture defines a normative order that serves as a source of consistent behavior inside an organization (Achua & Lussier, 2013).

An organization will operate more productively as a whole when key values are shared among the majority of its members. To that end, employees need to be comfortable with the behaviors encouraged by the organization so that individual motivation and group productivity remain high. High functioning organizations are comprised of individuals whose overt behaviors are consistent with their covert values (Khan, 2015). All of this is of crucial importance to managers.

Senior executives usually set the tone by exerting core values that form the overall dominant culture shared by the majority of an organization's members. So, if management does not take the time to understand the culture that motivates an organization, problems are inevitable. New procedures and activities will be very difficult to implement if they do not mesh with the organization's culture.

A culture of consistency is created by leaders in the organization who are meant to be role models. According to Achua and Lussier (2013) the stories leaders tell, the decisions they make, and the actions they take reveal an implicit cultural expectation for followers. Employees learn what is valued most in an organization by watching what attitudes and behaviors leaders pay attention to and whether the leaders own behavior is consistent with organizational values. Again, as leaders who have the voice of the organization, they must be sure to communicate clear expectations for every member of the organization. These expectations should be supported by the words and actions of managers who regularly let people know how their work is important to the organization.

Another technique of creating a consistent culture in an organization lies with the top management. In order to promote a culture of consistency, leaders can design the physical work environment to reflect the values they want to promote within the organization (Achua and Lussier, 2013).



The authors give an example of having common eating facilities for all employees, no special parking areas and similar offices is consistent with the value of equality; an open office layout with fewer walls separating employees is consistent with the value for open communication.

According to Kotter and Heskett (2012), leaders who plan most of the work should give individuals assignments that are consistent with their strengths and interests and opportunities for continued learning and growth. Gordon (2008) asserts that organizational values, which form part of the corporate culture, greatly aid to facilitate the recruiting process. How does recruitment relate to consistency? Serious organizations have a particular way of recruiting; this depends on their kind of business. At recruiting, there is a particular trait organizations are looking for. For an organization to maintain its high performance culture, it has to be consistent in how it recruits—hiring only the best with specific qualifications. Consistency can also be looked at from the point of view of the organization and employee as far as values and purpose are concerned.

If there is consistency in values between the two, then there is a match. Khan (2015) asserts that the degree to which an organization's values match the values of an individual who works for the company determines whether a person is a good match for a particular organization. He (Khan) advises that it is important for individual values to match organization culture because a culture of shared purpose results in actions that help the organization achieve a common or collective goal.

Consistency, as an element of organizational culture cements positive aspects in an organization hence helps establish a strong culture which, by extension, leads to a high performance organization. Employees in such organizations have reasons to care about how they perform. Even the challenges presented by mind-bending change whether imposed by the marketplace or necessitated by internal growth are easier to handle because a stable culture begets a fast-moving, flexible company (Gordon, 2008).

With the fast-changing business environment, organizations undergo a lot of change in order to be relevant and stay competitive in the labor market. With such changes, organizations are forced to develop new product lines, enter new markets, and introduce new technology. Where do these changes leave the employee? In weak and inconsistent cultures, employees will find such moves unsettling, even unnerving. A strong, distinctive culture, however, will offer a fixed reference point.

#### **2.1.8.4 Organizational Culture of Adaptability and Employee Job Performance**

Adaptability is also tremendously essential in the development of organizational strategies. This is because a strategy is a series of adaptive choices by a dominant coalition which is influenced by contextual variables. Adaptability presents a set of shared organizational values which influence strategy. Adaptability is, therefore, an essential field which affects development and adoption of effective strategies. It ensures that a firm adopts required strategies which provide the employees an exemplary environment for job performance. Through enhancing employee job performance, an organization succeeds in achieving its goals and objects (Feinberg, 2008).

This requires employees to learn new ways of performing their duties. At times, it forces employees to learn new skills in order to remain competitive for different jobs.

This implies that workers have to be adaptable, versatile, and tolerant of uncertainty in order to operate effectively in the changing environment. Adaptability is, therefore, a critical essential field which defines employee job performance. The employees who significantly adapt to various changes in the job environment are more efficient and effective in performing their duties (Thompson, Shanley & McWilliams, 2011).

#### **2.1.8.5 Organizational Culture of Mission and Employee Job Performance:**

As mentioned by Achua and Lussier (2013), a unique corporate culture provides value to the organization and, therefore, hard to duplicate or imitate. In this regard, it helps to build and sustain a firm's competitive advantage. For this to happen, the organization has to have a mission statement and values that have meaning; a statement that people will take seriously; a set of overarching beliefs that serve as powerful guides for everyday action and that are reinforced in a hundred different ways, both symbolic and substantive. Organizations that value innovation encourage high employee job performance because by so doing, it promotes competition among the employees. This will make every other employee in that organization to bring out their best in order to stand out and receive rewards and recognition.

It is sometimes referred to as a creed, purpose, or statement of corporate philosophy and values (Forest and David 2003). It often reflects the values and beliefs of top managers in an organization. It, therefore, all starts with the organizations leaders to define these values and then help the employees discover how their personal values are validated when they perform their jobs in accordance with the organizational values.

This alignment, asserts Gordon (2008), will make personal and corporate values increase staff engagement. Therefore, employees gain more fulfillments from their job and are motivated to work harder, bringing their best to their work. Runy (2007) concurs, adding that a high-performing organization has a committed workforce that is aligned with mission, vision and values and is motivated to achieve organizational objectives. Achua and Lussier (2013) affirm that culture offers a shared understanding about the identity of an organization. The right culture can make employees feel that they are valued participants and, as such, become self-motivated to take on the challenge of realizing the organization's mission and work together as a team. It can transform an organization's workforce into a source of creativity and innovative solutions.

### **2.1.9 Employee Job Performance**

The word 'performance' can be used to describe different aspects such as societal performance, organizational performance, employee performance, and individual performance etc. In the organizational context, performance is usually defined as the extent to which an organizational member contributes achieving the goals of the organization. Employee's performance means the ability of employees to attain goals either personal or organizational by using resources efficiently and effectively (Daft, 2000). Employee performance is originally what an employee does or does not and how those activities were executed. It plays an important role for organizational performance Employee performance at the work place is a major concern for the organizations irrespective of all the factors and conditions. As such, employees are considered very important assets to their organizations (Qureshi & Ramay, 2006).

### **2.2 Empirical Reviews**

In order to strengthen the study, various research reports are reviewed. The empirical evidences are summarized and presented below. The significance of organizational culture and its effect on employee performance has drawn special attention to the study of the Bank and its cultures. Empirical studies of organizational culture have been carried out across various countries and industries, particularly, in the banking industries context; several empirical studies have supported the positive link between culture and performance. Even though the relationship of organizational culture and employees' performance are naturally proven, it was mixed up in many studies (Kopelman, 1990).

According to Bulach (2012), the effects of organizational culture on employee behavior and performance can be summarized as: 1) knowing the culture of an organization allows employees to understand both the organization's history and current methods of operation. 2) Organizational culture can foster commitment to the organization's philosophy and values. 3) Organizational culture, through its norms, serves as a control mechanism to channel behaviors toward desired behaviors. 4) Certain types of organizational cultures may be related directly to greater effectiveness and productivity than others.

As mentioned by Gunaraja (2014), Presented his empirical study which was mainly made on the effectiveness of organizational corporate culture on employee performance as well as employee's productivity using Indian banking industry. And his findings confirmed that a large number of respondents almost more than 50% of the respondents strongly agreed that organizational corporate culture has an influence on employee work performance and the study further showed that there is a positive relationship between corporate culture and employee's job performance.

As stated by Dahni & Alhabri (2012), found that certain dimensions of culture have been identified so far and research showed that value and norms of an organization were based upon employee relationship. And at last the strong culture of an organization based upon managers and leaders help in improving level of performance. Managers relate organization performance and culture to each other as they help in providing competitive advantage to firms. Significant demonstration of both positive and negative characteristic of culture has significant consequences on employees as well as firm's performance.

There were also empirical evidences found in organizational culture and Organizational Performance, conducted in Ghana University by (Mariama, 2013) and applied organizational culture and Performance variables were measured using five-point Likert scale and using the Denison's Organizational Survey Instruments. The researcher reached to a conclusion that there was a positive relationship between Organizational Culture and Performance in the case of banking Industry in Ghana. Among the Organizational dimensions, Mission was the Culture trait with the strongest potential of impacting positively on Performance.

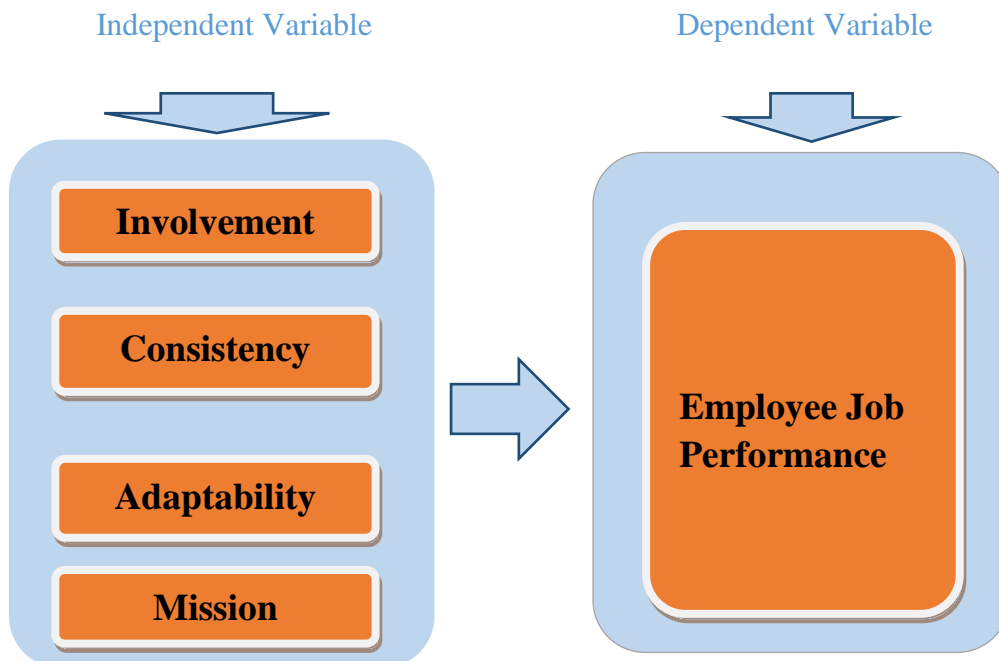
Similarly, a researcher (Omoregbe, 2017) made an analysis on the extent of influence of organizational culture on selected Nigerian Banks and the findings were confirmed that there is a high level of relationship between organizational culture practices and employees performance in the Nigerian banking sector. Organizational culture dimensions all had positive effects on employee's performance.

### 2.3 Conceptual Framework

Though there are different models and frameworks for organizational culture, the researcher preferred to take the Denison's organizational culture model. The reasons for adoption of this model as a conceptual framework are as follows: The basis of the model is that it tests the behavior of group, it is applicable to all of the hierarchy levels from viewpoint of the measuring indices and measurement of organizational culture dimensions, it is a detailed model.

This model has a direct effect on organizational culture and provides a novel framework over the other organizational culture models and lastly the Denison's model has been extensively employed by various organizations in other countries in order to diagnosis organizational culture.

Figure 2.2: Conceptual frame work of the relationship between organizational culture and Employee performance.



Source: the researcher has adopted from Denison frame work which is suitable for this study.

## **2.4 Research Hypothesis**

Research Hypothesis is based on the literature review and the hypothesized connections presented in the conceptual framework and will be verified as follow:

- H1: There is significant relationship between employees' involvement in decision making and employees' performance.
- H2: There is significant relationship between Consistency and employees' performance.
- H3: There is significant relationship between adaptability and employees' performance.
- H4: There is significant relationship between employees' identification with organizational mission and employees' performance

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

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

According to Cooper & Schindler (2004), a research design provides the framework to be used as a guide in collecting and analyzing data. This study used explanatory research design. This research design was used because explanatory research was helpful in identifying how employees perceived the traits of organizational culture and their performance helping to draw inferences on the relationship between dependent and independent variables. Then the data was analyzed quantitatively using the Statistical Package for Social Science (SPSS).

#### **3.2 Population, Sample Size and Sampling Techniques**

##### **3.2.1 Population of the Study**

The theoretical population of the study consisted of the entire employees of Wegagen Bank S.C at Head office level. As it was impossible and unfeasible to do census, the researcher settled for a sample. According to (Emory, 1995), the basic idea of sampling is that by selecting part of the elements in a population, conclusion may obtain about the entire population. An element in the subject on which the measurement was being taken, it was the unit of the study. As it was impractical to perform census, the researcher implemented sampling techniques to draw a sample from which the research could be inferred to the total population. Thus, for effective coverage and lower cost, only selected samples among permanent employees were covered. Currently, the total numbers of employees were 600 employees at Head Office level.

##### **3.2.2 Sample Size**

For the purpose of this study and according to its scope representative samples were selected. To collect primary data, the questionnaire survey method was used. According to (Roscoe, 1975), sample sizes larger than 30 and less than 500 are appropriate for most researches. Having this in mind and the above mentioned limitations, statistical sampling formula by Yamane (1967), was applied to perform a proportionate sampling. To determine the sample size, below statistical formula by (Yamane, 1967), was adopted at confidence level of 95%.

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

Where n= sample size  
N=population size  
e= level of precision

Thus,

$$n = \frac{600}{1 + (600 * 0.05^2)}$$

$$=240$$

As seen above, by using Yamane's formula of calculating sample size with an error 5% and with a confidence coefficient of 95% (Yamane, 1967). The calculation from a population of 600 resulted into 240 samples. Based on the calculation above; a total of 240 employees was required to constitute the sample size.

### 3.2.3 Sample Techniques

As stated by shalabh (2013), the basic idea behind the stratified sampling is to divide the whole heterogeneous population into smaller groups or subpopulations, such that the sampling units are homogeneous with respect to the characteristic under study within the subpopulation and heterogeneous with respect to the characteristic under study between/among the subpopulations. Such subpopulations are termed as strata. Treat each subpopulation as a separate population and draw a sample by Simple random sample from each stratum.

According to Emory, Cooper & William (1995), a simple random sample can be taken within each stratum after a population is divided into the appropriate strata. The sampling results can be taken within each stratum. The entire employees at Head office level were stratified into twenty strata based on the number of departments. The above sample size, 240, was proportionately distributed into these twenty strata to guarantee appropriate representation.



Table 3.1 sample size in each strata

Sr. No	Name of Department	Total Employees	Sample Size
1	Domestic Operation	25	10
2	Resource Mobilization	15	6
3	District Office	10	4
4	E-Banking Service	30	12
5	International Banking	40	16
6	Customer Relationship Management	40	16
7	Credit Analysis & Portfolio Management	35	14
8	Material Resource & Facilities Management	75	30
9	Corporate Strategy & Change Management	10	4
10	Marketing & Corporate Communication	20	8
11	Accounts & Reconciliations	45	18
12	Engineering Services	10	4
13	Human Resource Management	45	18
14	Treasury Management	30	12
15	IT Application Management Service	40	16
16	IT Infrastructure Service	40	16
17	Risk & Compliance	15	6
18	Interest Free Banking	35	14
19	Control	20	8
20	Legal Service	20	8
<b>Total No. of Employees</b>		<b>600</b>	<b>240</b>

**Source: own survey data (2020)**

### **3.3. Types of Data**

Primary data was collected with the help of questionnaire by distributing for the 240 employees (respondents). This included a mix of employees from different responsibilities. Secondary data was collected from different journals, books and the Bank websites and the researcher's observation. The questionnaire used for organizational culture survey and employee's performance survey questions with Likert scale.

### **3.4. Instrument of Data Collection**

In the questionnaires, two categories of major variables were measured. The independent variable as organizational culture while the dependent variable as performance of employees. Likert with scale (1= strongly disagree to 5 = strongly agree) was administered to the respondents. Collected questionnaires were encoded in to a summary report. SPSS & Microsoft Excel was used to categorize the summary report in order to evaluate the underlying organizational culture elements and employee performance. The four components of the organizational cultures were visualized based on Denison's OC Model. Organizational cultures and employee performance were measured by using questionnaires adopted from (Aftab, Rana & Sarwar, 2012).

### **3.5. Procedure of Data Collection**

The study used primary data. Primary data was collected using questionnaires comprises of both close and open-ended questions. The questionnaires were divided into three sections; section I, section II and section III. Section I dealt with general information about the employees, section II addressed organizational culture components and section III addressed employee performance elements. The questionnaires were distributed with the help of friends and colleagues which took about 20 days of break hour visiting and diplomatic pleading.

### **3.6 Validity and Reliability**

As stated by Mugenda & Mugenda (2003), the accuracy of data to be collected largely depend on the data collection instruments in terms of validity and reliability. This research questionnaire was taken from journal article whose validity and reliability had been tested.

#### **3.6.1 Validity**

Validity is the extent to which result will obtain from the analysis of the data actually represents the phenomenon under study. In this paper, validity was insured by using standard questionnaires by means of previous studies. Validity was further strengthened by having objective questions includes in the questionnaire. Pilot study was done to customize the questionnaire and also comments and suggestion was given by research advisor. The pilot test indicated some unclear question and some technical words to be cleared that was very helpful for the researcher to correct it before the questionnaire distributed.

### 3.6.2 Reliability

Reliability refers to the extent to which the data collection techniques and procedures will yield consistent findings Easterby smith, et al., (2008). Reliability analysis used to measure the internal consistency of questionnaires. There are different methods of reliability test. For the purpose of this study, Cronbach's alpha was considered to be suitable.

Cronbach alpha reliability coefficient normally ranges between 0 and 1. According to George & Mallery (2003) provides the following rule of thumb for the Cronbach's alpha >.9 excellent, >.8 good, >.7 acceptable, >.6 questionable, >.5 poor and <.5 unacceptable. Accordingly, reliability results of the measurements for the variables of organization cultural and employee job performance were depicted in the table below.

Table: 3.2 Measure of Internal Consistency –Cronbach's Alpha

Measurements	Items	Alphas levels	Internal consistency
Involvement	11	0.888	Good
Consistency	6	0.827	Good
Adaptability	7	0.892	Good
Mission	7	0.806	Good
Organizational Culture	52	0.946	Excellent
Employee Performance	21	0.898	Good

Source: Own survey data (2020)

As illustrated in the above table 3.2, all organizational culture dimensions (Involvement, Consistency, Adaptability and Mission) and employee job performance were classified under the level of good which is gather than 0.8. Moreover, the overall organizational culture dimensions were categorized under the level of excellence which is greater than 0.9.

Generally, the overall Cronbach's Alpha value of the dependent and independent variables have fulfilled the requirement of Cronbach alpha level. (i.e. Cronbach's Alpha level >0.80). This indicated that the Cronbach 's alpha coefficient of all the above variables was fall within the stated range and concluded that there is internal consistency.

### **3.7 Method of Data Analysis**

Data analysis method entailed editing, coding and tabulation of data into manageable summaries. To ensure easy analysis, the questionnaires were coded according to each variable of the study to ensure accuracy during analysis. The analysis was conducted using the Statistical Package for Social Sciences (SPSS) and MS Excel.

The computed data was analyzed using descriptive statistics including frequencies, mean, and percentages. Multiple linear regression analysis was used to draw inferences between dependent variable and independent variables. Correlation analysis more specifically Pearson correlation was used to measure the degree of association between organizational culture and employees' performance.

### **3.8 Ethical Considerations**

While conducting this study ethical considerations were taken into account. Adequate care was taken to select appropriate time to distribute questionnaires. At most effort was made to avoid circumstances such as busy and high peak office task hours and respondent were encouraged giving answer to the questions in a relaxed manner. By explaining the purpose and objective of the study, maximum effort was made to make respondents feel secure and confidentiality was maintained so that no harm could happen to them.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION**

Analysis of the data is as important as any other component of the research process. Regardless of how well the study is conducted, inappropriate analysis can lead to inappropriate conclusion (Gay, 1996, p416). It is clear that data analysis is considered to be an important step and heart of the research. After collection of data with the help of relevant tools and techniques, the next logical step was to analyze and interpret data with a view to arriving at empirical solution to the problem. The data analysis for the present research was done quantitatively with the help of both descriptive and inferential statistics. The descriptive statistical techniques were frequency, mean and percentages and for the inferential statistics were regression analysis and analysis of variance (ANOVA) were used during data analysis. The Statistical Package for the Social Sciences (SPSS-20) version has been used to facilitate this analysis.

#### **4.1 Response Rate**

The study focused on a sample size of 240 respondents from which all filled in and gave back the questionnaires making a response rate of 100%.

Table 4.1 Response Rate

<b>Target Population</b>	<b>Total Questioners Distributed</b>	<b>Questioners Returned</b>	<b>Not Respond</b>	<b>Response Rate</b>
600	240	240	0	100%

Source: Own Survey data (2020)

#### **4.2 Descriptive Analysis on Demographic Characteristics of Respondents**

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

Table 4.2: Descriptive Analysis on Demographic Characteristics of Respondent

Description		Frequency	Percent	Valid Percent	Cumulative Percent
Age	19-24	48	20	20	20
	25-29	54	22.5	22.5	42.5
	30-45	122	50.8	50.8	93.3
	46 & above	16	6.7	6.7	100
Gender	Male	149	62.1	62.1	62.1
	Female	91	37.9	37.9	100
Marital Status	Single	128	53.3	53.3	53.3
	Married	102	42.5	42.5	95.8
	Divorce	5	2.1	2.1	95.8
	Widow	5	2.1	2.1	100
Employment Category	Managerial	60	25	25	25
	Non-Managerial	180	75	75	100
Length of Service	Less than a Year	12	5	5	5
	1-4	38	15.8	15.8	20.8
	5-8	106	44.2	44.2	65
	8 & above	84	35	35	100
Educational level	Certificate	10	4.2	4.2	4.2
	Diploma	0	0	0	0
	Degree	155	64.6	64.6	68.8
	MA & above	75	31.3	31.3	100

Source: Own Survey data (2020)

As shown in the above table 4.2, the study sought to determine the age group of the respondents. The findings revealed that 48 (20%) of respondents were aged between 19 - 24 years, 54 (22.5%) of respondents were indicated that they were aged between 25-29 years, 122 (50.8%) of respondents were indicated that they were aged between 30-45 years and the remaining 16(6.7%) of them were aged at the age of 46 & above years. The findings imply that most of the respondents of the study were between 30 and 45 years and hence this could also have indicated that they had experience and knowledge on the effect of organizational culture on performance.

As it can be seen from the above table 4.2, there are a total sample of 240 employees who participated in this study from various departments of the Bank of which 149 (62.1%) of respondents were male and 91(37.9%) of respondents were female. These findings imply that there were more male respondents compared to female respondents in the study.

As indicated in the above table 4.2, 128(53.3%) of respondents were single and 102(42.5%)of respondents were married, 5 (2.1%) of respondents were widow and also 5 (2.1%) of respondents were divorce. Majority of employees were single and have a chance to move from one Bank to another than married employees. Most of the time, married employee's express stability and tolerance than single employees.

As shown in the above table 4.2, 180 (75%) of respondent were in Non-management position and the remaining 60(25%) of employees participated in the survey were fall under managerial position. The findings imply that the Non- managerial staffs were adequate in providing insight on the perceived effect of organizational culture on employee performance of Wegagen Bank S.C.

With regard to length of service of the respondents, the above table 4.2 indicated that 12 (5%) of the respondents have worked in the Bank for less than a year while38(15.8%) of respondents have worked for 1-4 years.106 (44.2%) of respondents have worked for 5-8 years and84 (35%) of respondents have worked for above 8 years. This showed that most of employees have worked in the Wegagen Bank S.C. from 5-8 years.

The study also sought to establish the level of education of the respondents. The level of education important for the study because the researcher confirmed that the respondents have adequate level of education to understand the concept and language of the survey questioners. As it can be seen from the above table 4.2, 10(4.2%) of respondents had certificate holder, 155 (64.6%) of respondents had degree holder and 75 (31.3%) of respondents had MA and above. In general, majority of employees have attained a college or university. This indicated that researcher was able to reaffirm that employees had adequate academic background to understand the influence that culture has the capacity to influence their performance level.

### **4.3 Descriptive Analysis on Organizational Cultures**

In order to see the general perception of the respondents regarding the organizational cultural dimensions (i.e. involvement, consistency, adaptability and mission), the researcher has summarized the cultural dimensions using frequency, percentage, mean and standard deviation using 5 - point Likert scale. Thus, the mean indicates to what extent the sample group on average agrees or disagree with the different statements. According to Marczyk, Dematteo and Festinger (2005), the lower the mean, the more the respondents disagree with the statements. The higher the mean, the more the respondents agree with the statement. According to Zaidato land Bagheri (2009)

cited in (Wogari, 2016) the mean score below 3.39 is considered as low; the mean score from 3.40 up to 3.79 is considered as moderate and mean score above 3.8 is considered as high as shown below.

Table 4.3 Measurement of Mean

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

Source: Own Survey data (2020)

### 4.3.1 Descriptive Analysis on Involvement

This section discussed about the involvement component of organizational culture as assessed by the perception of employees of Wegagen Bank S.C. The result of the analysis was depicted in table 4.4 below

Table 4.4 Analysis of Involvement -Cultural Dimension

Description	N	Mean	S.D
Authority is properly delegated in my Bank	240	3.70	1.382
I think capability of employees in my Bank is constantly improving by providing them adequate training	240	3.63	1.214
Employees of our Bank have the sufficient skill to do the job so problems arise once in a blue moon	240	3.68	1.221
In my Bank all the departments have a high degree of cooperation	240	3.64	1.188
The culture of my Bank provides every employee with the feeling that they are the part of a team	240	3.58	1.125
I think primary building block of my Bank is its cooperative team work	240	3.75	1.078
I think work is divided by following a scheme that everyone can see the importance of their work while achieving goals of the Bank	240	3.78	1.065
I think majority of the employees are highly involved in their work while in Banking hours	240	3.75	1.169
Information is widely shared in our Bank with employees in the time of need	240	3.74	1.075
Everyone in this Bank feels that he or she can have a positive impact on this Bank	240	3.80	1.092
The planning process in our Bank involves everyone to some degree	240	3.80	1.037
<b>Involvement</b>		<b>3.71</b>	<b>1.149</b>

Source: Own Survey data (2020)

As indicated in the above table 4.4, there was a high response rate in connection with the statement which specified that everyone in this Bank feels that he or she can have a positive impact on this



Bank and also the planning process in our Bank involved everyone to some degree with a mean response of 3.80 and SD of 1.092 & 1.037 respectively. There was also a low moderate response rate in connection with the statement which specified that the culture of my Bank provides every employee with the feeling that they are the part of a team with a mean response of 3.58 and SD of 1.125. In general, the researcher confirmed that employees have moderately agreed on organizational culture of involvement with a total mean response of 3.7 and SD of 1.149. This showed that Involvement was an important dimension of organizational culture and employees at all levels feel that they had at least some input into decisions that affected their work and that their work was directly connected to the goals of the Bank.

### 4.3.2 Descriptive analysis on Consistency

This section discussed about the consistency component of organizational culture as assessed by the perception of employees of Wegagen Bank S.C. The result of the analysis was depicted in table 4.5

Table 4.5: Analysis of Consistency-Cultural Dimension

Description	N	Mean	S. D
Our approach to run basic operations of our Bank is very consistent and simple	240	4.11	.979
All departments work together to achieve goals of the Bank attitude	240	3.98	.930
We never give up in case of disagreements; we just work hard with a winning attitude	240	3.94	1.017
We tried to wind up difficult issues in a simple way	240	3.83	1.015
The employees of my Bank do what they say	240	3.77	1.079
In my Bank there is a clear set of rules to follow	240	3.86	1.111
<b>Consistency</b>		<b>3.92</b>	<b>1.0218</b>

Source: Own Survey data (2020)

As shown in the above table 4.5, there was a high response rate in connection with the statement which specified that employees approach to run basic operations of the Bank was very consistent and simple with a mean response of 4.11 and SD of 0.979. There was also a low moderate response rate in connection with the statement which specified that employees have done what they said with a mean response of 3.77 and SD of 1.079. In general, it could be understood that employees have highly agreed with a total mean response of 3.92 and SD of 1.0218. From the analysis, it can be concluded that Wegagen Bank S.C had strong culture that are high consistent, well coordinating and well integrated. Employee's behavior was rooted in a set core values and managers and employees were skilled at reaching an agreement even when they have different view.

### 4.3.3 Descriptive analysis on Adaptability

This section discussed about the adaptability component of organizational culture as assessed by the perception of employees of Wegagen Bank S.C. The result of the analysis was depicted in table 4.6 below

Table 4.6: Analysis of Adaptability-Cultural Dimension

Description	N	Mean	S. D
I think basic operations of my Bank are very flexible and we can easily adapt new technology	240	3.52	1.466
We respond very well to our competitors and changes in the Banking environment	240	3.45	1.283
In my Bank improvements related to work are constantly adopted	240	3.60	1.251
Our Bank culture is open for bringing change in terms of its operations	240	3.66	1.131
My Bank accepts customer recommendations and suggestions as a positive feedback	240	3.69	1.111
My Bank never ignored the interest of customers while making decisions	240	3.80	1.097
In my Bank direct customer contract is encourage	240	3.79	1.109
Adaptability		3.64	1.206

Source: Own Survey data (2020)

As shown in the above table 4.6, there was a high response rate in connection with the statement which specified that the Bank never ignored the interest of customers while making decision with a mean response of 3.80 and SD of 1.097 and There was also a low moderate response rate in connection with the statement which specified that employees respond very well to the competitors and changes in the Banking environment with a mean response of 3.45.and SD of 1.283. Generally, the researcher has summarized that employees moderately agreed with a total mean response of 3.64 and SD of 1.206. This indicated that employees were moderately agreed on the adaptability culture. This means that adaptability was based on the idea that norms and beliefs that enhance Bank’s ability internal organizational and behavioral changes would promote its survival, growth and development. Basically, adaptable were related with customers.

Employees should take risks and learn from their mistakes and have the capability and experience at creating change. Employees of the Bank have been continuously changing their systems to promote improvements and provide value for their customers.

### 4.3.4 Descriptive analysis on Mission

This section discussed about the mission component of organizational culture as assessed by the perception of employees of Wegagen Bank S.C. The result of the analysis was depicted in table 4.7 below.

Table 4.7: Descriptive Analysis on Mission-cultural Dimension

Description	N	Mean	S.D
In my Bank innovative ideas are encouraged	240	4.17	.971
The strategy of my Bank provides other Banks to change the way they compete in the industry	240	3.95	.945
My Bank provides a clear future strategy	240	3.87	1.083
Ambitious but realistic goals are settled by top management in my Bank	240	3.75	1.053
We continuously track the progress against the stated goals of our Bank	240	3.81	1.032
We have a shared vision what our Bank will be in future	240	3.87	1.029
Vision of our Bank creates excitement and motivation for our employees	240	3.86	1.106
Mission		3.89	1.031

Source: Own Survey data (2020)

As outlined in the above table 4.7, there was a high response rate in connection with the statement which specified that innovate idea was encouraging in the Bank with a mean response of 4.17 and SD of 0.971. There was also a moderate response rate in connection with statement which specified that ambitious but realistic goals were settled by top management in my Bank with a mean response of 3.75 and SD of 1.053. From the analysis, it can be concluded that employees have highly agreed with a total mean response of 3.89 and SD of 1.031. This result showed that Wegeagen Bank S.C. have a clear sense of purpose and direction that defined the Bank’s goals and strategic objective.

### 4.4. Descriptive analysis on employees’ performance

This section discussed about the employee’s performance component of organizational culture as assessed by the perception of employees of Wegagen Bank S.C. The result of the analysis was depicted in table 4.8 below table.

Table 4.8: Analysis on employees' performance

Description	N	Mean	S. D
I think if I am given an increased quantity of work I can produce same output	240	3.57	1.504
It is my first priority to produce quality work regardless of number of tasks assigned	240	3.44	1.296
I am not concerned with the number of tasks my priority is that my work should be accurate	240	3.55	1.237
I tried my level best whenever I interact with the customer to provide him with the best services	240	3.70	1.161
I think that my Bank supports me to achieve my personal goals along with the organizational goals	240	3.60	1.131
My Bank provides me enough training opportunities to increase my skills set	240	3.65	1.141
I think if I compare the point from where I have started my professional career to this point I think I am making progress in my career	240	3.77	1.098
I am in search of better career opportunities	240	3.63	1.234
I present my new creative ideas to solve the problems	240	3.78	1.089
I am in search of the opportunities to implement my ideas	240	3.93	1.008
I talked to people to explore internet and discuss with friends to find efficient ways to solve problem	240	3.86	.984
I use the advice of others and my experiences in order to perform my routine tasks	240	3.94	1.067
I am able to perform both in teams as well as an individual	240	3.80	1.056
I share information with my team members or colleagues regarding my work	240	3.67	1.108
I am always in a search of getting useful information from my colleagues or group members	240	3.73	1.042
I always support my team and try at my best level that my team succeeds at the end	240	3.86	1.024
I help and provide my knowledge and expertise to my team members or colleagues in time of need	240	3.80	1.068
I tried at my best level to serve my Bank	240	3.78	1.113
I am working for making my Bank successful	240	3.80	1.118
I always disseminate positive information to improve	240	3.91	1.071
I recommend others to be a part of this Bank as it is a good place to be	240	4.04	1.016
<b>Employee Job Performance</b>		<b>3.75</b>	<b>1.068</b>

Source: Own Survey data (2020)

As indicated in the above table 4.8, there was a high response rate in connection with the statement which specified that employees recommend other to be part of the Bank with a mean response of 4.04 and SD of 1.016. There was also a low moderate response rate in connection with the statement which specified that employees prioritized quality work regardless of number of task assigned with a mean of response of 3.44 and SD of 1.296. In general, it could be summarized that employees have moderately agreed with a total mean response of 3.75 and SD of 1.068. This indicated that there was organizational culture in which all employees were valued. It was also evident that Wegagen Bank was guided by a culture of consistency, adaptability, involvement and mission. As indicated in the above table 4.4, 4.5, 4.6 & 4.7, the result of descriptive statistic of organizational culture dimension showed that the average mean value of involvement, consistency, adaptability and mission are 3.71, 3.92, 3.64 and 3.89 respectively. Among all Organizational culture dimension, consistency had higher average mean value of 3.92 and this means that consistency was a dominant culture in Wegagen Bank S.C. It can be concluded that there is well-coordinated and integrated practice of consistency culture in Wegagen Bank S.C.

#### 4.5 Pearson Correlation Test

Correlation determines whether and how strong pairs of variables are related. The correlation analysis can lead to greater understanding of the data. To know whether there is a correlation between the variables and what the level of the linear relationship between the variables, the Pearson's correlation coefficient was examined. This coefficient indicates the direction and the strength of a linear relationship between two variables. The Pearson's correlation coefficient ( $r$ ) can vary from -1 to +1. The larger the value implies the stronger the relationship. A coefficient of +1 indicates a perfect positive relationship and a coefficient of -1 indicates a perfect negative relationship. 0 indicates that there is no linear relationship between the variables (Field, 2009). According to Eachron (1982) the values for interpretation are indicated in the table.

Table 4.9: Direction and magnitude of correlation

S/No.	Direction		Magnitude
	Positive	Negative	
1	0.00 to 0.20	-0.00 to -0.20	Very weak or very low
2	0.20 to 0.40	-0.20 to -0.40	Weak or low
3	0.40 to 0.60	-0.40 to -0.60	Moderate
4	0.60 to 0.80	-0.60 to -0.80	Strong or high
5	0.80 to 1.0	-0.80 to -1.0	Very high or very strong

Source: Own Survey data (2020)

Table 4.10: Correlation Matrix

	Involvement	Consistency	Adaptability	Mission	Employee Performance
Involvement					
Consistency	.574**				
Adaptability	.559**	.450**			
Mission	.439**	.472**	.512**		
Employee Performance	.469**	.460**	.546**	.498**	

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

Source: Own Survey data (2020)

#### 4.5.1 The relationship between Involvement and Employee Job Performance

As presented in the above table 4.10, there was a positive moderate relationship between involvement and employee performance ( $r = 0.469^{**}$ ,  $p < 0.01$ ).

#### 4.5.2 The relationship between Consistency and Employee job performance

As demonstrated in the above table 4.10, there was a positive moderate relationship between Consistency and employee Performance ( $r = 0.460^{**}$ ,  $p < 0.01$ ). However, Consistency was a lower moderate positive relationship to employees' performance than other cultural dimensions.

#### 4.5.3 The relationship between Adaptability and Employee job performance

As shown in the above table 4.10, there was a positive moderate relationship between Adaptability and employee performance ( $r = 0.546^{*}$ ,  $p < .001$ ). This means that Adaptability was high moderate positive relationship with employees' performance than the other cultural dimensions.

#### 4.5.4 The relationship between Mission and employee job performance

As presented in the above table 4.10, it was observed that there was a positive moderate relationship between mission and employee's performance ( $0.498^{**}$ ,  $p < 0.01$ ).

Generally, the result of correlation analysis showed that there was positive moderate relationship between independent variables (Involvement, Consistency, Adaptability & Mission) and dependent variable (employee performance).

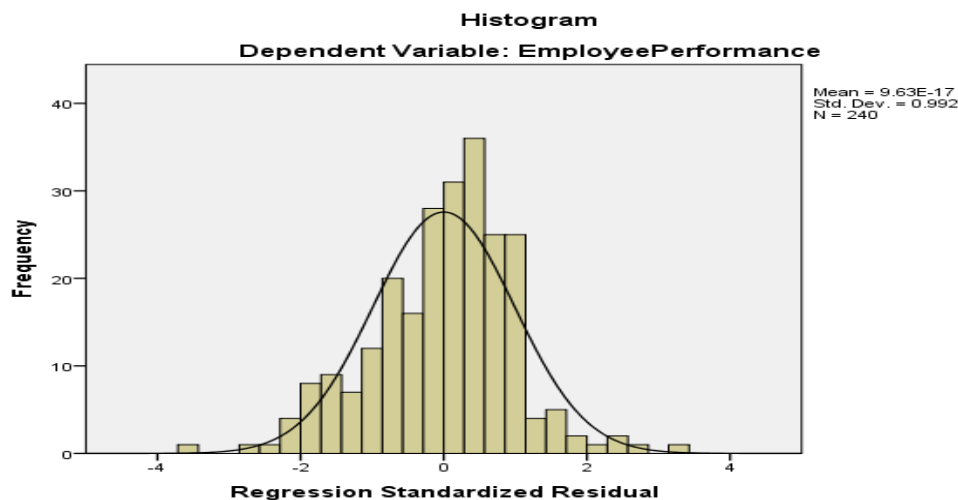
## 4.6 Assumptions for Multiple Regression Model

Before regression analysis was conducted, a series of diagnostic tests were performed. This was meant to ascertain that the data did not violate the assumptions underlying application of linear regression. These tests included normality, multicollinearity and linearity.

### 4.6.1. Normality Test

In statistics it is conventional to assume that the observations are normal. The entire statistical framework is grounded on this assumption and if this assumption is violated the inference breaks down. For this reason, it is essential to check or test this assumption before any statistical analysis of data. Normality test was examined using the graphical method approach as shown in the figure 4.1 below. The results in the figure indicated that the residuals are normally distribute.

Figure 4.1: Normality Test Results



Source: Own Survey data (2020)

### 4.6.2. Multicollinearity Test

Multicollinearity is a statistical phenomenon in which two or more predictor variable in a multiple regression model are highly correlated, the undesirable situation where the correlations among the independent variables are strong. Statistics used to measure multicollinearity include tolerance and variance inflation factor. From the findings, the all variables had a tolerance values greater than 0.2 and VIF values less than 10 as shown in table 4.11 below. Indicating that there is no multicollinearity among the independent variables (Involvement, Consistency, Adaptability and Mission).

Table 4.11 Multicollinearity Results using VIF

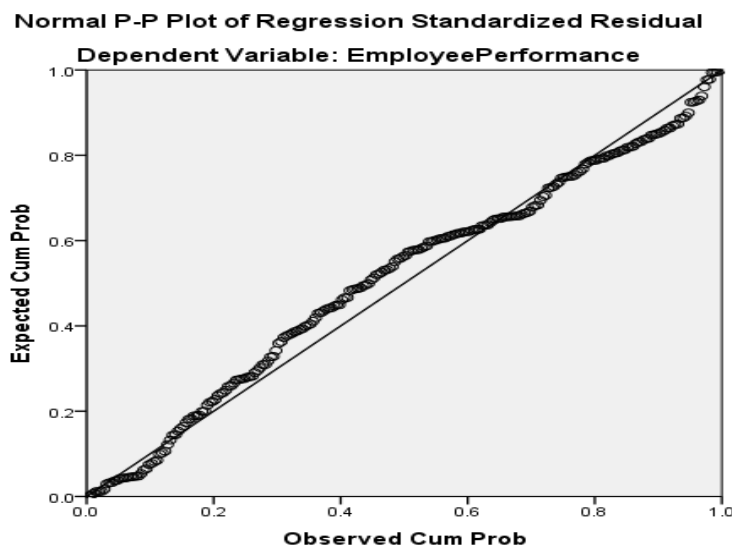
Multicollinearity Statistics		
Independent Variables	Tolerance	Variance Inflation Factors(VIF)
Involvement	0.553	1.809
Consistency	0.605	1.652
Adaptability	0.595	1.682
Mission	0.66	1.516

Source: Own Survey data (2020)

### 4.6.3. Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. The study conducted linearity test to determine whether the relationship between organizational culture dimensions (independent variables) and employee performance (dependent variable) is linear or not. As shown in the figure 4.2 below, the scatter plot of residuals showed no large difference in the spread of the residuals. The result indicated that the relationship is linear.

Figure 4.2: Linearity Test Results



Source: Own Survey data (2020)



## 4.7 Multiple Regression Analysis

A regression analysis was performed in this study in order to forecast the effects of organizational culture on employee's performance. Multiple regression analysis also implies that how much of the variance in the dependent variable can be explained by the independent variables. In order to see the contribution of organizational cultural dimensions (i.e. involvement, consistency, adaptability and mission) on employees' performance, Multiple Regression Analysis was employed. The following table presented the results of Multiple Regression Analysis. The squared multiple correlation coefficients (R<sup>2</sup>) shows the level of variance in the dependent variable (employees' performance) which was explained by the model.

### 4.7.1 Model Summary

Table 4.11: Model Summary

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.631 <sup>a</sup>	.399	.388	10.59036	.399	38.936	4	235	.000

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

Source: Own Survey data (2020)

As indicated in the above table 4.11, R square is 0.399 which showed that 39.9% of the variance of the employee performance can be predicted by independent variables (Involvement, Consistency, Adaptability and Mission). The remaining 60.1% of the variation on employee job performance can be explained by other variables. A further research therefore should be conducted to explain by other factors that affect the employee's job performance.

### 4.7.2 ANOVA (analysis of variance)

ANOVA analysis is normally used to compare the mean scores of more than two groups or variables. It is also called analysis of variance because it compares the variance between groups. (Pallant, 2005).

Table 4.12: ANOVA-Model Significance

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17467.403	4	4366.851	38.936	.000 <sup>b</sup>
	Residual	26356.581	235	112.156		
	Total	43823.983	239			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Mission, Involvement, Consistency, Adaptability						

Source: Own Survey data (2020)

As mentioned in the above table 4.12, 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 was significant/acceptable from a statistical perspective. To explain more, accepting at least one of the cultural dimensions had a significant influential relationship on employees' performance.

### 4.7.3 Beta coefficient

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 ( $\beta$ ) tell 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. On the other hand, a small beta value ( $\beta$ ) and a high P- value ( $p > 0.05$ ) indicate the predictor variable has little or no significant contribution to the model (George and Mallery, 2003).

Table 4.13: Beta Coefficients

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardize d Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	28.203	4.451		6.336	.000	19.433	36.972
	Involvement	.183	.106	.118	1.728	.085	-.026	.391
	Consistency	.466	.196	.155	2.378	.018	.080	.851
	Adaptability	.609	.134	.297	4.530	.000	.344	.873
	Mission	.609	.172	.221	3.549	.000	.271	.948
a. Dependent Variable: Employee Performance								

Source: Own Survey data (2020)

As indicated in the above table 4.13, Consistency, Adaptability and Mission had statistically significant contribution to employee performance at 95% confidence level, since their P-values are 0.018, 0.000 and 0.000 respectively and the significance level for them were less than 0.05 ( $P < 0.05$ ). However, involvement had statistically insignificant contribution to employee's performance since its P-value was 0.085 which was greater than the significance level 0.05 ( $P > 0.05$ ).

In general, Consistency, Adaptability and Mission were the highest significant independent variable which had statistically significant contribution to employees' performance with P-value of 0.018, 0.000, 0.000 respectively. From the above explanation on the contribution of the cultural dimensions (i.e. involvement, consistency, adaptability and mission) to employees' performance, the value for regression weights was as follows:

$Y = 28.20 + 0.183X_1 + 0.466X_2 + 0.609X_3 + 0.609X_4 + e$  where:

Y = the dependent variable (employees' performance)

X<sub>1</sub> = the first independent variable (involvement)

X<sub>2</sub> = the second independent variable (consistency)

X<sub>3</sub> = the third independent variable (adaptability)

X<sub>4</sub> = the fourth independent variable (mission)

e = Standard Error

## 4.8 Hypothesis testing

Hypothesis testing was based on standardized coefficients beta and P-value to test whether the hypotheses are accepted or rejected.

Table 4:14 Analysis of Hypothesis

Hypothesis	Beta Coefficient	Significant (P<0.05)	Decision
H1: There is significant relationship between involvement and employees' performance	.183	.085	Reject
H2: There is significant relationship between Consistency and employees' performance	.466	.018	Accept
H3: There is significant relationship between adaptability and employees' performance	.609	.000	Accept
H4: There is significant relationship between mission and employees' performance.	.609	.000	Accept

Source: Own Survey data (2020)

**Hypothesis 1:** There is significant relationship between involvement and employee's performance:

The results of Multiple Regression, as presented in the above table 4.14, revealed that Involvement has a positive but insignificant influential relationship (contribution) to employee's performance with  $\beta = 0.183$ , at 95% confidence level ( $P > 0.05$ ). The Beta value ( $\beta = 0.183$ ) shows that if there is one-unit increase in involvement, there will be 18.3% increase on employees' performance. Therefore, the researcher has rejected the hypothesis. This indicates that Involvement has a positive but statistically insignificant influential relationship (contribution) to employees' performance.

**Hypothesis 2:** There is significant relationship between consistency and employees' performance

The results of Multiple Regression, as presented in the above table 4.14 above, revealed that consistency has a positive but statistically significant influential relationship (contribution) to employee's performance with  $\beta = 0.466$ , at 95% confidence level ( $P < 0.05$ ). The Beta value ( $\beta = 0.466$ ) shows that if there is one-unit increase in consistency, there will be 46.6% increase on employees' performance. Therefore, the researcher accepted the hypothesis. This indicated that consistency has a positive and statistically significant influential relationship (contribution) to employees' performance.

**Hypothesis 3:** There is significant relationship between adaptability and employee's performance

The results of Multiple Regression, as presented in the above table 4.14, revealed that adaptability has a positive and significant influential relationship (contribution) to employee's performance with  $\beta = 0.609$ , at 95% confidence level ( $P < 0.05$ ). The Beta value ( $\beta = 0.609$ ) shows that if there is one-unit increase in adaptability, there will be 60.9% increase on employee's performance. Therefore, the researcher accepted the hypothesis, and this indicated that adaptability has a positive and statistically significant influential relationship (contribution) to employees' performance.

**Hypothesis 4:** There is significant relationship between employees' mission and employees' performance. The results of Multiple Regressions, as presented in the above table 4.14, revealed that employees' performance identification of organizational mission have a positive and significant influential relationship (contribution) to employee's performance with  $\beta = 0.609$ , at 95% confidence level ( $P < 0.05$ ).

The Beta value ( $\beta = 0.609$ ) shows that if there is a one-unit increase in Bank mission, there will be 60.9% increase on employees' performance. Therefore, the researcher accepted the hypothesis. This indicated that mission has statistically significant influential relationship (contribution) to employees' performance.

Hence, the above alternative hypotheses related to Consistency, Adaptability and Mission were accepted and to the contrary, alternative hypothesis which was related with involvement was rejected as significance level of involvement was 0.085 ( $P > 0.05$ ).

In general, the three cultural dimensions i.e. consistency, adaptability and mission have statistically significant influential relationship (contribution) to employees' performance. But involvement has positive but statistically insignificant influential relationship (contribution) to employees' performance according to this study. This means that involvement don't have significant effect on employees' performance as it is explained by the significance level  $P > 0.05$ . This indicated that The Bank tries to maintain a strong culture by being highly involvement, this doesn't significantly contribute to the level of employees' performance based on this study. Besides, the participation of employees on decision making and continual investment on skill development doesn't have significant contribution towards employees' performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS & RECOMMENDATIONS**

#### **5.1 Summary of Findings**

This section summarized the core points and major findings which were obtained from data analysis of survey questionnaire. This paper was analyzed using 240 questionnaires which were collected and completely filled by the sample respondents. The researcher used descriptive analysis such as Frequency, Mean & Standard Deviation and also inferential analysis such as correlation and regression analysis to get the perception of the respondents on the effect of organizational culture and employees' performance in the case of Wegagen Bank S.C. The summaries of findings from the analysis were presented as below:

The mean score for the measures of consistency was relatively high (3.92), followed by mission (3.89). However, involvement and adaptability have scored a mean value of 3.71 and 3.64 respectively which was low in comparison with the other two dimensions. This indicated that consistency and involvement are relatively less important dimension of organizational culture in Wegagen Bank S.C.

The mean score of employees' performance (3.75) implied that respondents agreed on moderately on employee performance.

Pearson coefficients implied that there was statistically significant positive relationship between employees' performance and all the four organizational cultural dimensions (i.e. involvement, consistency, adaptability and mission) at  $P < 0.01$  level. Moreover, adaptability had strong positive and statistically significant correlation with employees' performance than the other cultural dimensions. Following to mission, involvement and consistency had also strong and positive correlation with employees' performance.

The results of Multiple Regression analysis revealed that the R-square of 0.399 indicated that 39% of the variation of employees' performance can be predicted by the independent variables i.e. involvement, consistency, adaptability and mission. This implied that employees' performance was influenced by 39% of the organizational culture in Wegagen Bank S.C. The remaining 60.1% of the variation of employees' performance can be explained by other variables.

The ANOVA table showed 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 was significant/acceptable from a statistical perspective.

Consistency, Adaptability and mission had significant contribution to employees' performance at 95% confidence level, since their P-values were 0.018, 0.000 and 0.000 respectively and the significance level for them were less than 0.05 ( $P < 0.05$ ).

Involvement had a positive but statistically insignificant contribution on employees' performance since its P-value i.e. 0.085, which was greater than the significance level 0.05 ( $P > 0.05$ ).

Adaptability and Mission are the most significant independent variable which have significant statistical contribution to employees' performance with P-value of 0.000.

Alternative hypotheses related to consistency, adaptability and mission were accepted. To the contrary, alternative hypotheses which was related with involvement was rejected as their significance level were 0.085 at  $P > 0.05$ . This implies that involvement doesn't has significant effect on the level of employee performance.

## **5.2. Conclusion**

The objective of this study was to assess the effect of organizational culture based on Denison's cultural dimensions (involvement, consistency, adaptability and mission) with employees' performance in Wegagen Bank S.C.

Based on the above findings, Adaptability had stronger positive and statistically significant correlation with employees' performance. The other three organizational culture dimensions; mission, Involvement and consistency were ranked depending on their correlation level from most correlated to the least correlated. Besides, the highest aggregated mean score of consistency also revealed that employees strongly agreed with the measure of consistency.

Hence, the researcher concluded that adaptability and mission are the most significant independent variable which have significant statistical contribution to employees' performance. The more employees identify mission of the Bank, the more they become committed to the Bank. A shared sense of purpose, direction and strategy can coordinate and galvanize Bank's members toward collective goals. Successful Bank has a clear sense of purpose and direction that defines Bank goals and strategic objectives and expresses a vision of how the Bank will look in the future.

When the Bank's underlying mission changes, changes also occur in other aspects of the Bank's culture. When employees internalize and identify the long-term direction, purpose, goals and objectives of the Bank, it significantly contributes to employees' performance to the Bank.

Similarly, it can be concluded that the more Wegagen Bank adapt to changing circumstances, the more employees are committed to the Bank. Thus, employees believe that the Bank ability to respond to internal customers has significant effect on employee's performance. Furthermore, Banks' capacity to restructure a set of behaviors, ability to perceive and respond to the external environment enhances employees' performance.

Moreover, consistency is the significant predictor of employees' performance and has significant contribution towards employees' performance. Organizations tend to be effective because they have strong cultures that are highly consistent, well-coordinated and well integrated. Employee behavior was rooted in a set of core values and leaders and followers are skilled at reaching an agreement even when they have differing views. This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity.

However, the regression analysis result indicates that involvement had positive but statistically insignificant contribution towards employees' performance. This also implies that, the participation of employees on decision making and continual investment on skill development doesn't has significant contribution towards employees' performance.

Therefore, according to the findings of this study, it can be concluded that organizational culture is important in improving the level of employees' performance which is asserted by the statistically significant contribution of mission, adaptability and consistency towards employees 'performance. However, involvement has positive but statistically insignificant contribution towards employees' performance with  $P > 0.05$ . Finally, we can conclude that not all cultural measures have significant contribution towards employees' performance.



### **5.3 Recommendations**

Based on the conclusions drawn from the study, the following recommendations were made by the researcher. As it was observed from the result of this research paper, 39.9% of the variation of employees' performance was predicted by the independent variables of the study (i.e. involvement, consistency, adaptability, and mission). This implied that there were also other contributing factors (indicated by the remaining 60.1% of variation) which were related to employees' performance. These may be job satisfaction, employee rewards, employees' motivation, employees' engagement etc. Therefore, the Bank has to assess those contributing factors not covered on this research work; i.e. job satisfaction of employees using employees' survey, review employees' motivational factors including incentives and salary scales based on bench marks, and to review engagement practices through social gatherings and get together programs and others which may have significant contribution towards employees' performance.

There is also a need for further research to investigate the contribution of those factors (indicated by the remaining 60.1% of variation) towards employees' performance, which was beyond the scope of this study.

Research finding shows that involvement has positive but statistically insignificant contribution on employees' performance. In contrary, consistency, mission and adaptability have statistically significant contribution to employees' performance. Hence, the researcher recommended that the Wegagen bank S.C. has to maintain the significant cultural dimensions i.e. consistency, mission and adaptability, which have significant positive contribution towards employees' performance. To explain further, the group mean of consistency is the highest, which asserted that employees' already identified the long term plan of the company. Therefore, the company has to continue in communicating its mission and vision to newly hired employees consistently and ensure employees understand, internalize and work towards the achievement of the goals of the organization. Considering Adaptability, the organization should reward innovation to encourage employees for further creativity also continue responding to internal customers and also for the changing external environment. The study findings revealed that the culture of involvement in Wegagen Bank S.C is somehow shaky. The full responsibility of strengthening this culture lies entirely with the management. The researcher therefore recommends that the organization invests in training and development of its employees to improve their human capability at all levels. At the same time, the management should emphasize the input and participation of its employees.

In order to further its employee identification with the Bank, the management should extend its employee involvement in decision- making that affects them, giving them the authority and ability to manage their own work

Wegagen Bank S.C needs to set out rules that are viewed as fair and practical by employees to promote a strong corporate culture. This can be achieved by having open lines for feedback for example having a suggestion box as a tool for airing views and feedback concerning rules set out by Management. Top management of the Bank should create enabling environment and rules for both leaders and subordinates to carry out activities together as this will give all employees sense of belonging and hence increases their performance.

#### **5.4 Limitation of the Study**

As a result of the corona virus (COVID-19) pandemic, the researcher could not get all respondents on the necessary schedule. Moreover, the researcher has tried to convince the respondents to fill the data carefully and safely. The researcher has also delivered the questionnaires by using glove.

Due to strictly limited Research resources including, time and financial support, it could be regarded as limitation of this study. Difficulty in collecting questionnaires on time, negligence of some respondents, lack of sufficient time and finance to conduct the study were also among the various problems encountered by the researcher during the study

#### **5.6 Areas for further research**

This research had intended to establish the effect of organizational culture on employees' performance in Wegagen Bank S.C at Head office level. Other researcher as a scope for further studies; it is better to add others variable that give influence to the employee performance, such as; work achievement, motivation, leadership and others. There are different models and framework that will help to study on the effect of organizational culture on employee performance like Hofstede's cultural dimension's theory, Edger Schein Model, O'Reilly, Chatman's and Caldwell model and others. This research study used Denison's Model, further research on the same organization can be done using a different framework of organizational culture as suggested above to bring depth understanding and outcome.

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# APPENDIX

SAINT MARRY’S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
GENERAL MBA

This research is conducted as a partial fulfillment for Masters of Business Administration (MBA) at Saint Marry University and focuses on assessing “Effect on organizational Culture on Employee Performance’ in Wegagen Bank S.C.”

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 will be used for academic purpose only and will be 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 time and consideration!



## Survey Questionnaire

### SECTION I: Demographic Information

Put '√' for the multiple choices questions and state your opinions briefly for the short answer questions

Q1 Age

1. Years 19-24   2. 25-29    2. Years 30 -45    3. Years 46 and above

Q2 what is your gender

1. Male    2. Female

Q3 Marital Status;

1. Single    2. Married    3. Divorce    4. Widow

Q4 Level/Position in the organization

1. Managerial    2. Non-Managerial

Q5. How many years have you served in this organization?

1. Less than a year   
2. 1 – 4 year's   
3. 5-8 year's   
4. 8 and above years

Q6. What is your Educational Level?

1. Certificate   
2. Diploma   
3. BA Degree   
4. MA & Above

## SECTION II: Organizational Culture Related Questions

The following statements are designed to measure the organizational culture characteristics of your organizations. Please indicate the level of your agreement with each of the following statements by selecting and putting a tick mark (√) in the box of your choice.

1= Strongly Disagree, 2= Disagree, 3= Neutral, 4 = Agree, 5= Strongly Agree

S/No	Response	SA (5)	A (4)	N (3)	D (2)	S D (1)
<b>1. INVOLVEMENT</b>						
AQ7	Authority is properly delegated in my bank					
AQ8	I think capability of employees in my bank is constantly improving by Providingthem adequate training					
AQ9	Employees of our bank have the sufficient skills to do the job so problems arise once in a blue moon					
AQ10	In my bank all the departments have a high degree of cooperation					
AQ11	The culture of my bank provides every employee with the feeling that they are the part of a team					
AQ12	I think Primary building block of my bank is its cooperative team work					
AQ13	I think work is divided by following a scheme that everyone can see the importance of their work while achieving goals of the bank					
AQ14	I think majority of the employees are highly involved in their work while in banking hours					
AQ15	Information is widely shared in our bank with employees in the time of need					
AQ16	Everyone in this bank feels that he or she can have a positive impact on this bank					
AQ17	The planning process in our bank involves everyone to some degree					
		<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>

S/No	Response	(5)	(4)	(3)	(2)	(1)
<b>2. CONSISTENCY</b>						
CA18	Our approach to run basic operations of our bank is very consistent and simple					
CA19	All departments work together to achieve goals of the bank attitude					
CQ20	We never give up in case of disagreements; we just work hard with a winning attitude					
CA21	We tried to wind up difficult issues in a simple way					
CQ22	The employees of my bank do what they say					
CAQ23	In my bank there is a clear set of rules to follow					

S/No	Response	SA (5)	A (4)	N (3)	D (2)	SD (1)
<b>3.ADAPTABILITY</b>						
AQ24	I think basic operations of my bank are very flexible and we can easily adapt new technology					
AQ25	We respond very well to our competitors and changes in the banking environment					
AQ26	In my bank improvements related to work are constantly adopted					
AQ27	Our bank culture is open for bringing change in terms of its operations					
AQ28	My bank accepts customer recommendations and suggestions as a positive feedback					
AQ29	My bank never ignored the interest of customers while making decisions					
AQ30	In my bank direct customer contact is encouraged					
	Response	SA	A	N	D	SD

S/No		(5)	(4)	(3)	(2)	(1)
<b>4.MISSION</b>						
MQ31	In my bank innovative ideas are encouraged					
MQ32	The strategy of my bank provides other banks to change the way they compete in the industry					
MQ33	My bank provides a clear future strategy					
MQ34	Ambitious but realistic goals are settled by top management in my bank					
MQ35	We continuously track the progress against the stated goals of our bank					
MQ36	We have a shared vision of what our bank will be in future					
MQ37	Vision of our bank creates excitement and motivation for our employees					

**SECTION III: Employee Job Performance Measurement Related Questions**

The following statements are prepared to measure the performance of employee whether it is affected or not by the organizations culture. Please indicate the level of your agreement with each of the following statements by selecting and putting a tick mark (√) in the box of your choice.

1= Strongly Disagree, 2= Disagree, 3= neutral, 4 = Agree, 5= Strongly Agree

S/No	Response	SA (5)	A (4)	N (3)	D (2)	SD (1)
<b>EMPLOYEE JOB PERFORMANCE</b>						
EMQ38	I think if I am given an increased quantity of work I can produce same output					
EMQ39	It's my 1st priority to produce quality work regardless of number of tasks assigned					
EMQ40	I am not concerned with the number of tasks; my priority is that my work should be accurate					
EMQ41	I tried my level best whenever I interact with the customer to provide him with the best services					
EMQ42	I think that my organization supports me to achieve my personal goals along with the organizational goals					
EMQ43	My organization provides me enough training opportunities to increase my skills set					
EMQ44	I think if I compare the point from where I have started my professional career to this point I think I am making progress in my career					
EMQ45	I am in search of better career opportunities					
EMQ46	I present my new creative ideas to solve the problems					
EMQ47	I am in search of the opportunities to implement my ideas					
EMQ48	I talked to people to explore internet and discuss with friends to find efficient ways to solve problem					
EMQ49	I use the advice of others and my experiences in order to perform my routine tasks					
EMQ50	I am able to perform both in team as well as an individual					
EMQ51	I share information with my team members or colleagues regarding my work					
EMQ52	I am always in a search of getting useful information from my colleagues or group members					
EMQ53	I always support my team and try at my best level that my team succeeds at the end					

EMQ54	I help and provide my knowledge and expertise to my team members or colleagues in time of need					
EMQ55	I tried at my best level to serve my organization					
EMQ56	I am working for making my organization successful					
EMQ57	I always disseminate positive information to improve image of my organization					
EMQ58	I recommend others to be a part of this organization as it is a good place to be					