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



# ASSESSMENT OF ORGANIZATIONAL CULTURE PRACTICES IN PROMOTING ORGANIZATIONAL DEVELOPMENT

## AT ETHIOPIAN ELECTRIC POWER CORPORATION

BY

RADIA SOUD MOHAMMED

**JUNE, 2014**

**ADDIS ABABA, ETHIOPIA**

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ID. NO. SGS/0062/2005

## A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION

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**ST. MARY'S UNIVERSITY**
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## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of my advisor, Tilaye Kassahun (PHD), and all sources of materials used for the thesis have been duly acknowledged.  I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.


_____                _____

                Name                                        Signature & Date

# ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.


___Tilaye Kassahun (Phd.)___                    _____

Advisor                                           Signature & Date

**St. Mary's University, Addis Ababa          June, 2014**

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# LIST OF ACRONYMS

**AA**:-Addis Ababa

**EEPCo:** - Ethiopian Electric Power Corporation.

**HR**: - Human Resource

**OD: -** Organizational development

**SPSS**: - Statistical Package for Social Sciences

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# ABSTRACT

*Organizational culture has a very prominent role in the success/failure of many organizations. EEPCo, as a giant power company, has several weaknesses in maintaining organizational culture. In order to overcome the problems associated with organizational culture and its impact on organizational development investigation has to be made. To this end, this research has undertaken with the objective of assessing the organizational culture practices in promoting organizational culture. So as to get the required findings and meet the objective descriptive method was used, and stratified and convenient sampling methods were used. The sample size was 278, which is well representative of the whole population. The findings suggest that both employees and managers idea towards organizational culture trend was very weak, and how it is exercising in promoting organizational development become loose. Therefore, to sustain good organizational culture and avoid weaknesses the corporation has the responsibility of setting clear vision and mission that could achieve the objectives. The employees need concern and recognition; since changes couldn't achieve with dissatisfied employees and not conducive environment, cultivate and develop the leadership and management style to communicate the employees towards achieving the excepted outcome. . Finally, the corporation needs to work on organizational development through individual and group development.*

key words: organizational culture, organizational development, individual development, group development.

# CHAPTER ONE

# INTRODUCTION

This introductory chapter contains the background of the study, statement of the problem, objectives of the study, significance of the study, scope of the study, Limitation of the study and organization of the paper.

## 1.1 Background of the Study

Culture, at the workplace, is a very powerful force, which is consciously and intentionally cultivated and is passed on to the incoming employees. It is the very thread that holds the organization together. Most employees want to be proud of their organizations, to have a good relationship with other employees and managers and to believe they have worthwhile jobs. Many factors influence both individuals and groups in organizations, but not all are considered when trying to understand the behavior of people at work. Among those that are most frequently overlooked is the culture of the organizations with which individuals are associated (Harris et.al., 2002).

Organizational culture has a strong impact on organization and management, which emerges from its nature and its content. Organizational culture is defined as a system of assumptions, values, norms, and attitudes, manifested through symbols which the members of an organization have developed and adopted through mutual experience and which help them determine the meaning of the world around them and how to behave in it (Janićijević, 2011).

Organizational culture is a form of collective interpretative scheme shared by the members of an organization, due to which they assign meanings to occurrences, people, and events within and outside of the organization in a similar way and treat them similarly (Schein, 2004). For this reason, the culture of an organization implies that all the members of the organization similarly understand the organization, as well as a suitable way of its functioning, managing, and changing. The character of different components of management and organization, such as strategy, structure, leadership style, organizational

learning, system of rewards, and motivation, emerges precisely from the way in which employees and management understand organizational reality and behave in it (Rashid, 2003).

Ethiopian Electric Power Corporation is the sole electric power provider. The purpose of the corporation is to produce sufficient energy in accordance with economic and social development policies and transform from traditional to modern energy sources which demand for heavy investment in terms of foreign currency and domestic resources. In another side, the new economic policy has created favorable conditions for the private sector and encourages investment – which entails heavy investment burden in the energy sector. Besides, the heavy dependence on biomass energy sources continued destruction of forestry resources for firewood has resulted in environmental problems, loss of productivity and ecological imbalance. Consequently, increasing scarcity and cost of household fuels, particularly firewood increased stress on women and children who usually are supposed to collect fuel. (Melis, 2006)

Achieving and maintaining quality of product and customer satisfaction are two most important factors for successful organization (Teece, et.al., 1997). Ethiopian Electric power Corporation has no exception to the above mentioned environment. Thus, the government is in the process of restructuring the corporation. This is due to the fact that the current electricity distribution and services couldn't fulfill customers need and bring satisfaction. The current environment is accompanied by shortage of skilled, competent and committed human resource.

The organizational development (OD) tradition is a practitioner-driven intervention-oriented approach to effecting organizational change via individual change, with view to increasing effectiveness. It is implemented within a problem-solving model, places a heavy accent on survey-based problem diagnosis and subordinates people to a vision of the future. Commitment-based strategies of effecting change assume that the impetus for change must come from the bottom up, whilst compliance-based strategies involve the creation of behavioral imperatives for change (Heyman , 2009).

According to Teece, et.al., (1997) various 'employee involvement' strategies are reviewed, but there is little evidence for their effectiveness either as a means of securing commitment or enhanced performance, or as a means of leverage for change. Culture is assumed to be the primary vehicle for change within the OD tradition, although the relationship between culture and the change process is ill understood. Finally, the assumptions underpinning team development, and its implementation, are critically examined.

The organizational culture literature itself is fraught with epistemological debate. Practitioners are interested in management by measurement and manipulation of culture. Theoreticians of culture, however, aim to understand the depth and complexity of culture. Unresolved issues remain regarding how to define culture, the difference between culture and climate, measurement/levels of analysis, and the relationship between organizational culture and performance. Thus, this paper will deal with the comprehensive approach of culture to development.

## 1.2 Statement of the Problem

Organizational culture, through its influence on the interpretative schemes and behavior of the members of an organization, participates in shaping other components of organization and management. Depending on the values and norms contained by the organizational culture, top management selects strategy and designs organizational structure, managers shape their leadership style; employees define their motives and needs, and the human resource manager designs the compensation system in a company. A concrete form of the impact of organizational culture on an organization and management is observed in the fact that components of an organization and management differ in different kinds or types of organizational culture (Rashid, 2003).

One of the important components of management that is impacted by organizational culture is the management of organizational development. Organizational culture impacts the selection of adequate organizational development as it impacts all other aspects of management. Cultural assumptions and values shared by the members of an organization determine the way in which employees and managers will understand the organization

itself, and thereby the adequate way to change it. What will be determined as a suitable, efficient, or useful way of changing the organization will depend significantly on the shared assumptions and values of employees and managers built in their interpretative schemes. Whether the changes are incremental or radical, comprehensive or partial, directed from the top down or from the bottom up, focused on the change of the 'hard' or of the 'soft' component of organization, will all to a great extent depend on how the leader and the members of the organization see its functioning and a suitable, useful, or effective way of making changes Teece, et.al.,( 1997).

On BPR reform program new organizational structure has been redesigned which was believed to help effectively accomplish the corporation's goals. Under BPR study it has been identified that EEPCo has a process that starts from generation construction and ends up to delivering of service at customers' door with a vision which indicates its long term aspiration to be and mission statement which clearly indicates its fundamental purpose (EEPCo: 2007). It is believed that clear vision and mission could have a power to create loyal managers and employees to the organization.

Ethiopian Electric Power Corporation has to be strategically positioned to provide quality service to satisfy customers. Naturally energy is the sensitive service to create dissatisfaction when it is fail to delivered secure and reliable electric supply.  However, the path to reform has been more difficult, EEPCo had suffered from serious institutional weakness, meaning that planned reforms could not produce their intended benefits unless otherwise the employee share the value and feel its outcomes as their responsibilities. So, it is not argued that organizational culture would enable the organization to improve service delivery and strategize on ways of gaining integrated effectiveness to deliver quality service.

Despite of all improvements in terms of technology and industry, the issue of organizational culture has enforced its stand as an undeniable social phenomenon and as a key factor in organizational success. In other words, organizational planners and mangers should consider organizational culture sensitively and carefully in making their decisions and devising their policies (Farahi and Zare, 2006).

EEPCo, was moved by caring a logo that enabling to had an attention to customers, by clarifying the importance role of organizational culture to be evolved in the organization,

it should be noted that the basics and principles of serving the customers are necessary in creating a trustable organizational culture because that customers are surviving force for any organization and there is no alternative for good services to customers. As a result, it creates successful organization with regards to rendering good relations and good services to customers and finally it gains customers' loyalty.

In this regard, this study tried to assess organizational culture practices in relation to organizational development in EEPCo. Particularly, possible solutions are given for the following basic research questions:

1. What is the existing cultural trend in EEPCo?

2. How employee attitude respond to organizational culture in EEPCo?

3. Which cultural variables positively influence organizational development?

4. How do organizational cultures accelerate employee integration in EEPCo?

5. How are leaders responding to organizational change initiatives in EEPCo?

## 1.3. Objectives of the Study

The study has the following general and specific objectives:

**General Objective of the study**

The general objective of this study is to assess the organizational culture practices in promoting organizational development at EEPCo.

**Specific Objectives of the study**

1. To investigate organizational culture practice in line with organizational objective.

2. To understand employee attitude towards the established organizational culture in EEPCo.

3. To examine the role of organizational culture in promoting organizational development at EPPCo.

4. To find out the role of organizational leaders in cultivating organization culture.

## 1.4 Significance of the study

The significance of this study is tailored towards creating an opportunity for the organization to focus on cultivating/creating a good culture in the organization. EEPCo leaders by virtue of their position are key people for smooth running of the organization. As they are working always with employees conduct, to cultivate employees' behavior and can only achieve maximum efficiency when the relation with employees' are at satisfactory level. The research will help EEPCo's management and supervisors to understand the existing organizational culture and indicates ways to develop a better organizational culture. It also serves as a starting point for other researchers to further conduct research regarding the topic to other organizations in Ethiopian context. Furthermore, since such kind of study has not been conducted so far in EEPCo, this study has a vital role in indicating the challenges of sustained strong organizational culture and practices.

## 1.5. Scope of the Study

EEPCo is the sole electric power provider for the country, but the geographic coverage of the study has been limited to Addis Ababa. Due to this reason the research analyzed data collected from eight processes and selected four marketing and sales regional offices of the corporation in Addis Ababa.

The Ethiopian government is changing EEPCo's system through transformation program in order to meet the growing demand for electric energy and provide world class services. This transformation process is on its way which has resulted in establishment of two separate organizations as a Power and Utility, however this study is limited to the current organization i.e. EEPCo.

## 1.6 Limitations Encountered

The process of restructuring the corporation made the managers and employee busy and the researcher was forced to reschedule appointments now and again. The study requires responses on matters of culture and practices which were sensitive issue; questionnaires were sorted and excluded after being collected in order to minimize bias. Time and resources could not allow the researcher to cover the total sample.

The recent situation of the corporation, i.e. the restructuring of the organization; may lead to possibility of (higher level) of biasness and dissatisfaction in the responses from the respondents, as a result these points may have their own shade on the study.

## 1.7 Organization of the study

The research paper is organized in five chapters. The first chapter deals with the introductory part which include background of the study, statement of the problem, basic research questions, objective of the study, significance of the study, scope and limitations of the study and organizations of the paper. The second chapter discusses the review of related literature. Design of the research, population, sample and sampling techniques, data source of the study, gathering instruments & procedures and methods of data analysis and ethical considerations are presented in the third chapter. The fourth chapter focuses on data analysis and interpretation; finally it ends up by conclusions from the findings, recommendations and future research directions for further research are forwarded in the fifth chapter.

# CHAPTER TWO

# LITERATURE REVIEW

In this chapter the concept "organizational culture" has been explored in more detail. The chapter's main focus areas will include the following theoretical aspects of the concept organizational culture and organizational development: background, definition, the concepts of organizational culture, Process of changes and challenges of change managements, and factors of Organizational development.

## 2.1 Organizational Culture

Organizations have personalities that we call them organizational cultures. There is no shortage of definitions for organizational culture. According to (Robbins 1990 p.232) "Organizational Culture refers to a system of shared meaning. In every organization there are patterns of beliefs, symbols, rituals, myths, and practices that have evolved over time." These, in turn, create common understanding among members as to what the organization is and how its members should behave.

Organizational culture also refers to the shared perceptions of organizational work practices with in organizational units that may differ from other organizational units. It is the interdependent set of shared values and ways of behaving that are common to the organization and tend to perpetuate themselves. (Kotter & Heskett, 1992 cited in Ogaard Larsen, & Manburg, 2005). Schein (1992) defines it as a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration. At the deeper and less visible level, culture refers to the values that are shared by the people in a group and that tend to persist over time even when group membership changes. At the more visible level, culture represents the behavior, patterns or style of an organization that new employees are automatically encouraged to follow by their fellow employees.

A pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide those terms of behavior in the organization (Hofstede, B., 2001) Culture is comprised of the assumptions, values, norms and tangible signs (artifacts) of organization members and their behaviors. Members of an organization soon come to sense the particular culture of an organization. Culture is one of those terms that difficult to express distinctly, but everyone knows it when they sense it for example, the culture of a large profit corporate organization is quite different from that of a hospital which is quite different from that of a university. One can tell the culture of an organization by looking at the arrangement of furniture, what they brag about, and what members wear (Rashid, M., 2003).

According to Zanmoto, (2001) some organizations have very strong cultures, which mean that the core values are intensely held and widely shared within the organization. Strong cultures have a great influence on the commitment of staff. Religious organizations, cults, sporting teams and Japanese companies are examples of organizations with strong cultures (Schein, 1990). In large organizations, there are often sub-cultures which are shaped by the different circumstances and values within the smaller departments and teams within the organization. The core or dominant culture of an organization is modified and added to the values within these sub-sectors. Organizational Culture affects the way in which people consciously and subconsciously thinks, make decisions and ultimately the way in which they perceive, feel and act (Lok & Crawford, 2004).

Organizational culture has in the last two decades drawn a lot of focus from researchers for various reasons; some of these reasons include the noticeably direct effect it has on the performance, survival and longevity of an organization (Zanmoto, 2001). Lok & Crawford (2004) has also suggested that organizational culture can exert considerable influence in organizations particularly in areas such as performance and commitment.

## 2.2 The importance of organizational culture

Mullins (1999) attests that culture helps to account for variations among organizations and managers, both nationally and internationally. Culture helps to explain why different groups of people perceive things in their own way and perform things differently from other groups. Culture can help reduce complexity and uncertainty. It provides a

consistency in outlook and values, and makes possible the process of decision-making, co-ordination and control. There is nothing accidental about cultural strengths, there is a relationship between an organizations culture and its output. Saiyadin (2003) explains that culture performs the following functions:-

Culture supplements rational management, culture promotes a code of conduct, and facilitate and support of teamwork. According to Saiyadin (2003) Moreover, the stronger the culture the more it was directed to the output, the less need was there for policy manuals, organization charts, or detailed procedures and rules. In these companies, people in all parts of the organization know what they are supposed to do in most situations because a handful of guiding values is very clear. Therefore the importance of an organizations culture cannot be over emphasized. The beliefs, stories and symbols of an organization shape the culture of that organization and it is important for management to realize that culture is an integral part of their business and every effort must be made to preserve or improve it (Robbins, 1990).

## 2.3. The creation of organizational culture

It is evident that the organization's culture can become very counterproductive. The basis of confidence and cooperation can be quickly undermined. One of the manager's most important (and most difficult) functions can be to bridge the gap between constructive needs of an organization and the informal, sometimes different norms that organizational members may establish (Harris, et.al., 2002).

McEwan (2001), postulates that as a concept, culture is inseparable from the notion of human society. Cowles, D. et.al., (1990) support McEwan in the postulation that an organization cannot be separated from the culture of society. To try and change the prevailing culture within an organization, one has to take cognizance of the relevant societal culture. Robbins (2001), on the other hand, argues that a company's organization culture does not pop out of thin air and, once it is established, it does not fade away.

According to Robert A. (2000), an organization's current customs, traditions, and general way of doing things are largely due to what it has done before and the degree of success it has had with these endeavors. This leads one to its ultimate source of an organization's

culture of its founders' Robbins further emphasizes that the founders of an organization have a major impact on that organization's early culture. They have a vision of what the organization should be, and they are unconstrained by previous customs and ideologies. The process of culture creation occurs in three ways:

- First, founders only hire and keep employees who think and feel the way they do;
- Second, they indoctrinate and socialize these employees to their way of thinking and feeling; and
- Finally, the founders own behavior acts as a role model that encourages employees to identify with them and thereby internalize their beliefs, values, and assumptions.

When the organization succeeds, the founder's vision becomes seen as a primary determinant of that success. At this point, the founder's entire personalities become embedded in the culture of the organization. Robbins (2001) further explains that culture is transmitted to employees in a number of forms, the most potent being, stories, rituals, symbols, and languages.

- **Stories**: Robbins (2001) believes that culture is learned by employees who listen to other employees or managers who relate stories about how earlier managers, or even founders of companies, treated their customers, or how they handled tricky situations that arise in the company. Stories such as these circulate through many organizations, consequently transmitting the culture from year to year.
- **Rituals**: Rituals are repetitive sequences of activities that express and reinforce the key values of the organization, which goals are more important, which people are important, and which are expendable. Certain organizations hold rituals in the form of annual award ceremonies, in recognition of outstanding services or in recognition of success at achieving certain targets set by the organization, e.g. sales targets. These functions act as a motivator, publicly recognizing outstanding performance.
- **Material Symbols**: According to Robbins (2001:526), the layout of corporate headquarters, the types of automobiles. Top executives are given, are all examples of material symbols. Others include the size of offices, the elegance of furnishings, executive perks, and dress attire.
- **Language**: Many organizations and units within organizations use language as a way to identify members of a culture or a sub-culture. By learning this language, members attest to their acceptance of the culture and, in doing so, help to preserve

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it. New employees are frequently overwhelmed with acronyms and jargon that, after six months on the job, become fully part of their language. Once assimilated, this terminology acts as common denominator that unites members of a given culture or subculture, (Robbins 2001: 526).

The organization's culture results from the interaction between the founders' biases and assumptions, and what the original members, who the founders initially employ, learn subsequently from their own experiences.

According to Meyer, (1997), organizational culture develops from the interaction of four factors as:

- The personal and professional characteristics of people within the organization;
- Organizational ethics;
- The property rights the organization gives to employees; and
- The structure of the organization.

The interaction of these factors produces different cultures in different organizations and causes changes in culture over time. The ultimate source of organizational culture is the people who make the organization

## 2.4 Characteristics of an Organization's Culture

An organization's culture consists of the values, norms, and attitudes of the people who make up the organization. Values show what is important; norms reveal expected behavior; attitudes show the mind-set of individuals. The group selects symbols, slogans, and ceremonies to convey its values. Thus, the culture tells people what is important in the organization, how to behave, and how to perceive things (Heyman, 2009).

At the beginning of a completely new organization, the formal structure, goals, and procedures may dictate the culture. What the organization and its founding bosses want may closely resemble what their employees want. That's why it can be exciting and fun to be part of a newly forming organization, and can take as part in forming its culture (Robert A. 2000).

An organization's culture usually contains several characteristics, including the following:

- Individual autonomy— the degree of responsibility, independence, and opportunities for exercising initiative that individuals in an organization have.
- Structure—the degree of rules and regulations and the amount of direct supervision that is used to oversee and control behavior.
- Support—the degree of assistance and warmth managers provide for their subordinates
- Identity—the degree to which members identify with the organization as a whole rather than with their particular work group or field of professional expertise.
- Performance-reward—the degree to which rewards in the organization (salary increases and promotions) are based on employee work performance.
- Conflict tolerance—the degrees of conflict present in relationships between peers and work groups as well as the willingness to be honest and open about differences.
- Attitude toward change — the response given to new methods, ways, and values.
- Focus—the vision of the goals and objectives of an organization's operations as communicated by those in control.
- Standards and values—the levels of performance and behavior considered to be acceptable by formal and informal criteria.
- Concern for people—the degree of care and concern the organization shows for its employees, its management teams, and its shareholders.
- Openness, communication, and supervision—the amount and type of interchange permitted. The communication flow can be downward, upward, across the organization, and in other directions as spelled out by the culture.
- Excitement, pride, and esprit de corps—a tangibly good feeling about the organization and its activities.
- Commitment—the willingness of individuals to work toward goals on a continuing basis.
- Teamwork—people working together for the common good.

## 2.5. Theories and Models of Organizational Change

Why are Models of organizational changes necessary or important to understand? They are helpful for assessing at a macro level – the level at which many intuitional leaders view (or should view) their organizations. Models can reveal why changes occurs (the driving forces of change); how change will occur (the stage, scale, timing, and process characteristics); and what will occur (the content of changes, outcomes, and ways to measure it (Van den et al., 2004)

Many different theories/models of organizational changes exist throughout the multidisciplinary literature base. The literature referred to in this section will be limited to organizational change:

According to Shien (2005), the reason why the process of organizational change management will be very different in different organizational cultures can articulate in different dimension. For example, if organizational culture is dominated by the value of flexibility, this means that the members of the organization will consider changes as something good and useful for the organization and themselves. Van Den., et.al., (2004) states that changes are likely to be continual, and thereby also incremental in nature, because there will be no need for radical changes precisely due to the fact that they are continual. Also, changes may be conducted with less resistance and more participation by the employees. On the other hand, if organizational culture contains the values of stability and conservatism, then the members of the organization will consider changes as harmful, both for themselves and the organization. (Zanmoto, 2001), changes will be rare, but when they do happen they will be radical and comprehensive. They will be conducted with a great degree of resistance and a relatively small degree of participation by the members of the organization, who will be mostly passive executives of change.

The described impact of organizational culture on organizational change management strategy is, however, too general in character and calls for operationalization which would consist of generating and testing the hypothesis on the causal relationship between certain types of organizational culture and certain organizational change strategies. In other words, it is necessary to prove that specific organizational change management strategies are applied or are more efficient in specific types of organizational cultures.

Such operationalization of relationship between organizational culture and organizational change strategy so far has not been dealt with in the literature. The researchers who have analyzed different organizational change strategies have only listed culture as one of the factors in adequate change strategy selection (Nickols, 2010). There have been no concrete findings on the relationship between organizational culture types and organizational change strategies.

## 2.6. Organizational Change and Development

## 2.6.1 Forces for Change

More and more organizations today face a dynamic and changing environment that requires organizations to adapt. There are different forces that are acting as push and pull factors for change some of them are:

- Nature of the Work forces
- Competition
- Social trend, customers need and expectation and
- World Politics

## 2.6.2 Managing Planned Change

If an organization need to survive, it must respond to changes in its environment whether the change will be planned, accidental or forced. But we are concerned with change activities that are proactive and purposeful in the organization.

What are the goals of planned changes? Essentially there are two. First, it seeks to improve the ability of the organization to adapt the change in its environment. Second, it seeks to change employee's behavior.

Robbins (2003) since an organization's success or failure is essentially due to the things that employees do or fail to do. Planned change also concerned with changing the behavior of individuals and groups within the organization. The responsibility of managing change activities also can be managers or non-managers, employees of the organization, or outside consultants.

## 2.6.2.1. Lewin's Description of the Change Process

| UNFREEZING | → | CHANGING | → | REFREEZING |

Fig. 2.1 change process
Source: Robbins (2003)

Three steps of Lewins's illustrated description of change process stated that successful change requires, first unfreezing the status quo, then changing to a new state, and refreezing the new change to make it permanent.

Lewin's three-step process treats change as a break in the organization's equilibrium state. This view might have been appropriate to the relatively calm environment that most organizations faced in the 1950s, 1060s, and early 1970s (Robbins, 2003)

The status quo can be considered as an equilibrium state. Moving from this equilibrium require unfreezing, which can be achieved in one of three ways:

- The driving forces, which direct behavior away from the status quo, can be increased.
- The restraining forces, which hinder movement from the existing equilibrium, can be decreased
- The two approaches can be combined.

Once unfreezing has been accomplished, the change itself can be implemented. The new situation therefore needs to be refrozen so it can be sustained over time, the role of the leaders or the change agents is not considers as simple, Robbins (2003).

### 2.6.3 Organizational Culture and Change Process

Empower employees, make them work in teams, and develop capabilities to ensure that culture really matters. The more the organizational culture is consistent, the more is the chance that the organizational change will work. Bring people to refreezing stage according to Lewin's model of Change.

There should be mutual core values, agreements and coordination for achieving organizational goals. The continuous process improvement organizations require greater amount of adaptability to cope up with the conflicts and rigid organizational cultures. To acquire the changing needs, an organization needs to be more adaptive and more learning organization. The most critical organizational cultural trait is the Mission (Heyman, 2009). We must have to ensure that when we change the mission, the respective strategies, structures, cultures, build-in-beliefs all needs to be change to get aligned with the new mission. It also requires huge efforts to aware the members of the organization.

## 2.7 Organizational Development

Organizational transformation or organizational development is a buzz word in successful and growth oriental organizations, Harris et.al., (2002).

As Harris stated in his book, information technology revolution and other technology adoption has made tremendous dent into structure, functioning, systems, process and speed with which change takes place in the organizations. Cycle time of production and delivery of products to customer has improved and cycle time reduction is a continuous phenomenon. As the boundaries of markets have increased with free market concepts, the competitiveness has also increased. Schein, E. (1992), technological change and social revolution that the individual is facing these days, he is experiencing a distinct pressure. It has a sequential impact on life style. It is therefore, essential for organizations to improve organizational culture, redefine and redesign jobs, accord full freedom of work and empower the employees so that the organizational productivity is improved and the employees carry at home the pleasant memories of workplace so that their social life is pleasant and enjoyable.

Organizations are at work constantly to improve the job satisfaction of employees through organizational development. Organizations have to keep pace with the external environment to enable internal processes and systems updated. Organization development relates to development of individual, group and introduction of such systems in the organization so that the productivity is increased. Organizational development is about people and the organizations and how they function (Robert A. 2000).

According to Harris et.al., (2002), organizational development, is a planned process of change in an organization's culture through utilization of behavioral science technologies he defined it as:

*"Organizational development is a long term efforts, lead and supported by top management to improve an organization's visioning, empowerment, learning and problem solving processes, through an ongoing, collaborative management or organization culture – with special emphasis on the culture of intact work teams and other team configurations – utilizing the consultant – facilitator role and the theory and technology of applied behavioral science, including action research."* (Harris, et.al. 2002 p: 312)

Organizational development is the process of organizations move from their present state to some desired future state to increase their effectiveness. The goal of planned organizational development is to find new or improved ways of using resources, capabilities and experiences in order to increase an organization's ability to create value and improve the outcomes. An organization in decline may need to restructure its resources to improve its fit with the environment. Singh (2005)

## 2.7.1. Features of Organizational Development

(a) **Long term effort**: Organization development can't be completed in short span of time. As French and Cecil (2001) cited on Harris et.al., (2002) state that it is not a quick fix. It takes several years or even decades to achieve a change. A manager must set very high goals and achieve the same in stages.

(b) **Organization development must be initiated**, led and supported by top management: Any change to be effective must be planned at the highest level, initiated and supported throughout its journey. Organization development is a serious issue and top management should not lose sight of it even in the worst of the situations. They must encourage subordinates to introduce change leading to development.

(c) **OD is a visioning process**: Visioning means creating a picture of the desired future that includes salient features of the human side of the organization and then working together to make that picture a reality. It is important, therefore, for the members of the organization to anticipate customer preferences, develop a viable

plan to design and produce product and services, which delight them. Application of conceptual skill is important for visioning.

(d) **OD is an empowerment process**: Empowerment is not meant to be a delegation of authority. It is much more than that. Empowerment envisages identification of leadership qualities and human behavior practices. It envisages setting up of organizational goals, which promotes individual growth, involving each of the individuals in organizational processes, formulating suitable strategies and attaining organizational empowerment that deals with freedom of action in work environment. It involves job redesign, structural modifications and attainment of goals.

(e) **Learning process**: Peter Senge cited on Harris et.al., (2002),describes learning organizations as "Organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspirations is set free, and where people are continually learning how to learn together".

(f) **Organization development is a problem solving process**: Problem solving is a collective process in which individual creativity, commitment, vitality is channelized to diagnose the problem and solve it. The aim of problem solving is achievement of organizational purpose. Collectively organizational environment plays a vital role in problem solving. If internal environment is ideal, problems ease. Contribution of members for a common cause even makes it easier.

(g) **An ideal culture is mandatory for Organization Development to be successful**: Organizational processes, systems, visioning, empowerment can be successful if all the members share the common cultural values in the organization. These are ways how organization development can be achieved.

Organization culture is something like a fertile land. It consists of basic assumptions, values and norms of behavior which are perceived as correct. Culture is bedrock of organizational behavior. The culture is passed on to the new employees. Organizational culture and processes are central to organizational development.

## 2.7.2 Objective of Organizational Development Program

According to (Harris et.al, 2002) organizational development Program has the following major objectives:

1. Individual and group development.
2. Development of organizational culture and processes by constant interaction between members irrespective of levels of hierarchy.
3. Inculcating team spirit.
4. Empowerment of social side of employees.
5. Focus of value development.
6. Employee participation and problem solving and decision making at various levels.
7. Evaluate present systems and introduction of new systems thereby achieving total system change if required.
8. Transformation and achievement of competitive edge of the organization.
9. Achieve organizational growth by total human inputs by way of research and development, innovations, creativity and exploiting human talent.

Demographic factors also play a dominant role in the organizational development paradigm. Based on the above factors an organization should design its reward system so that the employee is able to live in a desired level and meet its social obligation. This is important because the systems so evolved would be able to generate enthusiasm and desire to excel in the job that will be growth to the organization. Contingency approach should be adopted by the managers in this respect and aspirations of the employees be met. Certain amount of parity is required to be adopted by the organizations. In light of the above discussion following system needs attention: Van D. (2003).

## 2.8. Organizational Culture and Organizational Development

Organizational development has a sequential impact on life style. It is therefore, essential for organizations to improve organizational culture, redefine and redesign jobs, accord full freedom of work and empower the employees so that the organizational productivity is improved and the employees carry at home the pleasant memories of workplace so that their social life is pleasant and enjoyable. Organizations are at work constantly to improve the job satisfaction of employees through organizational development.

Organizations have to keep pace with the external environment to enable internal processes and systems updated. Organization development relates to development of individual, group and introduction of such systems in the organization so that the productivity is increased. Organizational development is about people and the organizations and how they function. (Harris, et.al, 2002).

## 2.8.1 Organizational culture and organizational Change Strategy

The presented classification of organizational cultures and organizational change strategies shows a high degree of correspondence between the criteria used to differentiate them. The assumptions regarding suitable distribution of power in an organization, by which organizational cultures are differentiated, are obviously connected with the direction of changes which differentiate change strategies. Also, the assumptions regarding the suitable form of collective action in an organization, by which organizational cultures are differentiated, are obviously connected with the means of change which differentiate change strategies.

In hierarchical cultures, in which assumption of unequal distribution of power prevails, the possible, probable, and efficient directive strategies are strategies of change management directed from the top down, Harris, et.al (2002). Since all the members of the organization consider unequal distribution of power as a natural order their views on the suitable way of managing change will assume a different role for management and employees in the change process. In such cultures the leader and his associates will always be expected to articulate and plan changes, which others in the organization will merely implement. Therefore the only agent of change is the leader; change activities are unilateral from the top down; and members of the organization have a passive role in the change process Van D. (2003).

## 2.8.2 Organizational Culture and Organizational Effectiveness

According to (Singh, 2005) numerous researchers have defined organizational culture. It can be an asset or a liability. Understanding culture means understanding the difference between the formal and the informal rules, the way of doing things and the real way espoused.

Some suggested that being team-oriented, trust and development friends at work factors included in the organizational culture value. In modern times, in the individuals and organizations on the cultural match, scholars provided the organizational culture index including the risk, relationships-oriented, result-oriented, creative, sociable, stimulating, regulated, personal freedom, equitable, safe, challenging, enterprising, established, cautious, trusting etc as the useful model of organizational culture (Zanmoto, 2001).

Organizational culture value is all being people-oriented, being team-oriented factors. Then, it demonstrated that culture influenced organizational being team-oriented, trust, an emphasis on quality, achievement orientation and a willingness to experiment factors. Therefore, traditional organization suggests that an emphasis on culture is a key for the being team-oriented, trust, and an emphasis on quality and autonomy variables (Martins, 2000).

Organizations with stronger group culture scores significantly higher than the hierarchical culture in term. Moreover, some result shows it negatively related to trust, being precise, good performance and positively related to conflict. fairness, being team-oriented, taking initiative, being result oriented, achievement orientation, flexibility, action orientation, being rule-oriented, working in collaboration with others, being aggressive factors influenced the organizational because of culture change. the measurement of effectiveness was the most issue in the organizational culture theory. For linking organizational culture, organizational effectiveness was influenced by the organizational culture Van D. (2003).

According to Harris, et.al (2002), the ultimate purpose of strategic management is to help organizations increase performance through improved effectiveness, efficiency, and flexibility. Some authors utilized the planning and goal setting, flexibility and adaptation, information management, communication, readiness, evaluations by external entity and stability concepts of organizational effectiveness to research the strategic management process (Martins, 2000,). The process control, information management and goal setting importance are emphasized on the organizational effectiveness. In these contexts, the relationship between organizational culture and organizational effectiveness becomes important. In accordance with the studies presented above, the organizational culture has a positive influence on organizational effectiveness.

## 2.9. Factors that Promote Organizational Development

The employees' understanding of the vision and mission should have an influence on the implementation thereof (Lok et. al. 1995). The extent to which clearly stated the organizations purpose. In other words the question about employees' understanding of the vision and mission will influence their implementation, (Martins, 2000). Some of the factors as stated by Martins, (2000) which contribute to organizational development are:

- People side or organization which includes personal counseling and career planning at intra personal level.
- Problem solving, interpersonal communication and interpersonal relationship at dyadic level.
- Group goal achievement and aspects related to group dynamics at group level.
- Societal level, organizational development intervention may include assisting people to resolve their personal problems like housing, education, induction programs and social acceptance especially for those who are new to the organization.

# CHAPTER THREE

# RESEARCH DESIGN AND METHODOLOGY

This chapter briefly discusses the methods used to conduct the research such as: the research design, the data gathering methods/tools, sampling and sampling procedures and methods of data analysis.

## 3.1. Research Design

This research has a descriptive nature which describes the existing phenomenon as it exists. According to Allison, (1995), a large proportion of all research is descriptive research. The type of question asked by the researcher will ultimately determine the type of approach necessary to complete an accurate assessment of the topic at hand. Descriptive studies are primarily concerned with finding out "what is/are," questions; hence descriptive research design was used to assess organizational culture in promoting organizational development at EEPCo. Qualitative data was collected from Corporate HR team leaders, and HR executive advisor to clear up in the first phase of the study.

On the other hand quantitative data was collected through questionnaire in the second phase of the study. Questionnaires are distributed to selected sample in order to validate the themes/summary emerging from the qualitative phase and to generalize findings.

## 3.2. Population, sample and sampling techniques

### 3.2.1. Target Population

Target population is defined as the entire group a researcher is interested in. According to Zikmund (2003), the definition of population was identifiable total set of elements of interest being investigated by a researcher. There are 1947 professional employees, who have first degree and above in EEPCo. Sixty percent of them have been working in Addis Ababa. The targeted population for this research was these 60% (1266) professional employees.

### 3.2.2. Sample size

The researcher determined a sample size on eight processes and 5 regions. This sample size was representative of the whole population of the study. The sample includes managers and professionals since they are expected to understand the questionnaire and the purpose of the study.

In sample size determination, two issues should be considered: confidence level and error term. Most social science researchers use the 95% confidence level (survey system-2014). In this study, the sample size is derived from standardized survey software considering 95% confidence level and 5% error of margin. Based on the above software computation, for this study 278 employees were taken as a sample size which is 27.8% of the total population.

### 3.2.3. Sampling Techniques

Convenient, proportionate and simple random sampling techniques are used in this research. Convenience sampling is referred to the collection of information from members of the population who are conveniently available to provide it. It is most often used for research because it is the best way of getting some basic information quickly and efficiently. Proportionate sampling was used to address all processes in the corporation. On the other hand, since the characteristics of employees and managers in the corporation are almost similar towards cultural trend, simple random sampling was in use.

## 3.3. Data sources, gathering instruments and procedures

Both primary and secondary data sources were used to analyze and assess the culture and factors that promote future organizational development. According to Biggam, (2008), primary data is the information that the researcher finds out by him/herself regarding a specific topic. The main advantage with this type of data collection is that it is collected with the research's purpose in mind. This means that the information resulting from it is more consistent with the research questions and purpose.

With regard to primary data, the data collected through questionnaire filled by employees and interview conducted with concerned management bodies are used. The interviews conducted with the parties had supplemented the study with different perspectives and a comprehensive quality substance.

Close ended questionnaires which were designed on a Likert scale were used to collect primary data, so that the variables could be ranked to measure the level of importance, the agreement or disagreement, the satisfaction or dissatisfaction and the degree of strength.

The questionnaire had four parts, the first part requests about demographic background and general information about the characteristics of the respondents' and the second focus on questions regarding factors that reflect the trend and practices of organizational culture in EEPCo. The third part addresses leadership and administration style of the organization, the forth part answered the question of the organization's culture on organizational development. Out of the distributed 278 questionnaires 223 questionnaires were returned filled by respondents. The response rate was 80.21% which is acceptable.

**Table 3.1 Status of Questionnaires Distributed to the Corporation's Different   Processes**

| No. | Process | Professional Employees | Working in A.A. (60%) | Sample size | Percentage | Returned |
|-----|---------|------------------------|------------------------|-------------|------------|----------|
| 1 | Generation Construction | 54 | 36 | 25 | 8.99% | 20 |
| 2 | Generation Operation | 136 | 84 | 28 | 10% | 26 |
| 3 | Transmission Construction | 51 | 23 | 15 | 5.39% | 13 |
| 4 | Transmission Operation | 146 | 97 | 25 | 8.99% | 23 |
| 5 | Distribution System | 30 | 18 | 15 | 5.39% | ------ |
| 6 | Finance & Supply Chain | 17 | 17 | 15 | 5.39% | ----- |
| 7 | Human Resources | 25 | 25 | 15 | 5.39% | 13 |
| 8 | Services | 120 | 69 | 20 | 7.17% | 20 |
| 9 | Universal Electric Access | 54 | 38 | 15 | 5.39% | 13 |
| 10 | Marketing & Sales | 1314 | 859 | 105 | 37.76% | 90 |
| | | *1947* | *1266* | *278* | *100%* | *223* |

Source: Own Survey

Secondary data gives researchers with the opportunity to better understand the subject matter and explain the research problem. Thus, it is very important to start a review of the existing data with a clear mindset of what is wanted to accomplish with the study. This will help the researcher to save time and effort because he/she can easily discard data that has no relevance for the study. This can result in information that can only be used partially for a specific study.

Secondary data is used to get better insight on the research topic, to establish the viable platform for the theoretical framework constituting the bases of this research, and to design the sample frame and questionnaire for retrieving the primary data. The researcher used it to validate and compare the data get through questionnaire to existing literature and articles. Books, articles, journals, magazines, bulletins and brochures of the corporation are used as secondary data sources.

According to Yin (2003), there are basically two different ways of judging the quality of research design, i.e. validity and reliability. Validity is the extent to which any instrument measures what is intended to measure. Content validity of the survey questionnaire was validated by presenting the instrument to two independent industry professionals, one academic professional in the field, and to the research advisor. The results led to make minor changes in the instrument, which were made prior to administering the survey.

This research used Cronbach's alpha to measure the reliability for a set of two or more constructs where alpha coefficient values ranging between 0 and 1 with higher values indicating higher reliability among the indicators. In accordance with the Cronbach's alpha test, the total scale of reliability for this study is 0.922.

## 3.4. Method of Data Analysis

The researcher compiled, sorted, edited, classified and entered the data into the computer for analysis. The statistical package for social scientists (SPSS version 20) was used in analyzing the data.

Qualitative and quantitative methods were used for the research. Its main reason is that the use of this mixed methodologies in combination, provides a better understanding of research problems than either approached alone. A semi- structured interview method was

used under the umbrella of qualitative paradigm and to deal with the validity, reliability, and generalizability, the study was supported by questionnaires method in the circumference of quantitative paradigm.

The data gathered with the help of the above collection method is analyzed qualitatively and quantitatively, like percentages, mean, standard deviation and skeweness. The qualitative and quantitative analysis is handled separately and finally the result is mixed to illumination and corroboration purpose. After analyzing and properly interpreting the data, findings are summarized. Based on the major findings, appropriate conclusions are drawn and finally possible recommendations are forwarded as a solution for the corporation on the time of transformation.

## 3.5. Ethical Considerations

Respondents are assured that the information they provide is confidential and used for academic purpose only, moreover a statement conforming the prohibition of including any identity details or personal references in the questionnaire. This was to avoid any biased response or unauthentic data provided by respondents and to make participants certain that he/she cannot be traced; this would offer them enough room to express their ideas & point out their responses freely and safely. The data gathered in process of the study was kept confidential and would not be used for any personal interest and the whole process of the study. The study was controlled to be within acceptable professional ethics.

# CHAPTER FOUR

## RESULTS AND DISCUSSION

This chapter presents the findings of the study in accordance with the research questions and research objectives of the study.

Primary data was gathered through questionnaires and interview. The questionnaire had two parts, the first part which is dedicated for demographic characteristics of respondents is presented in a table and discussions were made under each variable. The second part of the questionnaire, which deals with the major objective of the research was analyzed and presented using SPSS (Version 20) software. The information obtained from interviewees was summarized separately by taking the major points raised. Finally the result is mixed to illumination and corroboration purpose.

### 4.1. Demographic Profile of Respondents

The first part of the questionnaire requested a limited amount of information concerning personal and professional characteristics of respondents namely age, gender, educational level, monthly salary, work experience and marital status. Accordingly, this general information were summarized and described in the table below:

**Table: 4.1 Demographic Profiles of Respondents**

| No | Variables | Frequency | | Total | % | Cumulative % |
|---|---|---|---|---|---|---|
| | | Male | Female | | | |
| 1 | **Age Group** | | | | | |
| | ☐ Below 30 | 46 | 10 | 56 | 25.11 | **25%** |
| | ☐ 31 – 40 | 73 | 12 | 85 | 38.11 | **53.22%** |
| | ☐ 41 – 50 | 60 | 4 | 64 | 28.69 | **81.97%** |
| | ☐ above 50 | 18 | 0 | 18 | 8.07 | **100%** |
| | **Total** | **197** | **26** | **223** | **100** | **100%** |
| 2 | **Marital Status** | | | | | |
| | ☐ Married | 129 | 13 | 142 | 63.64 | 64% |
| | ☐ Single | 68 | 12 | 80 | 35.87 | 99.60% |
| | ☐ Divorced | 0 | 0 | 0 | 0 | 0 |
| | ☐ Widowed | 0 | 1 | 1 | 0.44 | 100% |
| | **Total** | **197** | **26** | **223** | **100** | **100%** |
| 3 | **Educational Qualification** | | | | | |
| | ☐ First Degree | 183 | 25 | 208 | 93.27 | **93%** |
| | ☐ Second Degree | 14 | 1 | 15 | 6.72 | **100%** |
| | ☐ PhD | 0 | 0 | 0 | 0 | **0** |
| | **Total** | **197** | **26** | **223** | **100** | **100%** |
| 4 | **Years of service** | | | | | |
| | < 2 year | 10 | 0 | 10 | 0.38 | **0.4** |
| | 2 - 5 year | 42 | 5 | 47 | 21.07 | **22** |
| | 5 - 10 years | 47 | 14 | 61 | 27.55 | **50.08** |
| | > 10 years | 98 | 7 | 105 | 47.08 | **100%** |
| | **Total** | **197** | **26** | **223** | **100** | **100%** |
| 5 | **Monthly Salary** | | | | | |
| | < 1,500 | 46 | 10 | 56 | 25.11 | **25%** |
| | 1,501 – 2,500 | 73 | 12 | 85 | 38.11 | **62.22%** |
| | 2,501 – 4,000 | 60 | 4 | 64 | 28.69 | **84.83%** |
| | 4,001 – 7,000 | 17 | 0 | 17 | 7.62 | **98.94%** |
| | 7,001 – 10,000 | 1 | 0 | 1 | 0.38 | **100%** |
| | > 10,000 | 0 | 0 | 0 | 0 | **0** |
| | **Total** | **197** | **26** | **223** | **100** | **100%** |

Source: Own Survey

There was a total sample of 223 employees, who participated in this study from various work units of the corporation, of which out of 197(75.7%) are male and 26(24.3%) female.

As can be seen from the table above, majority of the respondents

85(38.11%) are among 31 – 40 years and 41-50 was 64(28.69 %) of the respondents the sum of two group is 66% which is the most productive and highly affect the performance of the corporation and expected to have more loyal and ownership feeling. People with the age category less than 30 years 56 (25.11%) are those who are more ambitious and flexible to accept and can be used as catalyst to the process of changes.

As far as marital status is concerned, majority of the employees 142(63.64%) are married and around one third, 80 (35.87%) of the employees are single, only few 21(.44%) are widowed and no one is found who is divorced. It is believed that respondents who are single have ease for movement from one organization to another than married employees. Most respondents are married which will contribute to the stability of the staff. However, if the corporation couldn't create feeling of loyalty to employees, this factor cannot make them stay in the corporation.

When we come to educational level of the respondents, it is clearly seen from the table that most are degree holders 208(93.27%). There are 15(6.72%) respondents who have second degree; there is no respondent who has PhD. The need for improving the education and training of the workforce is important so as to bring organizational development.

With regard to work experience of the respondents, the table shows that majority of the respondents 61 (27.55 %) have 5-10 years of experience and 105( 29.7%) employees have more than 10 years of service in the corporation. 75% of the employees have experience of more than 5 years. These employees seem to have good knowledge and experience regarding the corporation. The experiences and stay of these employees will have significant impact on the performance of the corporation. The remaining 47(21.07%) and 10 (0.38%) of the respondents have an experience of 5 years and less than 5 years respectively.

With reference to the last variable of respondents demographic characteristics, monthly salary, the majority of employees 149(66.81%) get monthly salary of br. 1,500- 4,000 while 56(25.11%) get less than br. 1,500 and 18(8.27%) respondents are within the income category of br. 4,001-7,000 and, only 1(.38%) respondent get monthly income in the range br. 7,001-10,000. Among respondents there is no one

who gets a monthly salary greater than br. 10,000. Most of the professional employees' salary is below br. 4000.

Overall data analysis of demographic background, EEPCo., has many experienced employees, but they have no enough salary as compared with similar organizations.

## 4.2 General Information

### 4.2.1 Organizational Trend of the Corporation

A. Employees overall satisfaction with EEPCO

**Fig. 4.1 Year of Service**

Year of service in EEPCo.
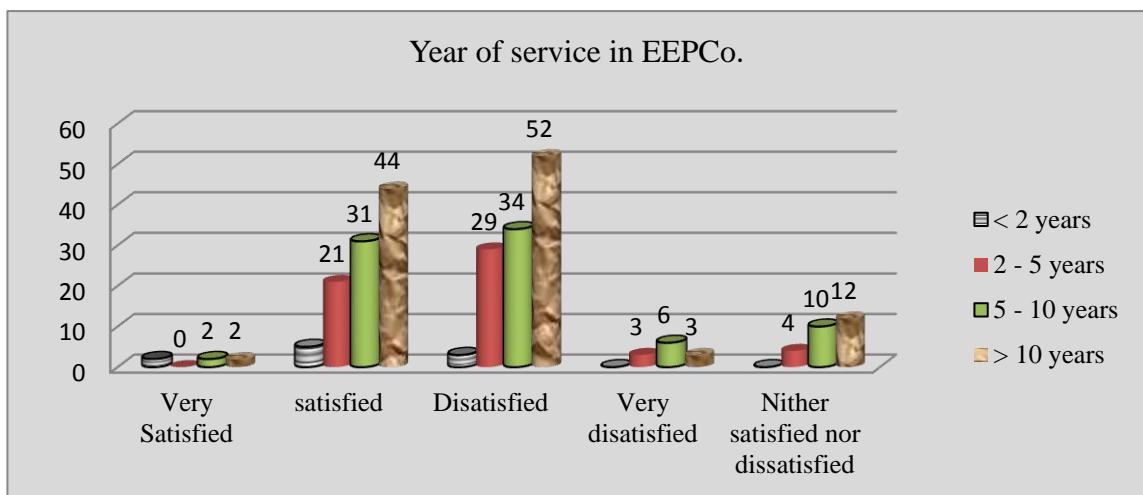
Source: Own Survey

6(2.69%) of the respondents are very satisfied and 84(37.66%) satisfied with related to overall company's atmospheres. It is almost 40% of the respondents, the stronger an employee's satisfaction is to the organization, the less likely the person is to quit. Strong satisfaction is also correlated with low absenteeism and relatively high productivity. For the change that the corporation starts also will have positive acceptance. The other 60% of the respondent are 100(44.86%) are dissatisfied and 9(4.03%) are very dissatisfied with regarding to the corporation. 24(10.76%) are neither satisfied nor dissatisfied, for the group that have no any satisfaction or dissatisfaction also need less effort/incentive, motivation and other convincing method to make them the part of the change.

As can be seen from the table (4.1), When considering the years of services of the respondents long years of experience should have considerable satisfaction, the sense of

belongingness to the corporation and a sense of excitement in the job will have expect from these group. On the other hand, the data shows 104(46.63) respondents disagreement with this statement. As researchers observed seniority often brings advantages that tend to develop more positive attitudes; and opportunities in the job market may decrease with age, causing workers to become more strongly attached to their current job (Hellriegel, 2000).

**Fig. 4.2 Monthly Salary**
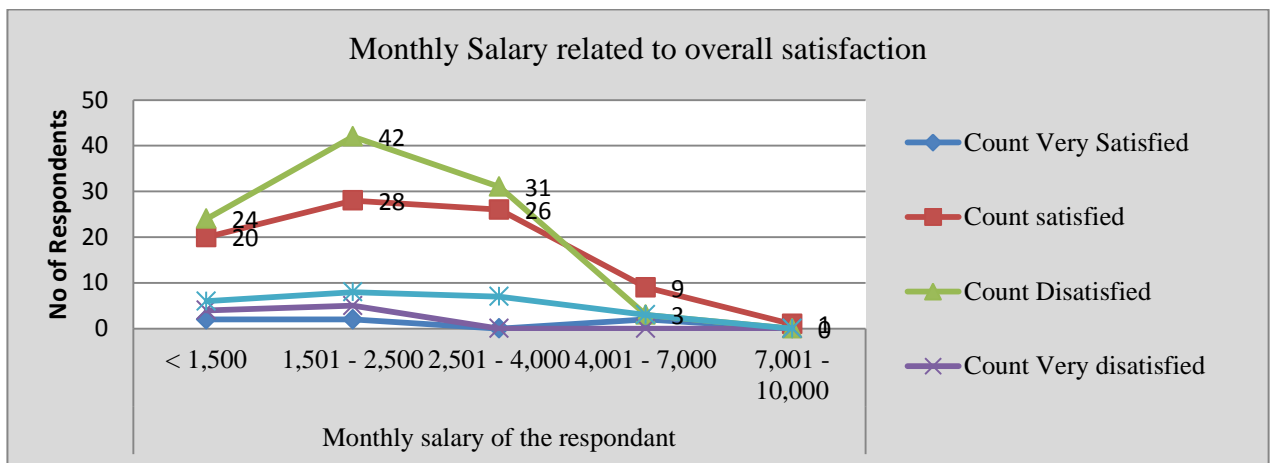


Source: Own Survey

As stated above most employees of the corporation are not satisfied with the existing salary, dissatisfied employees will have a lesser sense of belongingness and commitment due to these reasons they can't contribute their best.

Most of the time salary is taken as one of the important factors affecting employee job satisfaction. However, the comparison of Salary and satisfaction level shows that 139(62%) respondents who earn a monthly salary of 2, 5001 – 7,000 are not satisfied. This implies that salary only could not give satisfaction and there are other non financial factors such as concern, value and challenging job are pivotal.

## A. Comparison of EEPCo with similar Companies/Organizations

**Fig. 4.3 Year of Service with company rate**
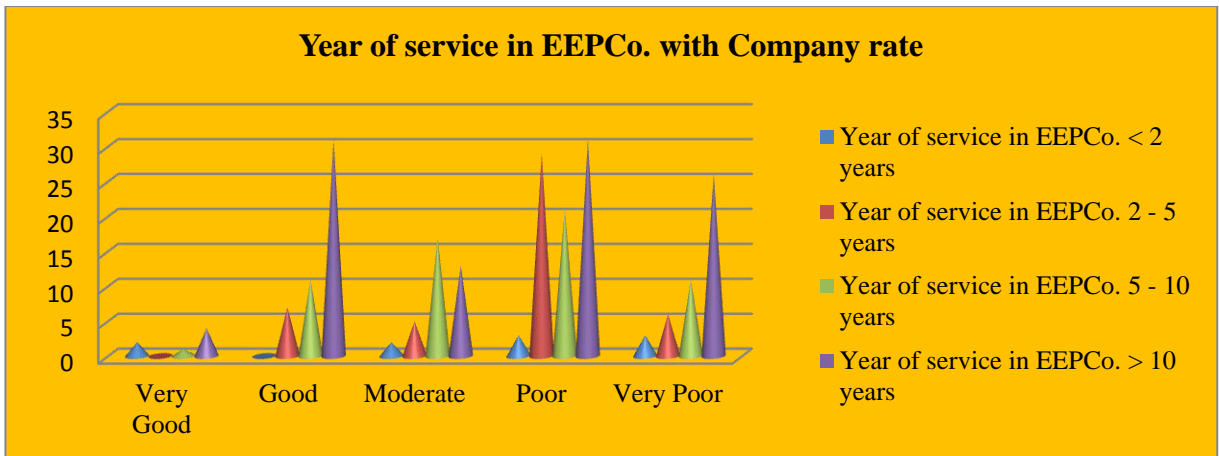


Source: Own Survey

Regarding company rating 87(39 %) of the respondents rated the corporation as poor, and very poor as compared to other organizations. Few respondents 13(5.82%) answered very good, 58(26%) answer good and the other 65(29.14%) answer moderate. This implies that EEPCo, as an organization has low value in most of its employees. The existing system could not make employees to feel proud to be members of the corporation.

## B. Organization commitment in keeping the morale, loyalty, and job satisfaction

**Fig.4.4 Year of Service with organizational commitment**
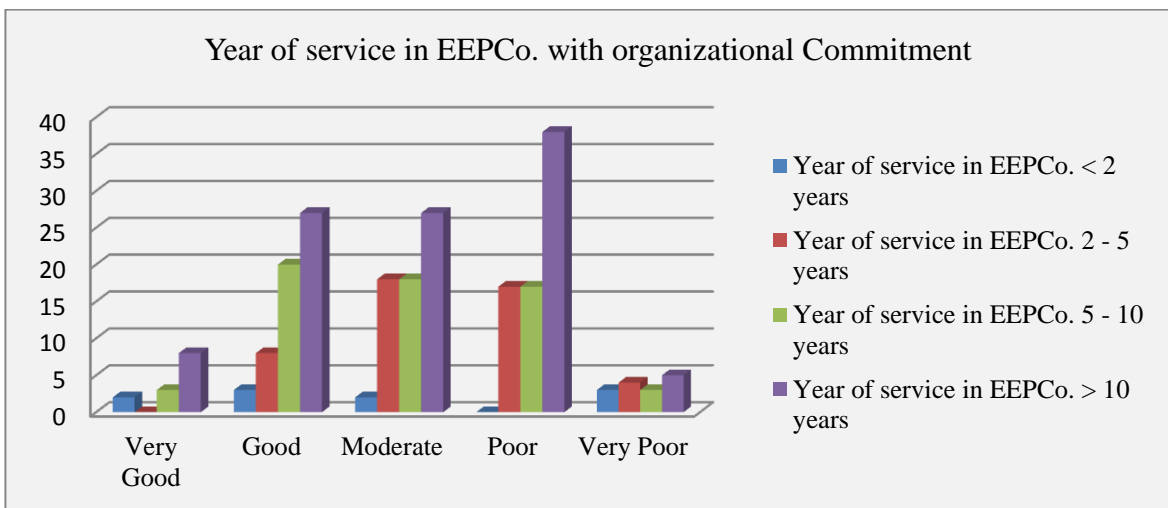


Source: Own survey

Regarding the corporation's commitment towards its employees 130 (58.29%), which is more than half of the respondents, answered as poor and very poor respectively. The common purpose that grow out of strong commitment to employees show concerns to all organizational members to make them to give what they have to the output expected from them. However, most employees' organizational citizenship behavior is found to be low which can affect the productivity of the organization. This behavior will also highly affect the behavior of new entrants.

In the analysis of those questions above, most of the respondents are not satisfied on overall system of the organization, even if the salary of the respondents is not enough and the seniority of services of the employee couldn't make them feel concerned and loyal. salary is not sole factor to employee satisfaction other non financial factors such as system, structure and management behavior are strongly affect employees satisfaction, as the researcher can be interpreted, so the organizational culture seems weak.

## 4.2.2 Employee Attitude on Organizational Culture & Atmosphere

Employees' attitude is an indicator of whether the organization has strong culture, the nature of belief and expectations about organizational life being fulfilled. These questions are categorized in to three parts to assess employees' attitude about themselves, about their leaders and all about the organization's atmosphere.

**Table 4.2 Employee Attitude**

| Questions | Strongly Disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % |
| The Purpose of this organization is meaningful to me. | 10 | 4.5 | 23 | 10.3 | 37 | 16.6 | 85 | 38.1 | 68 | 30.5 |
| The values of this organization are consistent with my values. | 6 | 2.7 | 59 | 26.5 | 47 | 21.1 | 75 | 33.6 | 36 | 16.1 |
| I understand how my work contributes to the organization's performance. | 3 | 1.3 | 17 | 7.6 | 35 | 15.7 | 105 | 47.5 | 62 | 27.8 |
| This organization feels like family. | 18 | 8.1 | 51 | 22.9 | 34 | 15.2 | 85 | 38.1 | 34 | 15.2 |
| My work gives me a feeling of personal accomplishment. | 16 | 7.2 | 26 | 11.7 | 57 | 25.6 | 104 | 46.6 | 19 | 8.5 |

Source: Own Survey

## A. Employees Attitude toward themselves

For the first question concerning employees' attitude towards themselves on how much they are clear for the purpose of the organization 85(38.1%) and 68(30.5%) that is 69% of the respondents has clear understanding of the corporations objectives while 37(16.6%) have moderate understanding. 15% of the respondents have no clear understanding of the purpose of the corporation.

Regarding the consistency of the value of the corporation with their values 36(16.1%), 75(33.6%) and 47(21%) of the respondents answer strongly agree, agree and neutral respectively. 30% of the respondents disagree on the issue.

Majority of the employees, 167(73.3%) understand the relation between individual and organizational performance. Hence, these employees have better understanding about their work and will contribute to the organizational performance.

Most employees 119(54%) rated the atmosphere/ social relationship in the organization as good, and this will create a better environment for employees and the organization as well. According to the respondents view the feeling of personal accomplishment with their work is good 19(8.5%) and 104(46.4%) strongly agreed and agreed on the issue. So, the respondents feel valued and pride on their work.

Overall analysis shows that more than 50% of employees have clear understanding of the purpose, and they feel their contribution has values to the corporation. According to Meyer and Allen (1997) cited in Rashid, et.al: 2003) employees who have clear understanding of the organizational goal, whatever the circumstances and shares the company goals. Thus, having a committed workforce would be an added advantage to an organization and this kind of feelings are also helpful for the next change process.

**Table 4.3 Communication of Leaders and Employees**

| Questions | Strongly Disagree | | Disagree | | Neutral | | Agree | | Strongly agree | | Mean | Mode | SD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % | | | |
| I trust senior leaders. | 21 | 9.4 | 55 | 24.7 | 61 | 27.4 | 67 | 30 | 19 | 8.5 | 3.02 | 3 | 1.112 |
| I trust my supervisor/manager. | 8 | 3.6 | 44 | 19.7 | 76 | 34.1 | 73 | 32.7 | 22 | 9.9 | 3.27 | 4 | 0.981 |
| I am treated with fairness and respect in this organization. | 20 | 9 | 66 | 29.6 | 60 | 26.9 | 76 | 34.1 | 1 | 0.4 | 2.87 | 4 | 0.984 |
| We have competent senior leaders. | 18 | 8.1 | 64 | 28.7 | 67 | 30 | 58 | 26 | 16 | 7.2 | 2.97 | 2 | 1.093 |
| At work, my opinions seem to count. | 16 | 7.2 | 42 | 18.8 | 77 | 34.5 | 80 | 35.9 | 8 | 3.6 | 3.11 | 4 | 0.982 |
| I am informed on the strategy and goals of this organization. | 20 | 9 | 49 | 22 | 56 | 25.1 | 83 | 37.2 | 15 | 6.7 | 3.1 | 4 | 1.092 |
| My supervisor/manager take the time to listen to my concerns. | 25 | 11.2 | 78 | 35 | 39 | 17.5 | 72 | 32.3 | 9 | .4 | 2.84 | 2 | 1.104 |
| My supervisor/manager talks to me about my progress. | 19 | 8.5 | 42 | 18.8 | 56 | 25.1 | 74 | 33.2 | 32 | 14.3 | 3.21 | 4 | 1.138 |
| I am involved in decision-making that impacts me. | 13 | 5.8 | 73 | 32.7 | 85 | 38.1 | 42 | 18.8 | 7 | 3.1 | 3.04 | 3 | 2.434 |

*Source: Own Survey*

## B. Communication of Leaders and Employees

Strong culture is valuable for the organization because it enhances organizational commitment. It guides employees towards right direction; the role of leaders towards clear communications with their workers is basic to the achievement of organizational objectives.

The above table (4.3) illustrate that the major and important factor for feel concerns to organization's employee should trust senior leaders, the respondents of this question 21(9.4) are strongly disagree, 55(24.7%) disagree, and 61(27.4%) neutral in their responses. 67(30%), 19(8.5%) only, answered agree and strongly agree respectively. To establish organizational culture, the duty of managers should be to ensure that all workers respect the organizational culture and run the organization as per its philosophy. So, if employees couldn't have the trust for its leaders, it will have negative impact to the organization.

The table 4.3 clearly indicated that 76(34.1%) responded neutral, 73(32.7%) agree and 22(9.9%) strongly agree on trusting their direct supervisor/manager. Only 23% of the respondents have negative feeling on it, which emphasizes that employee behavior on the job is influenced directly - positively or negatively by his or her immediate supervisor, most of respondents have good relationship with their direct supervisor. But most of the corporation's supervisors have lowest level of managing things according to the organizational culture, their role limits with operational work and directed workers on daily bases objectives.

Respondents expressed their disagreement with the statement related with the issue, for the question if they treated with fairness and respect in the organization. Out of the total respondents of 223, 20(9%) strongly disagree, 66(29.6%) disagree, and 60(26.9%) are neutral. The other are expressed their feeling 76(34.1%) agree, 1(.4%) strongly agree. From this figure, it can be easily inferred that employees are not feel they treated fairly in EEPCo.

According to the questions on competence of senior leaders, 58(26%) and 16(7.2%) agree and strongly agree respectively but 18(8%), 64(28.7%) and 67(26%) are responded strongly disagree, disagree and neutral respectively. The mission and vision of the organization expressed by the effort, hard work, competitive spirit of the leaders, most respondents also have no confidence whether leaders have enough skills or not.

Majority of the respondents for this question 77(34.5%), 80(35.9%) and 8(3.6%) answer neutral, agree and strongly agree. And only 16(7.2%), 42(18.8%) answer strongly disagree and disagree. The feeling of 74% of the respondents seems positive to their works as valued in the eyes of their supervisors. This is one of the factors that organizations to have strong culture.

When we come to the question asked about the participation of employees on the strategy and goals of the organization, 20(9%) and 49(22%) of the respondents answered disagree and disagree, and 56(25.1%), 83(37.2%), 15(6.7%) neutral, agree and strongly agree respectively, It seems that almost 71% of the respondents participated on the and feel they are as valued in the corporation.

Almost 47%, 25(11.2%) and 78(35%) respondents strongly disagree, and disagree on the question that if their supervisor take time to listen them. 39(17.5%), 72(32.2%) and 9(.4%) are also neutral, agree and strongly agree, to this question.

27% of the respondents do not agree as their supervisors' talks about their progress, and major respondents 56(28.1%), 74(33.2%) and 32(14.3) answered neutral, agree and strongly agree respectively.

For the other last question respondents have also expressed their disappointed feeling, it seems employees not feel concerned, valued and participative with their work and professions. As it is taken one factor to satisfaction and good attachment to the organization employees of EEPCo., need more concern and give value to their profession.

## C. Attachment with the Corporation

Organizations need to have organizational loyalty, belongingness, and taking responsibility and accountability to accomplish their work of their employees. Such attitude of employees has discussed below;

**Table 4.4 Attachment with the Corporation**

| Questions | Strongly Disagree | | Disagree | | Neutral | | Agree | | Strongly agree | | Mean | Mode | SD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % | | | |
| I am proud of this organization. | 6 | 2.7 | 62 | 27.8 | 56 | 25.1 | 71 | 31.8 | 28 | 12.6 | 3.24 | 4 | 1.102 |
| This organization feels like family. | 18 | 8.1 | 51 | 22.9 | 34 | 15.2 | 85 | 38.1 | 34 | 15.2 | 3.27 | 4 | 1.214 |
| There is good cooperation among my co-workers. | 5 | 2.2 | 36 | 16.1 | 41 | 18.4 | 92 | 41.3 | 49 | 22 | 3.68 | 4 | 1.061 |
| I have the materials and equipment I need to do my work right. | 33 | 14.8 | 74 | 33.2 | 39 | 17.5 | 61 | 27.4 | 16 | 7.2 | 2.87 | 2 | 1.204 |
| I have the opportunity at work to learn and grow. | 18 | 8.1 | 54 | 24.2 | 45 | 20.2 | 79 | 35.4 | 27 | 12.1 | 3.16 | 4 | 1.104 |
| My work gives me a feeling of personal accomplishment. | 16 | 7.2 | 26 | 11.7 | 57 | 25.6 | 104 | 46.6 | 19 | 8.5 | 3.36 | 4 | 1.014 |

Source: Own Survey

The above table shows respondents opinion about feel proud of the organization, 71(31.8%) agree, 28(12.6%) strongly agree, and 56(25%) are neutral. 6(2.7%) and 62(27.8%) answer strongly disagree and disagree respectively.

Among all respondents of the question majority 119(54%) expressed their feeling like family and 34(15%) neutral. Most of the respondents replied as they have good cooperation with their co-workers. 141(63.3%) answered agree and strongly agree and around 41 (18%) are neutral in this regard. According to the table above, respondents that have challenging work comprises 56(25.1%), 74(35.4) and 27(12.1%) with neutral, agree and strongly agree responses respectively. It clearly shows that employees need a challenging work.

For the question on the opportunity to learn and grow 18(8.1%), 54(24.2%) 45(20.2%), answered strongly disagree, disagree and neutral, while 106 of the respondents which is around (57%) supported the opportunity to learn in the organization. On the issue of personal satisfaction on their task 81% of respondents replied that they are satisfied on the issue.

The analysis of those answers the major and most important part of creating strong culture to organization is to make members to have loyalty. Organizational culture refers to the

relatively enduring set of values and norms that underlie a social system; respondents have high value on them but couldn't come more attachment with the corporation.

The previous consecutive sections show that respondents have good feeling of the organization, about their profession and value of their contribution, and also the respondent confirmed that they have no good communication with their leaders the attachment of their feeling with the corporation also weak.

### 4.2.3. Leadership and Management Style of the Corporation

## A. Leadership

Leadership is one of the most important aspects of studies of organizational culture. It is the leader who creates conducive working environment make the employee to be concerned to the objectives. The success of an organization highly depends upon the efficiency of the leader. It is the attributes, positive approach and the ability to solve problems that make a person to be a leader. Leaders should be able to turn the hopeless situation in favor. Leaders should be able to evolve techniques and lead the organization to win-win strategy and should be able to motivate employees.

**Table 4.5 Leadership style**

| | Very poor | | Poor | | Average | | Good | | Excellent | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % |
| Demonstration of EEPCO's values through words and actions by Senior Leaders. | 27 | 12.1 | 74 | 33.2 | 73 | 32.7 | 41 | 18.4 | 3 | 1.3 |
| Timely communication of new issues to employees by Leaders | 28 | 12.6 | 90 | 40.4 | 75 | 33.6 | 23 | 10.3 | 7 | 3.1 |
| Leaders role in mentoring, facilitating, or nurturing. | 17 | 7.6 | 83 | 37.2 | 70 | 31.4 | 45 | 20.2 | 4 | 1.8 |
| Leaders role and capability in innovation | 31 | 13.9 | 86 | 38.6 | 68 | 30.5 | 33 | 14.8 | 33 | 1.3 |
| Leaders role and capability regarding risk-taking behavior | 29 | 13 | 94 | 42.2 | 69 | 30.9 | 27 | 12.1 | 4 | 1.8 |
| Leaders role and capability of operating/deciding in a non-biased atmosphere | 26 | 11.7 | 80 | 35.9 | 73 | 32.7 | 31 | 13.9 | 13 | 5.8 |
| Leaders attitude and focus towards results-oriented activities. | 11 | 4.9 | 62 | 27.8 | 98 | 43.9 | 47 | 21.1 | 5 | 2.2 |
| Capability of leaders to encourage willingness of individuals to work toward goals on a continuing basis. | 16 | 7.2 | 75 | 33.6 | 82 | 36.8 | 41 | 18.4 | 9 | 4.0 |

Source: Own Survey

From the above table, respondents answers for the first question 27(12.1%) and 74(33.2%), for the second question 28(12.6) and 90(40.4%), for the third 17(7.6%) and 83(37.2%), for the forth 31(13.9%) and 86(38.6), Fifth 29(13%) and 94(42.2%), sixth 26(11.7%) and 80(35.9%), seventh 11(4.9%) and 62(27.8%), and eighth 16(7.2%) and 75(33.6%), more than 50% of the respondent answers very poor and poor respectively. the graph for those questions is also skewed to the right. It means most respondents answered very poor and poor.

The table also illustrate that the leaders in communicating new issues to employees, in monitoring, facilitating or nurturing, capability in innovation, capability in risk-taking behavior, capability of operating/deciding, is the basic problem of the leaders.  Supplementary information also has provided in the table below;

**Table 4.6 Leadership Styles**

|  |  | Q.1 | Q.2 | Q.3 | Q.4 | Q.5 | Q.6 | Q.7 | Q.8 |
|---|---|---|---|---|---|---|---|---|---|
| N |  | 218 | 223 | 219 | 221 | 223 | 223 | 223 | 223 |
|  | Missing | 5 | 0 | 4 | 2 | 0 | 0 | 0 | 0 |
| Mean |  | 2.63 | 2.51 | 2.71 | 2.51 | 2.48 | 2.66 | 2.88 | 2.78 |
| Mode |  | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| Std. Deviation |  | .972 | .948 | .942 | .956 | .929 | 1.044 | .874 | .963 |
| Skewness |  | .074 | .447 | .183 | .248 | .379 | .398 | .326 | .230 |
| Std. Error of Skewness |  | .165 | .163 | .164 | .164 | .163 | .163 | .163 | .163 |

Source: Own Survey

This table indicates that more than 50% of the respondent answers are very poor and poor and the other 30% of the respondents lay on average, the respondents of good and very good are almost below 20%.  Leadership contributes significantly in the success and failure of an organization. The relationship of leadership style in taking responsibility, decision making, and concern of employees' performance has an impact on organizations development.

As can be seen from the table above, the five questions measure Leader ship style opinion of the respondents. The average mean of all questions is (3.34) and the SD of each questions are (.874 – 1.044).  It clearly shows that majority of the respondents have no positive feeling of good communication with the leaders. The senses of belongingness and excitement are based on frustration if workers do not have respect for them, and confidence in, management leadership.

## C. Administration/Management style

The following graphs presents the descriptive statistics of the respondents frequencies to answers how the corporation characterized in accordance of administration style of team work, Consensus, Participation, individual risk taking, Innovation, freedom and Uniqueness, hard driving competitiveness and achievements, security of employment, stability of relationship, turnover and absenteeism.

**Fig. 4.5 Administration/Management Style (by Team Work)**



**Characterized by teamwork**
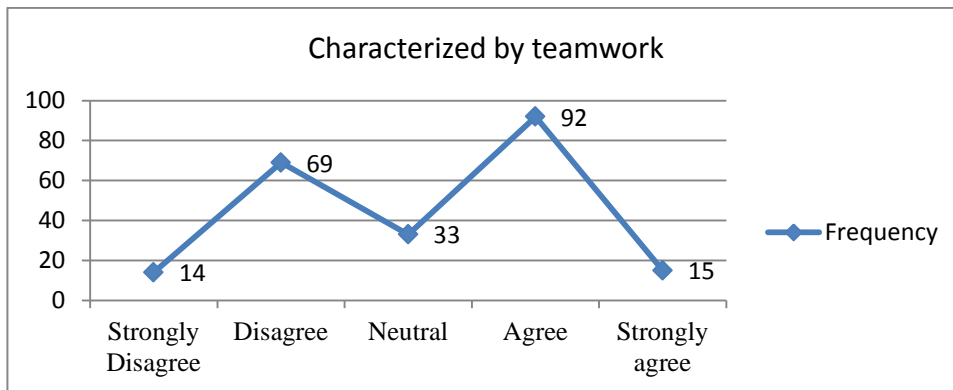
Source: Own Survey

This graph indicate 14(6.2%), 69(30.94%), 33(14.79%), 92(41.25) and 15(6.72%) are responded strongly disagree, disagree, neutral, agree and strongly agree respectively. The figure demonstrates that the prevalence of relatively team based culture. Nonetheless, around 37% respondents are not agreeing in this question.

**Fig. 4.6 Administrative /Management style (by Consensus)**



**Characterized by consensus**
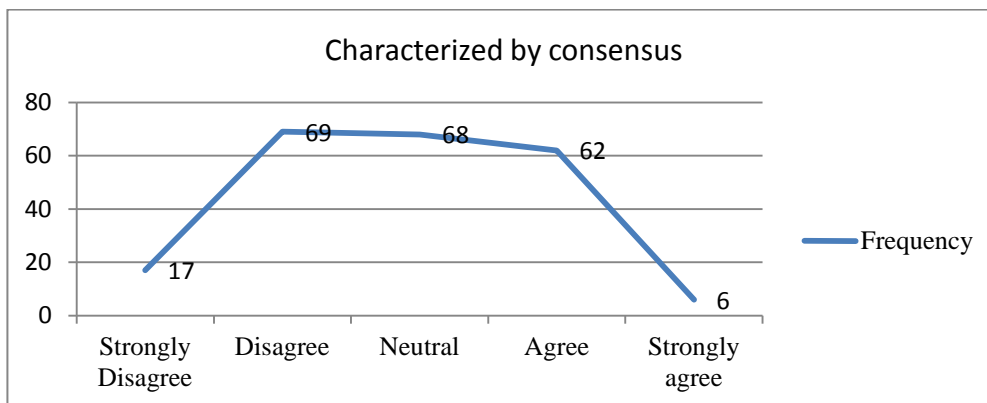
Source: Own Survey

Regarding management style by consensus, majority of the respondents, 68(30.49%), 62(27.80%), and 6(2.69) answer neutral, agree and strongly agree respectively.

Fig. 4.7 Administrative /Management style (By participation)
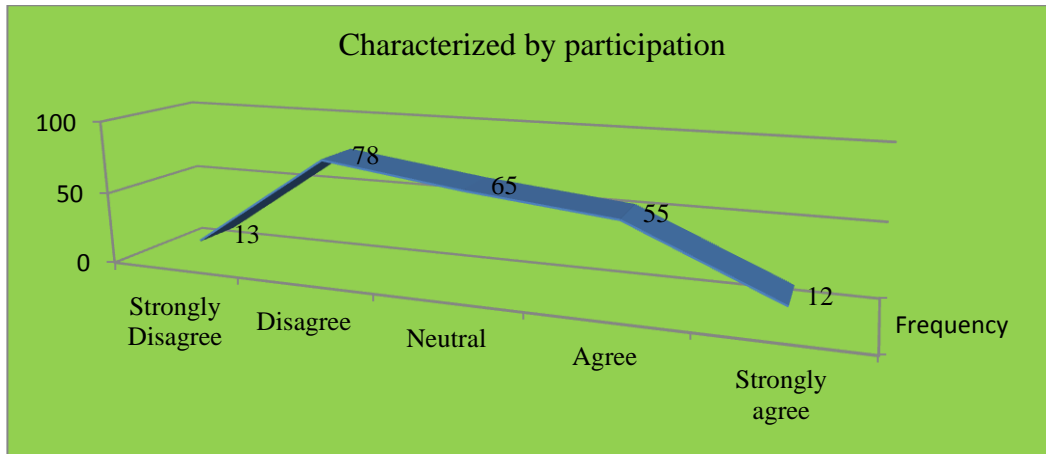


Source: Own Survey

13(5.82%) and 78(34.97%) are respond strongly disagree and disagree for this question 65(29.14%) answered neutral 55(24%) and 12(5.38%). It means that 65% of the respondents feel that employees' participation on major issues became weak. This is far apart from what $21^{st}$ century management on leadership advocates. Recently, Organizations advocate participative leadership, it is believed that one of motivational way to employee and make them to feel responsibility and take accountability to their duty.

**Fig 4.8 Administrative /Management style (by Risk Taking)**
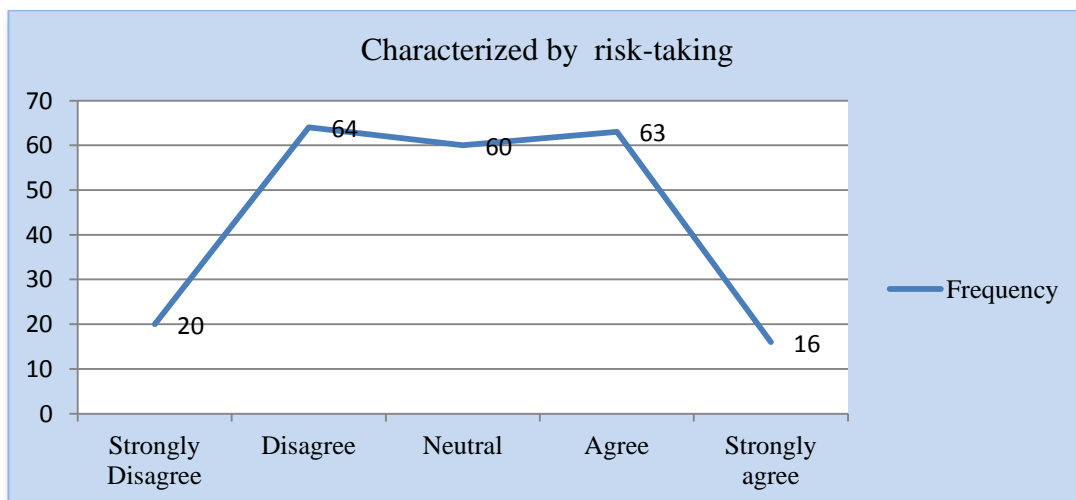


Source: Own Survey

For the question, the organization is characterized by individual risk – taking, out of 223 respondents 20(8.96%), 64(28.69) 37.6% are responded strongly disagree and disagree

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respectively.   And the other 60(26.9%), neutral, 63(28.25%) and 16(7.17%) are agreed in the risk taking.

**Table 4.7 Administrative styles**

| Questions | Mean | Mode | Std. Deviation | Skewness | Std. of skw |
|---|---|---|---|---|---|
| Administration /management style in the organization is characterized by innovation, freedom, and uniqueness. | 3.74 | 2 | 1.034 | .547 | .163 |
| Administration /management style in the organization is characterized by hard-driving competitiveness and achieve. | 2.80 | 2 | 1.174 | .365 | .163 |
| Administration/ management style in the organization is characterized by security of employment | 3.72 | 2 | 1.093 | 184 | 163 |
| Administration/ management style in the organization is characterized by stability in relationships | 2.91 | 3 | .994 | .033 | .163 |
| Due to the existing  administration/management style in  the organization turnover is minimum | 3.42 | 2 | 1.136 | .401 | .163 |
| Due to the existing  administration/management style in  the organization absenteeism is minimum | 3.00 | 2 | 3.752 | 6.119 | 163 |

Source: Own Survey

When we come to question 5- 9 the result clearly showed the mean of all the value is similar and indicates their  dissatisfaction of respondents on the administration style, the mean result of  the respondents is(3.8), which means 60% -70% of the respondents are very disagree, disagree and neutral. The SD also rated (1.034, 1.724, 1.093, .994, 1.136, 3.752).  The skewness of the values except the forth question is high.  This shows, that employee are not satisfied with the style of administration/management.

**Fig 4.9 Turnover and Absenteeism**
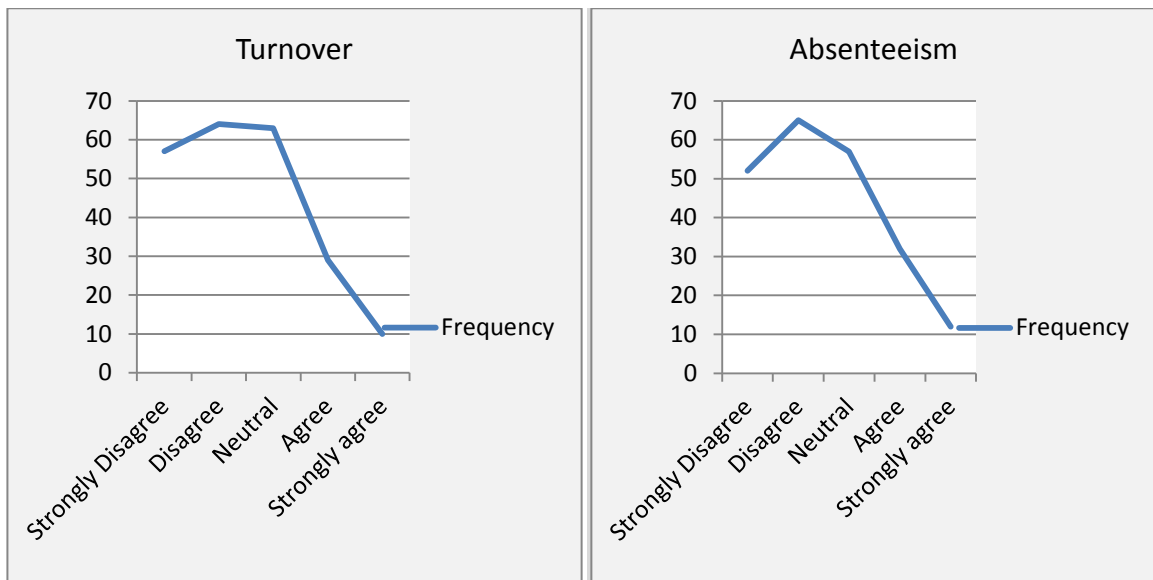


*Own Survey*

As indicated above if employees are not satisfied on the management of the corporation, the result of the dissatisfaction expressed by different way for example the above two questions shows that the management system of the corporation couldn't contribute to minimize turnover and absenteeism. The above graphs show the respondents answers for the two questions.

## 4.2.4    CULTURE AND ORGANIZATIONAL DEVELOPMENT

The following data has assessed how the respondents look the progress of creating organizational development in the corporation.

**Table 4.8 Organizational Development**

| | Strongly Disagree | | Disagree | | Neutral | | Agree | | Strongly agree | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Freq. | % | Mean | Mode | SD |
| The emphasis given to employee career development in the organization | 55 | 24.7 | 80 | 35.9 | 37 | 16.6 | 46 | 20.6 | 5 | 2.2 | 2.4 | 2 | 1.134 |
| The emphasis concerning acquiring new resources and creating new challenges. | 26 | 11.7 | 102 | 45.7 | 52 | 23.3 | 31 | 13.9 | 10 | 4.5 | 2.53 | 2 | 1.02 |
| There exist a tendency of trying new things and prospecting for opportunities is valued | 18 | 8.1 | 79 | 35.4 | 90 | 40.4 | 34 | 15.2 | 2 | 6 | 2.65 | 3 | 0.866 |
| The organization emphasizes competitive actions and achievement | 25 | 11.2 | 85 | 38.1 | 67 | 30 | 42 | 18.8 | 4 | 1.8 | 2.62 | 2 | 0.947 |
| The definition of success on the basis of the development of human resources. | 31 | 13.9 | 76 | 34.1 | 76 | 34.1 | 36 | 16.1 | 4 | 1.8 | 2.58 | 2 | 0.978 |
| The definition of success on the basis of concern for people. | 29 | 13 | 75 | 33.6 | 64 | 28.7 | 51 | 22.9 | 4 | 1.8 | 2.67 | 2 | 1.025 |
| The definition of success on the basis of having the most unique or newest products. | 54 | 24..2 | 72 | 32.3 | 78 | 35 | 19 | 8.5 | | | 2.28 | 3 | 0.927 |
| The definition of success on the basis of winning in the marketplace and outpacing the competition. | 29 | 13 | 85 | 38.1 | 65 | 29.1 | 29 | 13 | 12 | 5.4 | 2.59 | 2 | 1.049 |
| The definition of success on the basis of efficiency | 36 | 16.1 | 77 | 34.5 | 68 | 30.5 | 32 | 14.3 | 10 | 4.5 | 2.57 | 2 | 1.063 |
| The definition of success on the basis of smooth scheduling | 24 | 10.8 | 56 | 25.1 | 94 | 42.2 | 42 | 18.8 | 7 | 3.1 | 2.78 | 3 | 0.976 |

Source: Own Survey

The above table clearly indicated that the negative observation of the respondents' for each question about practicing organizational development, strongly disagree and disagree are more than 50% for each questions except the last question, 25% - 35% answered neutral averagely, agree and strongly agree are almost has no value even the seventh question is nil in strongly agree. Due to this, Figure 4.9 skewed to the right.

**Fig 4.9 Organizational Development**
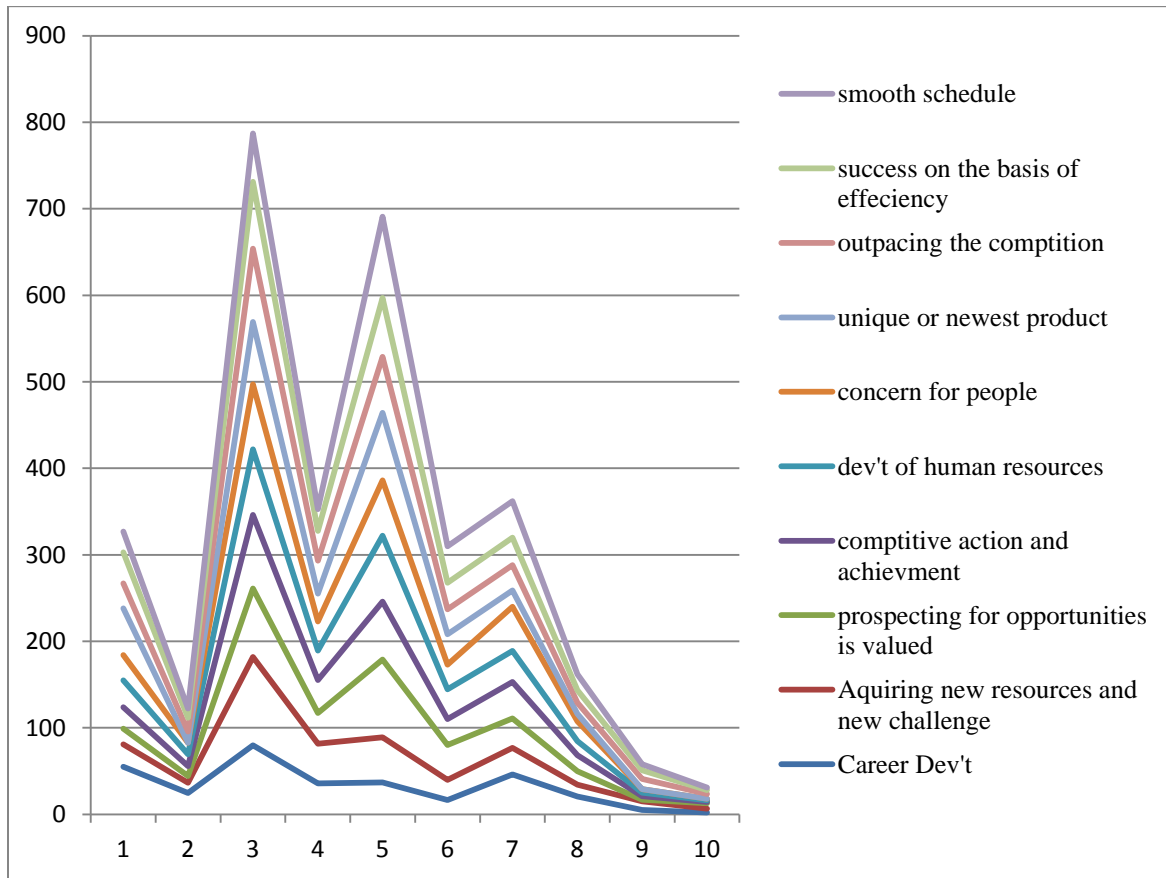


Source: Own Survey

Respondents expressed their dissatisfaction with the statements related with the issue, regarding culture and organizational development in the organization. The mean is 3.46 and SD .998 this shows that all respondents for each questions answered the question lies on disagree.

Organizational development has a sequential impact on life style. It is therefore, essential for organizations to improve organizational culture, redefine and redesign jobs, accord full freedom of work and empower the employees (Lok et. al. 1995). According to the above analysis the corporation needs to practice and improve the job satisfaction of employees through organizational development.

## 4.3. Analysis of Interview Data

In order to enrich the data and gather further information interview were conducted with Corporate HR team leader, technical advisors of HR executive, and Generations construction HR team leader through semi structured interview.

All the three interviewee agreed on the failures of the change process of BPR and they all believe that the failure is due to weak organizational culture. However, the technical advisor of the HR executive argued that the main reason for the failures associated with the nature of the corporation's vast and dispersed and monopolistic nature. He further added that national culture by itself influences organizational culture, EEPCo. has branches in every regional states of Ethiopia and it has influences to make its own culture, and the flat structure of EEPCo has hindrances to communicate and created clear and equal understanding to all leaders.

Corporate HR and Generation construction HR team leaders also said that the structure of the corporation, vision and mission was helpful to achieve the expected change but there was a challenge to change the attitude of leaders, and the leaders didn't engaged on major change campaigns.

As they respond to the solution in the process of transformation they all agreed that full commitment of leaders, clear communication b/n leaders and employees for common purposes to achievement could be helpful.  Both the Corporate HR and technical advisor of HR stressed on more attention to employee concern and individual development also should not ignore,  EEPCo has labor incentive nature if couldn't improve the system of it, the corporation is losing professional employees and it's in turn affect the performance of the corporation. Three of them agreed on the next change program will be more helpful on transferring knowledge, but still stressed on concerning to individual development could have bring organizational development.

# CHAPTER FIVE

# SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter focused on the summary of the major findings, conclusion, and recommendations that the corporation to consider on ongoing change programs.

## 5.1. Summary of Findings

This section demonstrates the whole picture of the study and starts by showing respondents general information.  The purpose of this study was to assess cultural trend of the organization and how it helps in promoting organizational development. So as to meet the objective of the study and come back with the research questions descriptive type survey was used. As a whole the findings demonstrated that the employee attitude in respond to organizational culture is less, the importance of culture was not in a situation to promote organizational development.  The major factors of organizational culture variables that should have positively influence to organizational development have not yet emphasized in the corporation, and the culture of the corporation doesn't accelerate employee integration through its leadership and management style. In general, the following major points were discussed in the preceding chapters;

- ➲ Demographic information assessed organizational trend by comparing respondents' years of experience and salary level with the overall feeling towards the corporation's atmosphere. Accordingly, the most significant factor for the employees is not salary but weakness of organizational culture. Even if employees have clear understanding about the organizations purpose, they don't have satisfaction compared with their years of experiences and level of salary they have got.

- ➲ Findings on employee attitude on organizational culture and atmosphere showed that employees have pride and more confidence on themselves, but employees feel that the

organizational atmosphere is not conducive and they feel the corporation doesn't give them concern. However, the personal inter relationship of employees and related to overall attachment of the corporation is good.

⮩ The leadership style indicated the behaviors which involve building trust, inspiring a shared vision, encouraging creativity and emphasizing development is somehow weak. Overall human resources management practices are poor and the management styles also need much emphasis. As it discussed above the management style of the corporation is weak and could not bring the expected outcome from the reform.

⮩ The corporation on the exercising strong organizational culture and working on organizational development is weak which doesn't give emphasis on individual and group development.

⮩ The findings from the interview with corporate HR and technical advisor of HR executive also show the reforms implemented before has not yet brought extended result. In setting clear and inspired vision and mission all leaders and employees have not clear understanding so as to achieve organizational goal. Moreover, problems around leadership and less concern for human asset have contributed to the failure of the change.

## 5.2. Conclusions

Culture helps to explain why different groups of people perceive things in their own way and perform things differently from other groups. Culture can help to enhance productivity, improves intra organizational communication, and promotes organizational development. It provides a consistency in outlook and values, and makes possible the process of decision-making, co-ordination and control.

This research study was undertaken with intention of highlighting the importance of strong organizational culture to enhance organizational development, as well as bring out good performance by creating employee loyalty and concern. It is evident that the corporations existing cultural trends is very poor.

Employees feel that they are valuable to the corporation and believe they perform better. Most employees have sense of ownership to the corporation, respect for the values and feel they are important, but they are not satisfied with overall system. The greatest concern affecting the corporation's culture was lack of clear communication, towards achieving the goal and the success of the organization doesn't come by itself.

Management style of the corporation and leadership style was not helpful and valuable for the organization, so it couldn't enhance organizational development. And it does not guide employees towards right direction while the role of leaders towards clear communications with their workers is basic to the achievement of organizational objectives.

The existing system as the respondent's opinion couldn't accelerate employees' integration, employees' participation, problem solving and decision making at various levels doesn't come without giving concern and recognition. Employees are highly dissatisfied with the non participative system of the corporation. Moreover, the corporation has no strong culture that promotes individual and organizational development.

## 5.3. Recommendations

Ethiopian Electric Power Corporation is a backbone to the country's development, every process of making the country to the middle level country's depend on this sector. The researcher recognizes the importance of organizational culture in achieving the aims and improvement of the corporation's affairs. So, the corporation as a whole and decision makers in particular try to identify and utilize useful methods and potential which has the capacity to enhance strong culture.

EEPCo., is going to change its system and it is in progress of split in to two big company namely Ethiopian Electric Power and Ethiopian Electric Utility. This opportunity also would help to unfreeze the status quo, then changing to a new state, and refreezing the new change to make it permanent and create strong culture; if the change managed properly it leads to learning, customer oriented and practical organizational development. Based on the study findings the following recommendations are forwarded;

- Setting clear and significant stretch goal is the first step for an organizational transformation. Thus, the vision and mission of the organization should have the capacity to demonstrate the goal, and should be inspirational.

- Executives should work on how their organizations designed and managed a recent change effort. Another crucial role an organization's leaders can play is to ensure that communication about the transformation as clear and effective as possible and how they engaged employees in it and how involved senior leaders. Hence, leaders of EEPCo should develop the trait of transforming changes effectively.

- There is a growing need to public sector organizations to improve on service delivery. To be able to do this effectively, leaders must devise a practical means of retaining employees who are critical to achieve the expected changes.

- Organizational change requires participation at all levels and solutions to the challenges that arise during such change can surface at all levels. Therefore, EEPCo should understand the vitality of employee participation.

- The corporation should create committed, capable and enthusiastic middle managers and direct supervisors, who have the ability to reward changes and address resistance among employees.

- Higher level management should recognize the importance of an engaged workforce and its potential to drive the expected performance since employees are highly motivated and vested in the success of their organizations and are willing an extra, discretionary effort

in their daily work. So, managers ensure that the employees are clearly engaged and motivated when they are empowered with some level of control over their careers and give them financial and non financial rewards.

- In promoting organizational development, the corporation should give prior attention to individual and group development. It means, the corporation should facilitate training and management development scheme to motivate employees.

## 5.4 Future Research Directions

Future research can be carried out to determine the impact of organizational culture in employee's commitment. It helps to identify the variable, which are not identified in the present study but affect the corporation's outcome and to assess how to improve the culture and commitment levels of the corporation.

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# Annex

**A. Questionnaire**

## St. Marry University

## School of Graduate Studies

### Master of Business Administration (MBA) Program

**Questionnaire filled by Employees of (EEPCo)**

**Dear Staff Member/ Respondent:-**

The purpose of this questionnaire is to collect data from leaders and employee's of EEPCo for conducting Master's of Business Administration (MBA) thesis on the title **"Assessment of organizational culture practices in promoting organizational development"** at Ethiopian Electric Power Corporation (EEPCo)**.** I kindly request you to spent your precious time to fill this questionnaire as frank as and reasonable as possible. I inform you that, the information you provide will be consumed for academic purpose only. It will be handled in a confidential manner and will not be used to identify you in any way. Therefore, you all are not expected to write your name.

Please answer all questions. If you are interested to have further information about this study, or have any problem in filling this questionnaire you can contact me:

Radia Soud Mohammed

Cell Phone No. -+251912188236

Email: radiasoud26@gmail.com

**Thank you very much in advance for your cooperation!**

### General Instructions

1. Please indicate your answers by ticking (✓) on the appropriate box
2. Please select only one among the options given in the Likert scales.
3. For open ended question use the space provided

**PART I**

*DEMOGRAPHIC CHARACTERISTICS AND GENERAL INFORMATION*

1. Age group

   Below 30 ☐    31 – 40 ☐    41 – 50 ☐    above 50 ☐

2. Gender

   Male ☐    Female ☐

3. Marital status

   Married ☐    Single ☐    Divorced ☐    Widowed ☐

**4.** Level of education

   First Degree ☐    Second Degree ☐    PhD ☐

5. Years of service in EEPCo

   Less than 2 year ☐    2 to 5 year ☐    5 to 10 years ☐    more than 10 years ☐

6. Monthly salary

   < 1,500 ☐    1,501 – 2,500 ☐    2,501 – 4,000 ☐

   4,001 – 7,000 ☐    7,001 – 10,000 ☐    > 10,000 ☐

7. Considering everything, how would you rate your overall satisfaction with EEPCO at the Present time?

   Very satisfied ☐    Satisfied ☐    Dissatisfied ☐

   Very dissatisfied ☐    Nneither satisfied nor dissatisfied ☐

8. How would you rate EEPCO as a company to work for compared to other companies/organizations?

Very good ☐          Good ☐          Moderate ☐
    Poor ☐          Very poor ☐

9. How do you rate the organization commitment in keeping the morale, loyalty, and job satisfaction of its employees?

Very good ☐          Good ☐          Moderate ☐

    Poor ☐          Very poor ☐

**PART II:**

*EMPLOYEE ATTITUDE ON ORGANIZATIONAL CULTURE & ATMOSPHERE*

Please rate the following statements Where: (1) strongly disagrees (2) Disagree, (3) Neutral, (4) Agree, (5) strongly agree.

| Statements | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| The Purpose of this organization is meaningful to me. | | | | | |
| The values of this organization are consistent with my values. | | | | | |
| I understand how my work contributes to the organization's performance. | | | | | |
| I trust senior leaders. | | | | | |
| I trust my supervisor/manager. | | | | | |
| I am treated with fairness and respect in this organization. | | | | | |
| We have competent senior leaders. | | | | | |
| I am proud of this organization. | | | | | |
| This organization feels like family. | | | | | |
| There is good cooperation among my co-workers. | | | | | |
| I have the materials and equipment I need to do my work right. | | | | | |
| At work, my opinions seem to count. | | | | | |
| I am informed on the strategy and goals of this organization. | | | | | |
| My supervisor/manager take the time to listen to my concerns. | | | | | |
| My supervisor/manager talks to me about my progress. | | | | | |
| I have the opportunity at work to learn and grow. | | | | | |
| I have challenging work. | | | | | |
| My work gives me a feeling of personal accomplishment. | | | | | |
| I am given substantial responsibility. | | | | | |
| I have the freedom to control how I get my work done. | | | | | |
| I am involved in decision-making that impacts me. | | | | | |

**PART III:**

*LEADERSHIP AND MANAGEMENT/ ADMINISTRATION STYLE*

**LEADERSHIP**

Please rate the following statements where: (1) Very Poor, (2) Poor, (3) Average, (4) Good, (5) Excellent,

| Statements | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Demonstration of EEPCO's values through words and actions by Senior Leaders. | | | | | |
| Timely communication of new issues to employees by Leaders | | | | | |
| Leaders role in mentoring, facilitating, or nurturing. | | | | | |
| Leaders role and capability in innovation | | | | | |
| Leaders role and capability regarding risk-taking behavior | | | | | |
| Leaders role and capability of operating/deciding in a non-biased atmosphere | | | | | |
| Leaders attitude and focus towards results-oriented activities. | | | | | |
| Capability of leaders to encourage willingness of individuals to work toward goals on a continuing basis. | | | | | |

**ADMINISTRATION/MANAGEMENT STYLE**

Please rate the following statements Where: (1) strongly disagrees, (2) Disagree, (3) Neutral, (4) Agree, (5) strongly agree; and put mark (x) as appropriate.

| Statements | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Administration/management style in the organization is characterized by teamwork. | | | | | |
| Administration/ management style in the organization is characterized by consensus | | | | | |
| Administration /management style in the organization is characterized by participation. | | | | | |
| Administration/ management style in the organization is characterized by individual risk-taking | | | | | |
| Administration /management style in the organization is characterized by innovation, freedom, and uniqueness. | | | | | |
| Administration /management style in the organization is characterized by hard-driving competitiveness and achievement. | | | | | |
| Administration/ management style in the organization is characterized by security of employment | | | | | |
| Administration/ management style in the organization is characterized by stability in relationships | | | | | |
| Due to the existing administration/management style in the organization turnover is minimum | | | | | |
| Due to the existing administration/management style in the organization absenteeism is minimum | | | | | |

**PART IV:**

*CULTURE AND ORGANIZATIONAL DEVELOPMENT*

Please indicate your level of satisfaction regarding culture and organizational development in the organization. Where: (1) Very Dissatisfied, (2) Dissatisfied, (3) Neutral, (4) Satisfied, (5) Very Satisfied

| Statements | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| The emphasis given to employee career development in the organization | | | | | |
| The emphasis concerning acquiring new resources and creating new challenges. | | | | | |
| There exist a tendency of trying new things and prospecting for opportunities is valued | | | | | |
| The organization emphasizes competitive actions and achievement | | | | | |
| The definition of success on the basis of the development of human resources. | | | | | |
| The definition of success on the basis of concern for people. | | | | | |
| The definition of success on the basis of having the most unique or newest products. | | | | | |
| The definition of success on the basis of winning in the marketplace and outpacing the competition. | | | | | |
| The definition of success on the basis of efficiency | | | | | |
| The definition of success on the basis of smooth scheduling | | | | | |

*COMMENTS*

1. What other additional comments do you have regarding the above issues.

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   -------------------------------------------------------------------------------------------------
   -------------------------------------------------------------------------------------------------
   -------------------------------------------------------------------------------------------------
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## B.  INTERVIEW ON CULTURE AND ORGANIZATIONAL DEVELOPMENT

This interview is made for the partial fulfillment MBA for the research title "Assessment of Organizational Culture Practices in Promoting Organizational Development: at EEPCo", and serves for academic purpose only.

Name: _____

Position in the organization: _____

1. How do you express the trend of the culture of the corporation?
2. How have you found the success of change processes ever made?
3. What was the problem?
4. What do you think is a possible solution to the problems?
5. What do you think about the factors can bring organizational development to the corporation.