



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

**THE EFFECTS OF ORGANIZATIONAL CULTURE ON EMPLOYEE JOB
PERFORMANCE**

BY

WOINSHET TAYE

JUNE, 2013

ADDIS ABABA, ETHIOPIA

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

**THE EFFECTS OF ORGANIZATIONAL CULTURE ON EMPLOYEE JOB
PERFORMANCE**

BY

WOINSHET TAYE

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

JUNE, 2013

ADDIS ABABA, ETHIOPIA

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

**THE EFFECTS OF ORGANIZATIONAL CULTURE ON EMPLOYEE
JOB PERFORMANCE**

BY

WOINSHET TAYE

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature

Advisor

Signature

External Examiner

Signature

Internal Examiner

Signature

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Dr: Yekunoamlak Alemu. 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.

Woinshet Taye

Name

St. Mary's University, Addis Ababa

Signature

JUNE, 2013

ENDORSEMENT

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

Yekunoamlak Alemu

Advisor

Signature

St. Mary's University, Addis Ababa

February, 2013

ACKNOWLEDGMENTS

First I would like to thank God and his mother Saint Mary for everything and making me happy and successful in my life.

I would like to express my sincere gratitude to my advisor Dr: Yekunoamlak Alemu for his constructive advice and guidance while I was writing this thesis. I am grateful to his invaluable comments and suggestions from which I have benefited a lot.

I would also like to express my deepest gratitude to my family especially My Brother, Yared Taye, for his moral encouragement and financial support in all my academic achievements.

My thanks also go to Ato Ashenafi Getachew and admire the support that I have received from him on all aspects of the thesis.

Additionally, I would like to express my sincerest appreciation to the following Staff Members who have made this research possible:

- Ato Dawit Amare for technical support on how to manipulate the SPSS software package.
- Ato Ayano Limeta, for his assistance in the proof reading of the thesis.
- All the employees of the Development Bank of Ethiopia who took the time to complete the questionnaires.

Finally, I would like to thank Fiseha Tadesse, for his continued interest, encouragement and support during the good and bad times. He gave me the strength needed to complete this thesis,

ABSTRACT

The primary objectives of this research is to investigate the nature and the extent of organizational culture impact on the employee job performance and also to examine the relationship between organizational culture and employee performance in Development Bank of Ethiopia. The study adopted survey research design. The population of the study is the employees of the Development bank of Ethiopia who work at head office. Both primary and secondary data were used for this study, primary data was collected through questioners administered to the selected respondents. Sample size is 25 % of the total population which is N=100. The researcher used organizational cultures variables Power culture, Role culture, Achievement culture, Support culture and other employee performance affecting variables such as performance appraisal, leadership style, remuneration, training and career movements. To analyze the data, the researcher used descriptive statistics and regression analysis (standard multiple regression) and SPSS software was used in analyzing the collected data. The result of the findings shows that the present culture of the Development Bank of Ethiopia is power culture and the preferred culture as is achievement culture. Regression analysis shows organization culture is positively related with employee performance but the effect of the existing culture on employee performance is insignificant. in addition to this, the result of the analysis showed from other employee performance variables leader ship style and remuneration are the major employee performance affecting factors which is significantly affect the performance of employees.

Based on the research conclusions made in this study, some recommendations were offered for possible consideration by Development Bank of Ethiopia. Individual employee performance can be improved by strengthening the dimensions of competence as indicators of organizational culture and other employee performance variables. The current organization culture has positive impact on performance but insignificantly effect employees' performance therefore this culture should be changed to preferred culture of the organization (achievement culture) and the Bank should create an effective and good performance appraisal system, remuneration system and leadership style to enhance employee performance of the Bank.

ACRONYMS

- BSC Balanced Scorecard
- CM Career movement
- CPM Competing Values Map
- DBE Development Bank of Ethiopia
- OCAI Organization Culture Assessment Tools
- OC Organizational Culture

TABLE OF CONTENT

Acknowledgments..... iv

Abstractv

Acronyms vi

List of Tables xi

List of Figures xii

CHAPTER 1: INTRODUCTION.....1

1.1. Background of the Study1

1.2. Background of the Organization.....2

1.3. Statement of the Problem.....3

1.4. Research Questions4

1.5. Objectives of the Study4

 1.4.1 General Objective of the Study..... 4

 1.4.2. Specific Objectives 4

1.6. Scope and Limitation of the Study5

 1.6.1. Scope of the Study 5

 1.6.2. Limitation of the study..... 5

1.7. Significance/Benefits of the Study5

1.8. Organization of the Study6

CHAPTER 2: LITERATURE REVIEW7

2.1. Theoretical Literature Review on Organizational Culture7

 2.1.1. Definition of Organizational Culture 7

 2.1.2. Levels of organizational culture..... 10

 2.1.3. Typologies (theoretical frame works) of organizational culture..... 11

 2.1.3.1. Deal and Kennedy’s organizational culture typology 11

 2.1.3.2. Cameron and Robert Quinn (1999) Organizational culture typology 14

2.1.3.3.	Harrison and Stokes’s organizational culture typology.....	16
2.1.4.	The importance of organizational culture	19
2.1.5.	Employee performance	20
2.1.5.1.	Definition of Performance	20
2.1.5.2.	Performance as a Multi-Dimensional Concept.....	20
2.1.5.3.	Task performance and contextual performance.....	21
2.1.5.4.	Relevance of individual performance	22
2.1.6.	Factors affecting employee performance.....	22
2.1.6.1.	Performance evaluations or appraisals	22
2.1.6.2.	Remuneration.....	23
2.1.6.3.	Leadership style.....	24
2.1.6.4.	Training	24
2.1.6.5.	Career movements	24
2.2.	Empirical Literatures On Organizational Culture And Employee Job Performance	25
CHAPTER 3: RESEARCH METHODS.....		30
3.1.	Description Of The Study Area	30
3.2.	Research Design.....	31
3.2.1.	Sample and Sampling Techniques.....	31
3.2.2.	Data Type and source of Data.....	32
3.2.3.	Method of data collection	33
3.2.4.	Procedures of Data Collection	35
3.2.5.	Methods of Data Analysis.....	35
3.2.5.1.	Model Specification.....	35
3.2.5.2.	Description of the Variables	36

CHAPTER 4: PRESENTATION AND INTERPRETATION OF DATA.....	38
4.1. Biographical Information.....	38
4.1.1. Gender of respondents	38
4.1.2. Length of Service	39
4.1.3. Job position	39
4.1.5. Process/ sub-process	40
4.2. Central Tendency Statistics for section 2. Overall statistics.....	47
4.3. The impact of organizational culture and individual performance affecting variables on employee job performance	56
4.3.1. Regression analysis	56
4.4. General Comments on the Open Ended Question	58
4.4.1 Employee motivation and good communication	58
4.4.2. Team work	58
4.4.3. Healthy work Environment.....	59
4.4.4. Good organization culture.....	59
4.4.5. Remuneration.....	59
4.4.6. Leadership:.....	59
4.5. Discussion of results on Organizational Culture. Existing and Preferred Culture	60
4.6. Employee performance affecting factors questioner	61
4.7. Employee performance result questionnaires	61
4.8. The impact of organizational culture and other employee performance	62
CHAPTER 5 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS ...	63
.....	63
5.1. Summary of Findings.....	63
5. 2. Conclusions	65

5. 3. Recommendations66

6. REFERENCES.....68

LIST OF TABLES

TABLE 2.1. SUMMARY OF ORGANIZATIONAL CULTURE TOPOLOGY WRITTEN BY DEAL AND KENNEDY’S (1988)..... 13

TABLE: 2.2: THE COMPETING VALUES MAP OF CAMERON AND QUINN (1999)..... 14

TABLE: 2.3: SUMMARY OF CULTURE TYPE WHICH IS WRITTEN BY (HARRISON AND STOKES)..... 18

TABLE 4.1: CENTRAL TENDENCY STATISTICS ON PREFERRED CULTURE.....48

TABLE 4.2: PERFORMANCE APPRAISAL SYSTEMS50

TABLE 4.3: WORKERS DEVELOPMENT THROUGH TRAINING.....51

TABLE 4.4: LEADERSHIP STYLE.....52

TABLE 4.5: REMUNERATION (FINANCIAL AND NON-FINANCIAL).....52

TABLE 4.6: THE CAREER MOVEMENTS (LATERAL, DIAGONAL, VERTICAL, HORIZONTAL TRANSFER).....53

TABLE 4.7: CENTRAL TENDENCY STATISTICS, INDIVIDUAL PERFORMANCE AFFECTING VARIABLES53

TABLE4.8: REGRESSION ANALYSIS RESULT56

TABLE 4.9: MODEL SUMMARY.....56

LIST OF FIGURES

FIGURE 4-1: GENDERS OF RESPONDENTS 38

FIGURE 4-2 LENGTH OF SERVICE..... 39

FIGURE 4-3 JOB POSITION..... 39

FIGURE 4-4 HIGHEST QUALIFICATION 40

FIGURE 4-5. PROCESS/ SUB-PROCESS..... 41

FIGURE 4-6: MEETING THE NEEDS OF THEIR SUPERVISORS, EXISTING CULTURE..... 42

FIGURE 4-7 MEETING THE NEEDS AND DEMANDS OF THEIR SUPERVISORS, PREFERRED CULTURE..... 43

FIGURE 4-8 CARRYING OUT THE DUTIES OF THEIR OWN JOBS, EXISTING CULTURE 43

FIGURE 4-9 CARRYING OUT THE DUTIES OF THEIR OWN JOBS, PREFERRED CULTURE 44

FIGURE 4-10 MEETING THE CHALLENGES OF THE TASK, EXISTING CULTURE 45

FIGURE 4-11 MEETING THE CHALLENGES OF THE TASK. PREFERRED CULTURE..... 45

FIGURE 4-12 CO-OPERATING WITH THE PEOPLE, EXISTING CULTURE 46

FIGURE 4-13 CO-OPERATING WITH THE PEOPLE, PREFERRED CULTURE..... 47

FIGURE 4-14 CENTRAL TENDENCY STATISTICS - EXISTING CULTURE 47

FIGURE 4-15 CENTRAL TENDENCY STATISTICS –PREFERRED CULTURE..... 49

FIGURE 5-16 CENTRAL TENDENCY STATISTICS, INDIVIDUAL PERFORMANCE AFFECTING VARIABLES 54

FIGURE 4-17 EMPLOYEE PERFORMANCE RESULT 55

CHAPTER 1: INTRODUCTION

1.1. BACKGROUND OF THE STUDY

The paper discussed organizational culture and employees' performance in the Development Bank of Ethiopia. It views organizational culture as shared values, beliefs and norms that influence the way employees think, feel and behave in the workplace. It assumes that a positive organizational culture will enhance employees' performance. The research objectives addressed the extent of the relationship between organizational culture and employees' job performance.

In any organization, human resource are the most valuable assets (Ubeku, 1975). The organization has to manage its employees properly in order to attain over all organizational goals and objectives. Employee performance is an important issue for banking sector due to the fact that, the development and improvement of the sector is facilitated through good employee performance and commitment.

Culture can be broadly understood as a set of basic assumptions about how the world is and ought to be that a group of people share and determines their perceptions, thoughts, feelings, and to some degree, their overt behavior (Schein, 1996). According to Peterson and Smith (2000), organizational culture reflects individuals' interpretations of events and situations in organizations. Organizational culture also refers to a system of shared meaning of values held by members of an organization that distinguishes the organization from other organizations (Robbins, 2001). In light of this definition, different organizations can be regarded as having their own cultures, which affect or influence the attitudes and the behaviors of their employees (Flamholtz, 2001).

Organizational culture has a significant effect on how employees view their organizational responsibilities and their commitment. The pioneering work of Deal and Kennedy (1982) incited the interest of researchers and consultants to the concept of corporate culture, and how these values and philosophy guide the employees' behavior in the organization towards greater success. Leaders affect their subordinates both directly through their interactions and also through the organization's culture (Li, 2004).

The commitment and performance of the employees in the organization is crucial to ensure the successful accomplishment of the organizational goals and objectives. Many researchers argued that shaping the appropriate values or culture of the organization to ensuring the necessary level of commitment and performance among employees or manager to ensure successful implementation of the organizational goals and strategies this paper enables the Bank to achieve its goals by aligning corporate culture with their performance Management system in adopting a collaborative culture in the execution of its activities empowers its employees to exercise greater control/autonomy over their work thus influencing their job performance, commitment, self-confidence and self-esteem.

1.2. BACKGROUND OF THE ORGANIZATION

Development Bank of Ethiopia (DBE) is the main strategic governmental Bank for the last hundred years specialized in project financing. Currently the focus of the Bank is to extend credit to the priority area projects such as, agriculture, manufacturing and agro processing projects and the banks organizational structure is process based implying that all activities are grouped together in order to create value for the customer . The core credit process is the bases for all units of the organization while other processes are organized around it to interface with the core process.

As per the data obtained from HRM department, the Bank has educationally qualified and multi-disciplinary human resource. The total number of staff of the Bank as of September, 2012 is 1100.of which 600 (51%) are professionals and semiprofessionals (Diploma and above) from different disciplines like engineering, accounting, agriculture, management and economics to mention but a few.

This paper focuses on the organizational culture which is seen as the important factor for the organization success and gives an identity to the employees. To this end, the paper investigates the relationship between organizational culture and the employee job performance of the Bank.

1.3. STATEMENT OF THE PROBLEM

Organizational culture is the important factor for the firm success, it gives an identity to the employees; it is also an important source of stability and continuity to the organization. In addition to this the knowledge of organizational culture helps newer employees to interpret what goes on inside the organization, by providing an important context for events. Because organizational culture is the social link that bonds Employees together and makes they feel part of the organizational experience which is important to attract new staff and retain top performers. Human resource plays a vital role in maintaining the sustainability of any organization. For an organization to be successful it needs to have a motivated and inspired employee's as well as well articulated administration since, satisfied employees naturally treat the organization's clients very well or give quality service and perform well .Managers must recognize that employees as major contributors to the efficient achievement of the organization's. Hence the management's awareness of the importance of keeping employees satisfied and the effectiveness of the existing motivation system contributes a lot for good employee performance and the success of the organization.

However, the existing HR administration of Development bank of Ethiopia which lacks accountability and transparency as well as lengthy and fragmented service delivery has become a source of complaints from staff members and has contribution for low employee performance this may affect the overall performance of the Bank. Further team spirit and team work is still found at a rudimentary developmental stage thus negatively affect the achievement of set goals and process efficiency. Staff work culture and work discipline is also one of the internal problem of the Bank.

In the case of Development Bank of Ethiopia, different studies were conducted by employees of the Bank in different areas: Loan Collection, Non-Performing Loan, Turnover, Employee Motivation and the like. But no study is conducted on organizational culture assessment. The top management of the Development Bank of Ethiopia advised the researcher to conduct the research about the organizational culture of the Bank.

Thus, this study aims to investigate the impact of organizational culture has on employees' performance in Development Bank of Ethiopia by using appropriate scientific model and organizational culture assessment tools, in this study, the relationship between organizational culture and performance is examined, culture is treated as an internal variable, and is defined as the shared values and norms of the organization. This is appropriate, as the study is primarily concerned with the cause-effect relationship between culture and performance.

1.4. RESEARCH QUESTIONS

The general research questions are:-

Q1. What is the nature and extent of relationship between organizational culture and employee job performance in Development Bank of Ethiopia?

Q2. What is the dominant and preferred organizational culture of Development Bank of Ethiopia?

Q3. To What extent the Employee Performance Variables affect the Performance level of Employees of Development Bank of Ethiopia.

1.5. OBJECTIVES OF THE STUDY

1.4.1 General Objective of the Study

The main objective of the paper is to investigate the nature and the extent of organizational culture impact on the employee job performance:

1.4.2. Specific Objectives

- The current culture of the organization
- The preferred culture of the organization
- The current level of employee performance at the Development Bank of Ethiopia.
- The impact of performance appraisal system on employee job performance
- The impact of training on employee job performance
- The impact of leadership style on employee job performance
- The impact of remuneration on employee job performance and
- The impact of career movements on employee job performance

1.6. SCOPE AND LIMITATION OF THE STUDY

1.6.1. Scope of the Study

This paper addresses the effect of organizational culture on employee job performance in Development bank of Ethiopia at head office. The major activities of the bank are under taken at head office and the majority of the employees also exist at head office. This is the reason why the scope of the study is limited to head office.

1.6.2. Limitation of the study

In carrying out the study, several limitations were encountered among which, during data collection the concept of organizational culture was not clear for some of my respondents. The researcher face problems such as, shortage of finance, shortage of sufficient sources documents, shortage of time, and a lack of cooperation from few respondents. Moreover, since respondents“ mainly senior officers, was so busy and engaged in meetings of different programs, the data collection was taken long time and was very difficult. Anyway, beyond these and other constraints that rose during the research, the researcher tried to find sound results pertaining to the objectives of the study.

1.7. SIGNIFICANCE/BENEFITS OF THE STUDY

One of the significant aims of this study was add value to the body of existing knowledge in organization culture and management, to come up with findings that can be used to tackle problems arising from work situations.

The study is expected to provide adequate information on how culture and values can affect employee’s performance at a place of work. The study’s finding can be used to enrich the thinking of top management on how to develop good image of the company through enriching the company’s organizational culture and values among its employees. The study will also be a source of information for improvement effectiveness of the Development bank of Ethiopia Management and employees in general. Furthermore, the findings will strive to re-orient the thinking and identifying a number of issues as being particularly important to the relationship

between how people are managed and the performance of the business.

The study allows policy makers, firstly, to consider and revise the current culture of Development bank of Ethiopia and undertaking this research is very crucial for the organization to relevant change with regard to culture which most affects the organization. In addition to this, research paper will have its own contribution on giving insight for how to enhance the employee job performance in development bank of Ethiopia. To this end the paper identifies the extent of each organizational culture impact on employee performance and there by gives insight to which type of organizational culture is to be used. Moreover, it paves the ways for future study in the area of culture assessment.

1.8. ORGANIZATION OF THE STUDY

Chapter one will introduce the paper and contains the background, statement of the problem, scope of the study, significance of the study and objectives of the study. Chapter two will review both theoretical and empirical literatures on organizational culture and employee job performance. Chapter three will discuss about the research methodology how the researcher will do his entire research work from data collection to analyzing. Chapter four will interpret or discuss the result or findings and Chapter five will conclude and give necessary recommendations or suggestions based on the findings.

CHAPTER 2: LITERATURE REVIEW

The aim of this chapter is to review different literatures relating to organizational culture, and employee job performance and to discuss the relationship between them. This review of literature will provide the theoretical background for the study and different empirical findings.

2.1. THEORETICAL LITERATURE REVIEW ON ORGANIZATIONAL CULTURE

2.1.1. Definition of Organizational Culture

The term organizational culture has been widely studied and defined. Different authors have defined organizational culture by using their own words. Some of the definitions by some Authors are explained as follows

Schein (1990, p. 111) defines culture as: “a pattern of basic assumptions that a group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”.

Schein (1985) has further opinion that culture comprises of three levels, namely behaviors and artifacts, values and basic underlying assumptions. The first level, namely visible artifacts comprises of “the constructed environment of the organization, its architecture, technology, office layout, manner of dress, visible or audible behavior patterns, and public documents such as charters, employee orientation materials, stories” (Schein, 1984,). The second level is the values. The values will govern behavior and will explain why members of the organization behave in a certain manner. The third level is the underlying assumptions and these are typically unconscious. These assumptions will determine how members think and feel and it guides the behavior of the members. Schein (1984) also suggests that cultures are created through the way organizations have reacted to important incidents in the past and how the organization evolved certain norms to deal with certain incidents.

According to Schein definition, the word organizational culture is so broad and it is the basic assumptions that the members of the organization learn to handle the external problems and

internal integration. In addition to this, Schien explains the three levels of organization culture as behaviors and artifacts, values and basic underlying assumptions.

Contrary to Schein's (1985) opinion that values are part of culture, Van den Berg and Wilderom (2004) argue that although values are an important element of organizational culture, organizational culture is more the shared perceptions of organizational practices and that value are merely expressed in organizational practices. They also found that organizations differ more strongly on practices than on values. They therefore (Van den Berg and Wilderom, 2004, Do not include values in their definition of organizational culture, but define organizational culture as "shared perceptions of organizational work practices within organizational work practices.

McGuire (2003) defines culture as a system of shared values, beliefs and norms of members of an organization, including valuing creativity and tolerance of creative people, believing that innovating and seizing market opportunities are appropriate behaviors to deal with problems of survival and prosperity, environmental uncertainty, and competitor's threats, and expecting organizational members to behave accordingly.

The definition explained by Schein and McGuire are more or less similar except that the McGuire (2003) gives emphasis for the creativity because he believes that innovating and promoting market Opportunity are important behaviors to deal with the problems of external environments. Harrison (1972) refers to an organization's ideology and explains that this ideology will explain the behavior of the members of the organization and the working of the external environment. According to Harrison (1972), the organizations ideology will specify the goals and values towards which the organization will be directed, it will prescribe the relationships between individuals and the organization, it will indicate how behavior should be controlled, it will depict which qualities and characteristics will be valued, it will show members how they should treat one another and it will establish the methods for dealing with the external environment.

According to Harrison definition, organizational culture is organizational ideology and the behavior of each member of the organization is dependent on the organizational ideology. In addition to this, organizational ideology shows the relationship between individuals and the

organization. Harrison also believes that organizational ideology will establish the methods for dealing with the external environment which is also explained by previous author Mcguire (2003).

Martins and Terblanche (2003) define culture as “the deeply seated (often subconscious) values and beliefs shared by staff in an organization.” It offers a shared system of meanings, which forms the basis for communication and mutual understanding.

Hall (1988, p. 308) defines organizational culture as “a system of norms, policies, practices, incentives, and expectancies within which individual and collective competence may flourish”. “Every organization has a fundamental character of spirit we might call it culture which is revealed in a prevailing system of values, beliefs about the importance and basic nature of people, and norms of authority and influence.

Hall (1988) has a further opinion that, organizational culture is created by means of empowering people through the competence process. According to Hall (1988), the competence process is three-dimensional with the dimensions being collaboration, commitment and creativity. All three these dimensions will influence the manner in which organizations are structured, how staff is rewarded and how reporting relationships are established and managed. Managers will create the conditions which will give the organization its basic character.

According to Martins and Terblanche (2003) definition organization culture is basic values and beliefs shared among the workers of the organization and this definition is similar with other author’s definition whereas the Hall (1988) definition gives emphasis for the system of incentives and expectancies which may increase the competency of the organizations. In line with this the authors tried to show the way through which organizational culture is created, and in order to show this, they used the competence process which has three dimensions and how those dimensions affect organizational activities. In addition to this, Hall also believes that managers have the great contribution to create the basic character of the organization.

2.1.2. Levels of organizational culture

Shared assumptions

Shared assumptions can be seen as the widely held, inherent, unique, and deeply rooted views that individuals take for granted and believe to be true, and which guide their views, feelings and emotions about things and how those things function (Brown, 1995: 22; Hellriegel *et al.*, 2004).

Shared values

Hofstede (1999: 35) defines cultural values as the broad tendencies of individuals to prefer certain states of affairs over others, and that these cultural values are about “what is evil and what is good, dirty and clean, immoral and moral, irrational and rational”. Hellriegel *et al.*, 2004: 358) and Deal and Kennedy (1982: 14) identify values as basic concepts and beliefs about conditions that are very important and meaningful to employees and are stable over time.

Shared socialization and norms

Norms are general rules or patterns of behaviors of groups of members, and become an element of the organization’s culture when they are shared throughout an organization (Hellriegel *et al.*, 2004: 359; Martin, 2001: 589). Norms can be seen as standard expectations about what are appropriate attitudes and behaviors within an organization (Hellriegel *et al.*, 2004: 359; Martin). Individuals enter into the organization and are introduced to the organization’s cultural norms and are expected to follow them (Hellriegel *et al.*, 2004: 359; Martin, 2001: 589; O’Reilly, 1989: 12; Sathe, 1983). This systematic process in which new members of an organization are brought into a culture is known as socialization (Hellriegel *et al.*, 2004: 359). Socialization is a very important aspect of introducing new employees to the culture of the organization (Hellriegel and others. 2004: 357; Rowe *et al.*, 1994: 472).

Shared symbols, language, narratives and practices

A symbol is an object that can be used to represent an underlying meaning, beyond its intrinsic context (Hellriegel *et al.*, 2004: 359; Greenberg and Baron, 2003: 523). Symbols could be words, objects and gestures that get their meaning from socializing (Hofstede, 1994: 1). Organizations often rely on symbols because they are the simplest and basic observable form of expressing culture (Hellriegel *et al.*, 2004: 359; Greenberg and Baron, 2003: 523). A symbol can be

anything as simple as a uniform or logo, to open versus closed office door norms, office size and layout (Hellriegel *et al.*, 2004: 359).

Everyday language that is used is not purely a way to communicate, but also a fundamental determinant of how people understand the world they live in (Brown, 1995: 12). Hellriegel *et al.*, (2004: 359) define language, from a cultural perspective, as a shared system of vocal sounds, written signs, as well as gestures that are used to convey special meanings among employees. The idea that words generate understanding has important implications for the study of organizational culture (Brown, 1995: 12).

Narratives are drawn from the organization's history, and focus on a unified, single event (Brown, 1995: 13). Individuals tell narratives because they assist in influencing others' understandings of situations and events, as well as illustrating knowledge and insight into how their organization works (Brown, 1995: 13). Brown (1995: 13) states that narratives are also important indicators of "cultural values and beliefs; formal and informal rules and procedures; the consequences of deviance from, and compliance with, the rules; and social categories and status, and thus the power structure of an organization. "Shared practices allow organizations to show the values and beliefs of the organization to the employees, and therefore define the organization's culture through these (Rowe *et al.*, 1994: 472). Shared practices include taboos, and rights and ceremonies. Taboos are behaviors within an organization that are forbidden, Rights and ceremonies are elaborated and formal activities that have been designed to generate strong emotions from employees such as formal prize-giving functions for employees who have achieved high standards of service (Hellriegel *et al.*, 2004: 360).

2.1.3. Typologies (theoretical frame works) of organizational culture

2.1.3.1. Deal and Kennedy's organizational culture typology

Deal and Kennedy (1988) developed two particular aspects of organizational culture. They firstly describe four types of culture, which are based on the effects of the degree of risk and speed of feedback that comes from the environment on decision-making. Secondly, Deal and Kennedy (1988) added a perspective that includes the existence of strong and weak cultures. The types of culture described by Deal and Kennedy (1988) are explained as follows

Work and play hard culture

Organization of this type of culture work and play enthusiastically tend to be unified. Organizations with low risk but rapid feedback would typically have this type of culture, which emphasizes fun and action (Brown, 1995: 71).

Process culture

This culture places emphasis on the systems and procedures within the organization. This type of culture can typically be found in organizations in a low risk environment, with slow feedback, where the success of the organization comes from attention to detail. The lack of feedback in this type of organization means that employees focus more on how they perform a task, as opposed to what task they perform (Brown, 1995).

Macho culture

This type of culture is one that is based on the individual employee and the ability of the crucial person to be able to achieve the organization's objectives. This culture will be found in organizations where risk is high, and feedback on the quality of their actions and decisions is rapid.

Bet your company culture

This cultural type emphasizes technical skill, and can be found in organizations where the risks are very high, yet the feedback is slow when coming from the environment. Due to the slow feedback, this classification relies heavily on the knowledge of technical specialists to get it right within the directional guidelines put forward.

Deal and Kennedy (1988; *In*: Martin, 2001: 597) second perspective is that of strong and weak cultures. A strong culture exists when almost all members support it, or if it is composed of deeply held value and belief sets. Some characteristics that are associated with a strong culture are a widely shared philosophy, concern for individuals, and recognition of heroes, belief in ritual and ceremony, well-understood informal rules and expectations, and importance of individual contribution to the whole organization (Deal and Kennedy, 1988; *in* Martin, 2001:

598). On the other hand, a weak culture is one that is not strongly supported or rooted in the activities and value systems of the group (Deal and Kennedy, 1988; *In*: Martin, 2001: 597).

Table 2.1. Summary of organizational culture topology written by Deal and Kennedy's (1988)

	Culture type	Classifications	Characteristics Value
Deal and Kennedy's organizational culture typology	Work and play hard culture:	<ul style="list-style-type: none"> • Low risk • Rapid feedback 	<ul style="list-style-type: none"> • Emphasizes fun and action • work and play enthusiastically
	Process culture:	<ul style="list-style-type: none"> • Low risk environment with slow feedback 	<ul style="list-style-type: none"> • Emphasis on the systems and procedures within the organization • Employees focus more on how they perform a task, as opposed to what task they perform
	Macho culture	<ul style="list-style-type: none"> • Risk is high, • Feedback is rapid. 	<ul style="list-style-type: none"> • Attention to detail • Focus on how task is performed
	Bet your company culture:	<ul style="list-style-type: none"> • Risks are very high, • The feedback is slow 	<ul style="list-style-type: none"> • Emphasizes technical skill,

As the above table shows that, the deal and Kennedy organizational culture classification is based on the degree of risk occurrences and feedback In addition to this, Deal and Kennedy also explain culture from two perspectives that is, good culture and weak culture,

The major types of culture explained by those authors tells us, work and play culture type indicates the employees are do their work by minimizing there risk rather they are enjoying when they are doing the job, whereas the process culture type implies employees follow the work procedure and system of their organization they and they take more attention for the procedure of the job. The same to Work and play hard culture, they fear risk and they want to do in the low risk environment

The deal and Kennedy organizational culture indicates the third classification is macho culture; this culture is different from the two types of culture explained before, because in macho culture type, the individual contribution is highly appreciated for the attainability of the objective of the organization, besides there is high risk in this culture type. The last classification of culture is Bet your company culture; in this culture type the organization take more emphasis for technical skill

in order to rapidly adopt the change from the environment so their work efficiency is determined by the technical professionals which may increase their risk.

2.1.3.2. Cameron and Robert Quinn (1999) Organizational culture typology

Cameron and Quinn (1999) write the competing values framework for cultural assessment and classified culture into two dimensions, horizontal and vertical dimensions. The horizontal dimension maps shows the degree to which the organization focuses inwards or outwards. To the left, attention is primarily inwards, within the organization, whilst to the right, it is outwards, towards customers, suppliers and the external environment. An internal focus is valid in environments where competition or customer focus is not the most important thing, but in competitive climates or where external stakeholders hold sway, then this challenge must be met directly.

The vertical axes determine who makes decisions. At the lower end, control is with management, whilst at the upper end, it is devolved to employees who have been empowered to decide for themselves. Stability is a valid form when the business is stable and reliability and efficiency is paramount, but when environmental forces create a need for change, then flexibility becomes more important. Based on the above dimensions Cameron and Robert Quinn (1999) classified culture as clan, adhocracy, hierarchy and market culture.

Table: 2.2: The competing values map of Cameron and Quinn (1999)

	Flexibility and discretion		
Internal focus and integration	Clan	Adhocracy	External focus and differentiation
	Hierarchy	Market	
	Stability and control		

Hierarchy

The hierarchy has a traditional approach to structure and control that flows from a strict chain of command as in Max Weber's original view of bureaucracy. For many years, this was considered

the only effective way of organizing and is still a basic element of the vast majority of organizations. Hierarchies have respect for position and power. They often have well-defined policies, processes and procedures. Hierarchical leaders are typically coordinators and organizers who keep a close eye on what is happening.

Market

A result-oriented organization whose major concern is getting the job done. People is competitive and goal-oriented. The leaders are hard drivers, producers, and competitors they are tough and demanding. The glue that holds the organization together is an emphasis on winning. Reputation and success are common concerns. The long-term focus is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard-driving competitiveness.

Clan

The Clan organization has less focus on structure and control and a greater concern for flexibility. Rather than strict rules and procedures, people are driven through vision, shared goals, outputs and outcomes. In contrast to Hierarchies, clans often have flat organizations and people and teams act more autonomously.

It has an inward focus and a sense of family and people work well together, strongly driven by loyalty to one another and the shared cause. Rules, although not necessarily documented, do still exist and are often communicated and inculcated socially.

Adhocracy

The Adhocracy has even greater independence and flexibility than the Clan, which is necessary in a rapidly changing business climate. Where market success goes to those with greatest speed and adaptability, the adhocracy will rapidly form teams to face new challenges. It will use prototyping and experimenting rather than long, big-bang projects and development. Leaders in an adhocracy are visionary, innovative entrepreneurs who take calculated risks to make significant gains.

Organizational culture assessment instruments which is described by Cameron and Quinn (1999), assess the organizational culture by using six key dimensions of organizational culture, Dominant organizational characteristics, Leadership style, Management of employees, Organizational glue, Strategic emphasis and criteria for success. The competing values framework has proven to be a helpful framework for assessing and profiling the dominant cultures of organizations because it

helps individuals identify the underlying cultural dynamics that exist in their organizations. The framework consists of two dimensions, one that differentiates a focus on flexibility, discretion, and dynamism from a focus on stability, order, and control.

Even though the dimension of computing value framework has not similar with the Deal and Kennedy organizational culture topology, but the nature of the culture has the similarity. For example the process culture classification of the deal and Kennedy organizational culture is related with the hierarchy culture type of Cameron and Robert Quinn because in both culture type the organization take more emphasis for rules, procedures and regulation of the organization. Finally the researcher believed that, computing value framework is more appropriate for the business sector especially for manufacturers for the organization which create new product for the market, but for the development bank of Ethiopia the dimension of the CVM is not clear indicators of the DBE activities.

2.1.3.3. Harrison and Stokes's organizational culture typology

Harrison (1972: 121-123) developed a typology for understanding organizational culture. This typology suggests four organizational cultural orientations: (1) power orientation; (2) role orientation; (3) task orientation and (4) person orientation (Harrison, 1972: 121). Harrison and Stokes's (1992: 14-22) organizational culture typology is used in this research to Classify the different types of organizational cultures within the development bank of Ethiopia.

The Power Orientation

This type of culture is usually found in small organizations, where everything revolves around the person in charge (Martin, 2005: 493). Harrison and Stokes (1992: 14)

In addition to this, two authors (Brown and Martin) also add some idea on it. Brown (1995: 68) adds that a power culture has a single source of power from which rays of influence, which are connected by functional and specialist strings that facilitate co-ordination, spread throughout the organization. Martin (2005: 493) adds that all important decisions are made by that person who has the single source of power, and that person retains absolute authority in all matters.

The main features of a power culture in organizational culture include: single-mindedness in approach; dominated by the leader or central person and their personality; with a lack of

bureaucracy in operations (Martin, 2001: 590). The greatest strength of the power culture is the ability of the organization to react quickly, although the success is largely dependent upon the abilities of the leader, or people at the center of power (Brown, 1995: 68; Martin, 2001: 590).

The Role Orientation

The role culture is focused on the existence of rules, procedures and job descriptions, as opposed to the sole power of the leaders found in the power culture (Brown, 1995: 68; Harrison and Stokes, 1992: 15; Martin, 2001: 590). The struggle for power is moderated by the rules, and these rules lead to the idea that the role culture is a bureaucracy and the organizing principles are rationality, order and dependability (Brown, 1995:68; Harrison and Stokes, 1992: 15; van der Post et al., 1997: 150). In the role culture's bureaucratic working environment, authority and responsibility are delegated downwards, and each level in the organization has a defined area of authority where work is able to be done continuously without direct supervision from the top management (Harrison and Stokes, 1992: 15).

The Achievement Orientation:

This type of culture aligns employees with a common vision or purpose (Harrison and Stokes, 1992: 17). The achievement orientation realizes the organization's common vision or purpose by using the organization's mission to attract and release employees' personal energy in the pursuit of common goals, where the organization's mission is used to focus the personal energy of the organization's employees (Harrison and Stokes, 1992: 17). Systems and structures are necessary in an achievement-oriented organization, and are in place to serve the organization's mission (Harmse, 2001: 12; Harrison and Stokes, 1992: 17). These systems and structures are altered when alterations in the mission occur, and are therefore more flexible than the rules of law of the role orientation (Harmse, 2001: 12; Harrison and Stokes, 1992: 17).

The Support Orientation

The support organizational culture is based on mutual trust between the employee and the organization (Harrison and Stokes, 1992: 20). Employees working within a support-orientated organizational culture believe that they are valued as human beings, not just as contributors to a task (Harrison, 1993: 37; Harrison and Stokes, 1992: 20). An organization that has a support

culture has a warm and caring atmosphere, where the assumption is that a sense of belonging will create a sense of commitment to the organization and therefore employees will contribute more within the organization (Harmse, 2001: 13; Harrison and Stokes, 1992: 21).

Table: 2.3: Summary of Culture Type Which Is Written By (Harrison and Stokes)

	Culture type	Classifications	Characteristics Value
Harrison and Stokes's organizational culture typology	The Power Orientation:	everything revolves around the person in charge	✓ People at center of power responsible for decision making and have full power-oriented
	The Role Orientation	Based on structure	✓ Adherence to rules, regulations and job descriptions
	The Achievement Orientation	Based on competence	✓ Shared purpose, goals and mission
	The Support Orientation	Based on relationships	✓ Trust between employee and organization, employees valued as human beings not contributors to a task

OCAI and Harrison and stokes. organizational culture typology have the similarity, both are helpful for assessing and profiling the dominant cultures of organizations, however the dimension of OCAI is more clear for the organization engaged in manufacturing and related with innovation of new ideas and products, however Harrison and stokes culture topology dimensions are very important measurement tools for the service sectors like DBE.

For this study the researcher used the type of culture described by Harrison and stokes. Harrison and stokes organizational culture typology are classified as, power culture, Role culture, Achievement culture and Support culture. The nature of those culture types is very good to measure the culture of DBE, because the dimensions explained under this culture are closely related with the activities of the bank when we compare with other types of culture topology.

And the researcher believes that for assessing and profiling the dominant and preferred culture of the development bank of Ethiopia this type of culture helps individuals identify the underlying cultural dynamics that exist in development bank of Ethiopia Because the Measurement tools is very clear For employees and management staff of the bank.

2.1.4. The importance of organizational culture

Different authors write about the importance of organizational culture, among those Mullins (1999:807) confirms 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 to 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. In addition to this Saiyadin (2003:258) explains that culture performs the following functions.

Culture supplements rational management: within the organization creation of work culture is time- consuming process. Therefore, organization culture cannot suddenly change the behavior of people in an organization rather Culture communicates to people through symbols, values, physical settings, and language, and, thereby supplements the rational management tools such as technology and structure.

Culture facilitates induction and socialization in the organization: induction is a process through which new entrants to an organization are socialized and indoctrinated in the expectations of the organization; its cultural norms, and undefined conduct. The newcomer take in the culture of the organization, which may involve changing his / her attitudes and beliefs to achieving an internalized commitment to the organization.

Culture promotes a code of conduct: a strong culture in an organization explicitly communicates modes of behavior so that people are conscious that certain behaviors are expected and others would never be visible. The presence of a strong culture would be evident where members share a set of beliefs, values, and assumptions which would influence their behavior in an invisible way. Where culture has been fully assimilated by people, they persistently indulge in a typical behavior in a spontaneous way.

Promotion of the culture of quality can help achieve good business results; and Sub-cultures contribute to organizational diversity: sub-cultures and Sub-systems of values and assumptions, which may be based on departmentalization, activity centers, or geographical locations, provide meaning to the interests of localized, specific groups of people within the macro organization.

Sub-cultures can affect the organization in many ways: (i) they may perpetuate and strengthen the existing Culture; (ii) they may promote something very different from those existing; (iii) they may promote a totally opposite sub-culture (beliefs and values) or counter culture when in a difficult situation.

In addition to Mullins (1999) and Saiyadin (1999:807), Schein (1999: 110) also suggests that organizational culture is even more important today than it was in the past. Increased competition, globalization, mergers, acquisitions, alliances and various work force developments have created a greater need for: coordination and integration across organizational units in order to improve efficiency, quality, and speed of designing, manufacturing and delivering products and services; Product and strategy innovation; Process innovation and the ability to successfully introduce new technologies and programs.

2.1.5. Employee performance

2.1.5.1. Definition of Performance

Different Authors agreed on the concept of performance by differentiate between an action (i.e., behavioral) aspect and an outcome aspect of performance (Campbell, 1990; Campbell, Mc Cloy, Oppler, & Sager, 1993; Kanfer, 1990; Roe, 1999).

The behavioral aspect refers to what an individual does in the work situation and “Performance is what the organization hires one to-do, and do well” (Campbell et al., 1993, p. 40). Thus, performance is not defined by the action itself but by judgmental and evaluative processes (cf. Ilgen and Schneider, 1991).

2.1.5.2. Performance as a Multi-Dimensional Concept

Performance is a multi-dimensional concept. Borman and Motowidlo (1993) distinguish between task and contextual performance. Task performance refers to an individual’s proficiency

with which he or she performs activities which contribute to the organization's 'technical core'. This contribution can be both direct (e.g., in the case of production workers), or indirect (e.g., in the case of managers or staff personnel). Contextual performance refers to activities which do not contribute to the technical core but which support the organizational, social, and psychological environment in which organizational goals are pursued. Contextual performance includes not only behaviors such as helping coworkers or being a reliable member of the organization, but also making suggestions about how to improve work procedures.

Three basic assumptions are associated with the differentiation between task and contextual performance (Borman and Motowidlo, 1997; Motowidlo and Schmit, 1999): (1) Activities relevant for task performance vary between jobs whereas contextual performance activities are relatively similar across jobs; (2) task performance is related to ability, whereas contextual performance is related to personality and motivation; (3) task performance is more prescribed and constitutes in-role behavior, whereas contextual performance is more discretionary and extra-role. Based on this assumption they described both concept below.

2.1.5.3. Task performance and contextual performance

Task performance in itself is multi-dimensional. For example, among the eight performance components proposed by Campbell (1990), there are five factors which refer to task performance (cf. Campbell, Gasser, and Oswald, 1996; Motowidlo and Schmit, 1999): (1) job-specific task proficiency, (2) non-job-specific task proficiency, (3) written and oral communication proficiency, (4) supervision—in the case of a supervisory or leadership position—and partly (5) management/administration. Each of these factors comprises a number of sub factors which may vary between different jobs. For example, the management/administration factor comprises sub dimensions such as (1) planning and organizing, (2) guiding, directing, and motivating subordinates and providing feedback, (3) training, coaching, and developing subordinates, (4) communication effectively and keeping others informed (Borman and Brush, 1993).

Contextual performance by itself is a multi-dimensional concept (Van Dyne and LePine, 1998). This behaviors include organizational citizenship behavior with its five components altruism, Conscientiousness, civic virtue, courtesy, and sportsmanship (Organ, 1988), some

aspects of organizational spontaneity (e.g., helping coworkers, protecting the organization, (George and Brief, 1992) and of pro social organizational behavior (Brief and Motowidlo, 1986).

2.1.5.4. Relevance of individual performance

According to (Van Scotter, Motowidlo, and Cross, 2000). Organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in and finally to achieve competitive advantage. Performance is also important for the individual. Accomplishing tasks and Performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure. Moreover, performance if it is recognized by others within the organization it is often rewarded by financial and other benefits. Performance is a major although not the only prerequisite for future career development and success in the labor market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers (VanScotter, Motowidlo, and Cross, 2000).

2.1.6. Factors affecting employee performance

The factors that affect employee performance in profit and non-profit organizations may differ but most of the time in nonprofit organization the factors originate from the employer organization or the socio-economic environment Swanepoel et al (1998). These factors include performance evaluations, remuneration, organizational leadership style, technical training, and career movement. Those factors are described as follows.

2.1.6.1. Performance evaluations or appraisals

An effective and good performance appraisal system can identify weaknesses and result in corrective actions being taken (Cheminais *et al.*, 1998:269).as Cheminais *et al.*, 1998:269, 309-12; Cronje and others2001:454-5; Erasmus and others2005:308-12, 350-1) Explained the performance appraisal can also help to sustain contented workers through: The acknowledgement of individual employee performance, Remuneration options, Promotions and career movements, Structured training, and Disciplinary decisions.

The researchers agreed on, constructive appraisal system can assist in motivating employees, as well as ensuring clear expectations and the desired actions needed to achieve organizational outputs.

2.1.6.2. Remuneration

Remuneration can be defined as the financial and non-financial extrinsic or intrinsic rewards provided by an employer for the time, skills and effort made by employees in fulfilling job requirements aimed at achieving business objectives (Dowling *et al.*, 2011:162-175, Swanepoel *et al* 1998:510).

Armstrong and Murlis (2004:3) define reward management as “the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization”. Cheminais *et al.*, (1998:161) assert that there is a strong relationship between extrinsic or intrinsic remuneration and an employee’s motivation. Armstrong and Murlis (2004:11) advocate a total or holistic reward approach by using multiple reward strategies such as “self-management, self-awareness, social awareness and relationship management within an organization in the pursuit of significantly raised performance”.

This approach complements Maslow’s theory of the hierarchy of needs in acknowledging different types of motivational needs within each individual as mentioned in section as asserted by Armstrong and Murlis (2004:10-11), Cheminais *et al* (1998:42-47, 159-60), Cronje *et al* (2001:156-7), Erasmus *et al* (2005:375, 381-3), Globe (1970:62) and Maslow (1943:91-93, 370-96), monetary factors such as a high salary can inspire someone to be highly motivated only up to a certain extent. Beyond that, other “self-actualization” and motivational reasons such as recognition, status, greater individual growth or responsibility, which are referred to as intrinsic remuneration, may be required to keep an employee loyal and passionate about the organization they work for or their job in addition to extrinsic remuneration. Extrinsic remuneration (Armstrong and Murlis 2004:56-8; Cheminais *et al.*, 1998:158-9; Cronje *et al* 2001:457) is normally related to the benefits received by the employee in addition to his or her actual job’s basic salary. This is further separated into financial rewards and non-financial rewards.

2.1.6.3. Leadership style

The leadership style within an organization has a bearing on encouraging or inhibiting employees performance (Armstrong and Murlis 2004:46-49; Cronje *et al* 2001:144). If management does not carefully analyze the needs of the organization and its employees, it may be difficult for the organization to understand the reasons why employees behave in a particular way. The researcher concludes that the perception and confidence in the organizations leadership can affect an employee's level of motivation in his or her work. An employee is likely to invest his or her future employment plans in an organization he or she perceives to have sound future prospects.

2.1.6.4. Training

Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2000). Better performance of the organization simply means the capability of the organization to achieve desired results or output more efficiently and effectively. Performance is related to measurable accomplishment or results that primarily address community needs and problems. Poor performance of employees in the organization is mostly due to lack of training and development of employees (Muhammad, 2009).

As Muhammad (2009) explained the aim of training is to maximize employees learning of new skill, knowledge, attitudes and behaviors to cope with the demand of dynamic environments. These principles of employee training contribute to the overall organizational development which is a significant reason for organizations to encourage and promote this important human resource management functions (Hartel *et al.*, 2007).

2.1.6.5. Career movements

Various options exist for employee career progression within an organization (Cheminais *et al.*, 1998:309-12; Erasmus *et al.*, 2005:308). These include: lateral moves within or outside of the organization, but at the same salary, grade level and benefits, vertical moves through promotion or demotion, diagonal moves within the same organization but across Similar or different disciplines and outward moves outside the organization, also known as separation.

When employees are not sufficiently motivated, their work outputs and loyalty to the organization may be affected negatively. This shows the availability and frequency of the various career movements within the organization relate specifically to performance enhancement. The above employee performance affecting factors are mostly the factors which affect the employee's performance in nonprofit organization, so the researcher used as employee performance variables in the study because Development bank of Ethiopia is nonprofit organization and the researcher believes that, those factors are fit with the nature of the bank.

2.2. EMPIRICAL LITERATURES ON ORGANIZATIONAL CULTURE AND EMPLOYEE JOB PERFORMANCE

Empirical studies conducted on organizational culture are diverse. But the researcher used the empirical studies which are related with the issue raised in the study. Therefore, be made to review some representative studies for the theories discussed in the previous section.

Olu Ojo (2010) analyzed and assesses empirically the impact of corporate culture on employee job performance as well as organizational productivity using Nigerian banking industry as the case study. The major objectives of the study were to ascertain if organizational culture affects employee job performance, and to formulate recommendations regarding corporate culture and employee job performance. In order to achieve the above objectives, the researcher designed the following research questions:

Does corporate culture have any effect on employee job performance?

What way does corporate culture impacts employee job performance?

Two hypotheses were advanced: (i) There is no positive relationship between organizational culture and employee job performance, and (ii) There is no positive relationship between corporate culture and organizational productivity in Nigerian banking industry.

In order to analyses the issues, the study uses survey research method. Employees in selected banks were divided into three strata: management staff, senior staff, and junior staff. A simple random sampling technique was used to select a total of 100 employees that constituted under sample size.

The required data are collected accurately and economically. Primary method of data collection was used in this study. The primary data consists of a number of items in structured

questionnaire that was administered to the respondents. The questionnaire is titled “Corporate Culture and Employee Job Performance Questionnaire.

Data collected from the questionnaire were analyzed, summarized, and interpreted accordingly with the aid of descriptive statistical techniques such as total score and simple percentage. Chi-square was used to measure the discrepancies existing between the observed and expected frequency and to proof the level of significance in testing stated hypotheses.

In this study, the researcher tried to look at the impact of corporate culture on employee job performance with evidence from Nigerian banking industry and the study realized that corporate culture is very important in every organization and that it has positive impact on employee job performance in addition to this the study shows that there is a positive relationship between organizational culture and employee job performance Besides, corporate culture affects the level of organizational productivity in a positive way.

The study conclude that Every individual has different culture and beliefs that he works with and when he joins an organization that has a completely different culture and beliefs from his own, he should be allowed to internalize himself first with the organization’s culture and values to know whether he can cope with them or not. It is the ability of the employee to cope with the organizations culture that will determine how he will perform on his job.

In cases where an organizational culture must be changed, employees must first of all be notified and made to learn the modification of the old culture as this will affect their performance. Organizational culture of must be binding on all member and staff of the company as this will encourage uniformity among members of the organization and thus enhance commitment and group efficiency.

Finally the study recommends that, the management of case study banks and other organizations that are interested in modifying their culture in order to improve their employees’ job performance. Even though empirical finding of Olu Ojo (2009) realized, there is a positive relationship between organizational culture and employee job performance in Nigerian banking sector ,the study lacks , the dominant and preferred organization culture of those banks were not

identified well rather, the nature of the corporate culture of the banks was analyzed through simply designed structured questioner but if they tried to identify the preferred and dominant culture of those banks by using cultural assessment tools they can recommend more ideas for the bank managers and other concerned bodies. However since the focus area of the study is banking sector it is very important literature for this study.

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

In order to do the study, they adopted the descriptive pattern and used questionnaire in collecting the data. A total of 80 copies of questionnaire were distributed to company officers and personnel. Since the data were based on nominal scale, simple percentage and Chi-square methods were used to compute and analyze the stated hypotheses. The findings reveal among others; the managerial policies, the behavior of the managers toward the employees and their chances and information gap are the major factors that influence the effect of culture on employee performance in the selected company in Nigeria

Raduan *et al.* (2008) did the research on the topic of Organizational Culture as a Root of Performance Improvement: and they attempt to provide some insights into the organizational culture and how it might assist in increasing organizational performance. This study has been initiated to examine the relationship between culture and performance. The necessary data to fulfill the research objective were obtained from self-administered questionnaires. The items were designed to examine the organizational culture in four vital areas following Hofstede's (1980) culture dimensions, namely, individualism and collectivism; power distance; uncertainty avoidance and masculinity and femininity. Sixteen items were used to assess the organizational culture on seven point scale ranging from (1) strongly disagree to (7) strongly agree. The items were adapted from Rajendar and Jun Ma's (2005) work. For the purpose of measuring the

organizational performance, nineteen items were developed based on the work of Rajendar and Jun Ma (2005).

The findings of this study indicate that those with high scores in individualism, low power distance, low uncertainty avoidance and femininity would have higher mean Scores in organizational performance. Thus this study supports the findings of Cameron and Quinn (1999) and Kotter and Heskett (1992). Schneider, Hanges, Smith & Salvaggio (2003) contended that healthier employee attitudes were prerequisites to financial and market performance advancement

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

The results showed that sixty percent of variables confirmed previous studies and the remaining ones, surprisingly, were in conflict with previous studies due to some specific Kuwaiti cultural factors. This study has empirically investigated the impact of four corporate culture dimensions on affective, continuance, and normative commitment among Kuwaiti employees' organizational commitment in the banking sector. While the findings do not differ substantially from those obtained in previous studies, the results provide a quite compelling support for the influence of corporate culture dimensions on organizational commitment. Seven of the twelve hypotheses were fully supported and confirmed previous studies whereby variables have been positively and significantly related. In conflict with previous studies, empowerment and fair rewards were significantly but negatively related to continuance and normative commitment which will have several important implications for further research. Another important finding in this paper indicates that there is no relationship between competence development and the three types of organizational commitment,

Mariama Zakari *et al.* (2013) carried out the study on the relationship between organizational culture and performance in Ghana banking industry , All the variable items for organizational culture and Performance were measured using five-point Likert scale and using the Denison's Organizational Survey Instruments. The data was obtained from nine banks in Ghana constituting about 60% of the Banking Industry's Market Share, with different origins such as Public-Domestic, Private-Domestic, Pan African and Multinational Banks. The analysis was based on 296 respondents from various departments with varied positions. The study revealed that though there was a significant difference among the banks in terms of the Organizational Culture Traits, there were no significant differences among them with regards to Performance. Apparently, none of the banks is more innovative than the others. Overall, there was a positive relationship between Organizational Culture and Performance in the Banking Industry in Ghana. In all cases, Mission was the Culture Trait with the strongest potential of impacting positively on Performance.

In general the empirical literatures indicate that, corporate culture is a very important issue in every organization and it has a positive impact on employee's job performance, organizational performance and productivity. most of the Empirical studies focus area were banking sector in general but this study shows the impact of organizational culture on employee job performance on the case of development bank of Ethiopia and the study solve the gaps seen on the empirical study by using appropriate organizational culture assessment tools and scientific model to examine the effect of organizational culture on employee job performance in the bank.

CHAPTER 3: RESEARCH METHODS

3.1. DESCRIPTION OF THE STUDY AREA

The Development Bank Ethiopia (DBE) is one of the financial institutions engaged in providing short, medium and long term development credits. The bank provides different services like; credit service, and banking service. The Bank's focal point is the provision of customer focused lending to viable projects in line with government priority areas by mobilizing funds from domestic and foreign sources while ensuring its organizational sustainability.

The history of Development Bank of Ethiopia goes back to 1909 when the first attempts of its kind known as The Societe Narionale d' Ethiopie Pour le Development de l' agriculture et de Commerce (The Society for the promotion of Agriculture and Trade) was established in the Menelik II era. The mission of DBE is to promote the national development agenda through development finance and close technical support to viable projects from the priority areas of the government by mobilizing funds from domestic and foreign sources while ensuring its sustainability and its Vision is "100% success for all financed projects by 2020".

Major values of the bank are commitment to mission, customer focus, integrity, team work, High value to employees, learning organization and concern to the environment. DBE's organizational set-up includes: Board of Management, President, Vice Presidents, Processes, sub-processes and Bureaus, Engineering services, Regional Offices, Branches and Sub-Branches. The major activities of the bank are under taken at head office and the majority of the employees also exist at head office. 19 process of the bank are classified into core process which are Credit process, Project rehabilitation sub process, Appraisal sub process and approval sup process. whereas Research process, Risk management, Finance and accounts management process, Human resource management process, and Strategic Planning and development effectiveness process are categorized under immediate support processes, the other classification are support processes and include Property management process, Legal process, Information technology service process, Finance and accounts management process RUFIP Bureau, Internal Audit, Change management, Export credit guaranty and Information technology service process.

DBE is staffed with multi-disciplinary professionals: economists (including agricultural economists), management professionals, accountants, statisticians, and engineers (civil, mechanical, industrial, agricultural, electrical, chemical & also textile engineers).

As of March, 2013 DBE is staffed by 1100 workers out of which, 56% are professionals, 18% semi-professionals, 7% technical and skilled and the remaining 19% manual and custodian. Balanced Scorecard (BSC) performance management and measurement framework is used throughout the Bank. The Corporate balanced scorecard is cascaded to functional level and functional level scorecard in turn is cascaded to team and individual employee level.

3.2. RESEARCH DESIGN

The researcher used causal type of research while investigating the effect of organizational culture on employee job performance in development bank of Ethiopia. The causal research type uses to assess the nature of relationship and its extent between independent variable and the depended variable. The organizational culture is independent variable and employee performance is dependent variable that depends on the organizational culture of the bank. The research design selected in this study is a quantitative, to facilitate the explanation of the prevailing cultural type and its effects on performance of DBE employees. So as to get information from participants and used qualitative like observation and interview to develop research problems.

3.2.1. Sample and Sampling Techniques

Sampling is important because of constraint on resources (time, money and energy). The larger the samples size, the lager the reliability based on the suggestion of Deborah Cole (2009). There are 1,100 employees in Development bank of Ethiopia (both at head office level and branches). Six hundred twenty two (622) employees work at head office and four hundred (400) of them are professionals starting from junior officers and above. Employees who work as a clerk, secretaries, messengers, and trainers are not included in the document assuming that, they will not clearly understand the questionnaire. Stratified sampling technique is used to select samples from the existing employees of the bank where the strata will be from core process, immediate support and Support process. From core process, credit process is selected due to the fact that the

major activities of the Bank are performed in this process. So, their opinion towards organization culture is valuable. In line with this, from immediate support processes; Research, HRM, risk management and finance processes are selected. Those processes give immediate support for core process and they have the chance to review the activities of the bank. They have also the chance to interact with external environment and this may help them to compare & evaluate the organizational culture of DBE with other organization culture and also they might have recommendations as far as the most preferred culture for the Bank is considered.

From support processes; change management, planning and branch operations are selected. Those processes also more interact with the day to day activities of the bank and they review the system changes in the Bank. So, the researcher believes that those processes can understand the dominant culture of the bank and the issue related with employees performance as well. It is because of this reason that, those processes are taken as the study population sample. The researcher believes that respondents have homogeneous nature and they can represent the rest processes. Sample size is 25 % of the total population which is N=100. Finally the questionnaire will be distributed to the given population equally and proportionally by identifying number of juniors, officers, senior officers, principals and process owners of those selected process.

3.2.2. Data Type and source of Data

Survey method was the strategy of the research to achieve a maximum outreach, using secondary and primarily sources. Both primary and secondary data were used for analysis. The main secondary sources of data are; books, articles or journals from the library and from websites. Primary data is collected from the employees of DBE. The data consists of the perceptions of respondents gathered through personally administered survey questionnaires.

The study will try to investigate the relationship and effects between organizational cultures and employee performance at DBE. The researcher used organizational cultures variables: (1) Power culture (2) Role culture (3) Achievement culture (4) Support culture. Those variables are independent variables and employee performance is dependent variable. The organizational culture variables will be seen in seven questions that describe some aspects of the organizational functioning and design. These variables are initially developed by Harrison and stock (1992)

organizational culture topology which is, one of the most commonly used and validated cultural assessment tools. Especially the approaches of the variable described in the tool are more related with the nature of the activities of the Bank and the respondents can easily understand this tool. This is the reason why the researcher selects this tool as organizational culture assessment tool. Respondents were asked through open ended questionnaire about their performance result and employee performance affecting variables that affect employee performance.

3.2.3. Method of data collection

In order to collect primary data, a well-structured questionnaire is used. Interviews are also carried out for missed data and also for checking data already filled by the respondent.

The data consists of the perceptions of respondents gathered through personally administered survey questionnaire. The questionnaires used in this research study consist of three (3) sections:

- The biographical information section;
- The organizational culture section; and
- The employee performance section.

Section 1: The Biographical Information Questionnaire.

The respondent's, biographical information was collected to establish a profile of the sample group in relation to gender, work experience, position, and educational Qualifications.

Section 2: the Organizational culture Questionnaire

The organizational culture questionnaire was used to determine the existing and preferred culture of the development bank of Ethiopia. The questionnaire was initially developed by Harrison (1992).

The questionnaire consists of 7 beginnings of sentences that describe some aspects of the organizational functioning and design. Following each beginning are four (4) possible endings. Combined with the beginning, each ending will form a complete sentence describing one of four different patterns of organizational behavior, beliefs and values at the end of each ending.

Sentence is two columns, one marked “E” for existing culture and the other marked “P” for the preferred culture. In the case of the existing culture, respondents will be required to rank the phrases following each sentence beginning by placing number “4” next to the ending phrase. Place number “3” next to the one that comes closest to describe the way things are in the organization, and so through “2” and finally “1” to the one that least describes the way things are in the organization.

Next the respondents are required to go back to the spaces below the “P” (preferred culture) heading. This time, the respondents are required to rank the sentence endings by placing number “4” next to the ending phrase that comes closest to describe the way they would prefer things to be in the organization, place number “3” next to the one that comes next closest, and so through “2” and finally “1” to the sentence that represents the least preferred alternative. All the (a) alternatives of the questionnaire refer to an organizational culture called the Power - oriented Culture; the (b) alternatives assess the Role Culture; the (c) alternatives describe the culture based on Achievement; and the (d) alternatives describe a Support - Oriented Culture (Harrison and Stoke, 1992:52).

Section 3: The Employee Performance Questionnaire

Section 3 comprises of a questionnaire based on five components which are factors, affecting employee performance in nonprofit organization and proposed by (swanepoel and others 998:510-11). These factors include performance appraisal remuneration, organizational leadership style, technical training, and time pressure.

The questionnaire is presented in a likert type scale with strongly disagree forming the one end of the continuum and strongly agree the other end. Respondents are required to tick 1, 2, 3, 4, for strongly disagree, slightly disagree, slightly agree, and strongly agree respectively for the 4 different alternatives presented in the three components.

Section 3.1. Employee performance result questionnaire

Section 4 (or 3.1) consists of a questioner concerning the performance result of each individual employee through open ended Questionnaire and there result is categorized by using the individual performance evaluation system and thresholds of the bank which is described as blue green, yellow and red; 100 and above, 90%-100% , 75%-90%, and <75 respectively.

3.2.4. Procedures of Data Collection

First, the respondents are told by the researcher that, the survey response is confidential, the data from this research will be reported in aggregate and it is used only for academic purpose. Before distributing the whole questionnaire pilot test was conducted on few respondents to get or understand further comments on the designed questionnaire. After that the questionnaire was distributed to all respondents by the researcher herself and each respondent has give three days to fill the entire questionnaire. The researcher has given a personal contact address to support the respondents for any difficulty when they fill the questionnaire. After four days the researcher collected, and check its completeness immediately and also contact to respondents that fail to fill properly. Distribution and collection of the questionnaire takes two weeks. The researcher was performing data entry parallel with the data collection process.

3.2.5. Methods of Data Analysis

To analyze the data the researcher used descriptive statistics like frequencies by using Tables and bar charts in order to show the current dominant culture of the bank, the preferred culture of the bank; and the employee performance variables. In addition to this to see the effects of organization culture and employee performance variables on employee performance the researcher used Pearson correlation and regression analysis (standard multiple regression).

3.2.5.1. Model Specification

Since the main objective of the paper is to investigate the nature and the extent of organizational culture impact on the employee job performance we used standard multi linear regression model. The standard multi linear relationship can be specified as

$$EP_i = \alpha + \beta_1 OC_i + \beta_2 PA_i + \beta_3 LS_i + \beta_4 T_i + \beta_5 R_i + \beta_6 CM_i$$

Where

α is constant term

β is coefficient of independent variables

$i = 1, 2, \dots, 91$

EP = Employees performance, is the dependent variable which is measure by the bank threshold measurement, which is <75% Unsatisfactory (red), $75\% \leq x \leq 90\%$ satisfactory (yellow), $90\% < x < 100\%$ above satisfactory (green) and $>100\%$ outstanding (blue)

- OC = Organizational Culture, which measured as 1 the most dominant, 2 the next most dominant, 3 moderate dominant and 4 the least dominant
- PA = Performance appraisal system of the bank, which is measure by likert scale as 1 strongly disagree, 2 Disagree, 3 strongly agree and 4 Agree
- LS = Leadership style, which is measure by likert scale as 1 strongly disagree, 2 Disagree, 3 strongly agree and 4 Agree
- T = Training of employees, which is measure by likert scale as 1 strongly disagree, 2 Disagree, 3 strongly agree and 4 Agree
- R = Remuneration, which is measure by likert scale as 1 strongly disagree, 2 Disagree, 3 strongly agree and 4 Agree
- CM = Career movement, which is measure by likert scale as 1 strongly disagree, 2 Disagree, 3 strongly agree and 4 Agree

3.2.5.2. Description of the Variables

To analyze the impact of organizational culture on employee job performance the dependent variable in the study is IP, representing individual performance. The descriptions for the independent variables are discussed below.

Dependent Variable

Individual performance is measured through Development bank individual performance measurement system and thresholds. based on this the result of the individual performance is categorized into blue (outstanding), which represents outstanding performance that is 100 and above Green (above satisfactory): which represents acceptable performance range from 90%-100% yellow (satisfactory) which shows marginal performance and therefore caution from 75%-90% and red (unsatisfactory): which depicts below target performance.

Independent Variables

Organizational culture (OC) is independent variable which is described in the document as dominant and preferred culture based on the finding of descriptive analyses .the dominant or the existing organizational culture of the Development bank of Ethiopia is Power culture (EP)

The other independent variable is performance appraisal (PA) system. This variable is used in different empirical findings as factors that affect employee performance. Effective and good performance appraisal system can identify weaknesses and result in corrective actions being

taken (cheminai *et al.*, 1998:269), Cronje *et al.*, 2001:454-5; Erasmus *et al.*, 2005:308-12, 350-1) explained the performance appraisal can also help to sustain contented workers through: in this study the data which is related with performance appraisal is collected through likert scale measurement.

Training (T) is the other employee performance affecting variable. Different empirical findings shows training helps to maximize employees learning of new skill, knowledge, attitudes and behaviors to cope with the demand of dynamic environments which is contribute to the employee performance and overall organizational development.

The other employee performance variables is (LS) leader ship style this variables also bearing on encouraging or inhibiting employees performance as many researches described.

Remuneration (R) is the other employee performance affecting variable which is defined as the financial and non-financial extrinsic or intrinsic rewards provided by an employer for the time, skills and effort made by employees in fulfilling job requirements aimed at achieving business objectives (Dowling *et al.*, 2011:162-175, Swanepoel *et al.*, 1998:510).

The other employee performance variable is career movements and various options exist for employee career progression within an organization (Cheminai *et al.*, 1998:309-12; Erasmus *et al.*, 2005:308).These include: lateral moves within or outside of the organization, vertical moves through promotion or demotion and, diagonal moves within the same organization different studies shows that the availability and frequency of the various career movements within the organization relate specifically to performance enhancement.

All performance variables discussed above are presented in a Likert scale with Strongly Disagree forming the one end of the continuum and Strongly Agree the other end. Respondents are required to tick 1, 2, 3, 4, for Strongly Disagree, Slightly Disagree, Slightly Agree, and Strongly Agree respectively, for the 4 different alternatives presented in the three components

The researcher will be used SPSS version 16 to perform all the analysis of the organizational culture variables that is Power culture, Role culture, Achievement culture, Support culture and employee performance related variables i.e. performance appraisal, leader ship style, training, remuneration and career movements.

CHAPTER 4: PRESENTATION AND INTERPRETATION OF DATA

The statistical techniques that were outlined in chapter four were applied to the data, and the results obtained will be presented in this chapter. Descriptive statistics have been used in the presentation of the data.

The main aim of the study was to assess the effect of organizational culture and its impact on employee performance, in Development Bank of Ethiopia. The analysis begins with a description of the respondents biographical profiles, which will enable the reader to understand the workforce of the Development Bank of Ethiopia. Thereafter, the questions on culture and employee performance are analyzed graphically.

4.1. BIOGRAPHICAL INFORMATION

The first part of the questionnaire deals with the biographical information of the respondents and the following graphical representations illustrate the responses for each question. With N=91 respondents.

4.1.1. Gender of respondents

With N=91 respondents. Figure 4.1 illustrates that 73 (80%) of the respondents were male, and 18 (20%) of the respondents were female. The graph shows that, the male respondents formed majority of the target population. The data show that, females' participation was medium in the organization. Therefore, immense efforts are expected from the organization to encourage females' participation in the Bank.

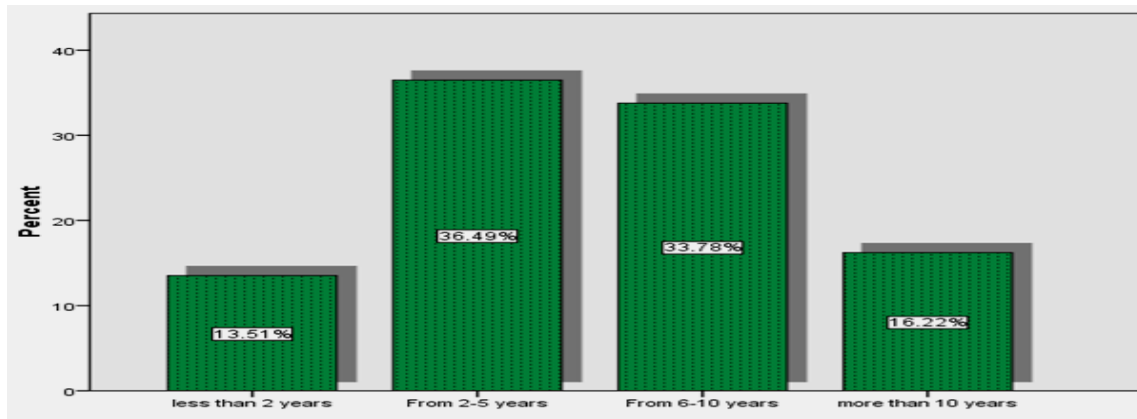
Figure 4-1: Genders of respondents



4.1.2. Length of Service

A large percentage of the current workforce (36%) has been with the company for 2 and 5 years and 33% of the workforce were with the company for 6-10 years and 16 % of the work forces were with the company for more than 10 years and 14% of the workforces are with the company for less than 2 years. Since the majority of work force has the highest experience they know their culture well and they contribute more for the study.

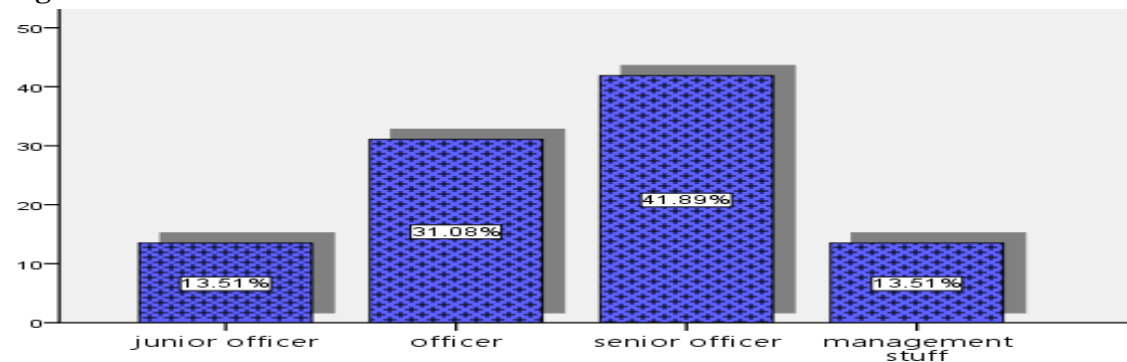
Figure 4-2 length of service



4.1.3. Job position

A large percentage of the current workforce is senior stuff (42%) and 31% of employees are officer whilst 13.5% of employees are junior stuff and also the rest 13.5% is management stuff (middle level and top level manager). This shows the majority of respondents are senior staff which is very important for the study because those senior staffs knows the Banks well and they can evaluate organization culture of the bank in a good manner

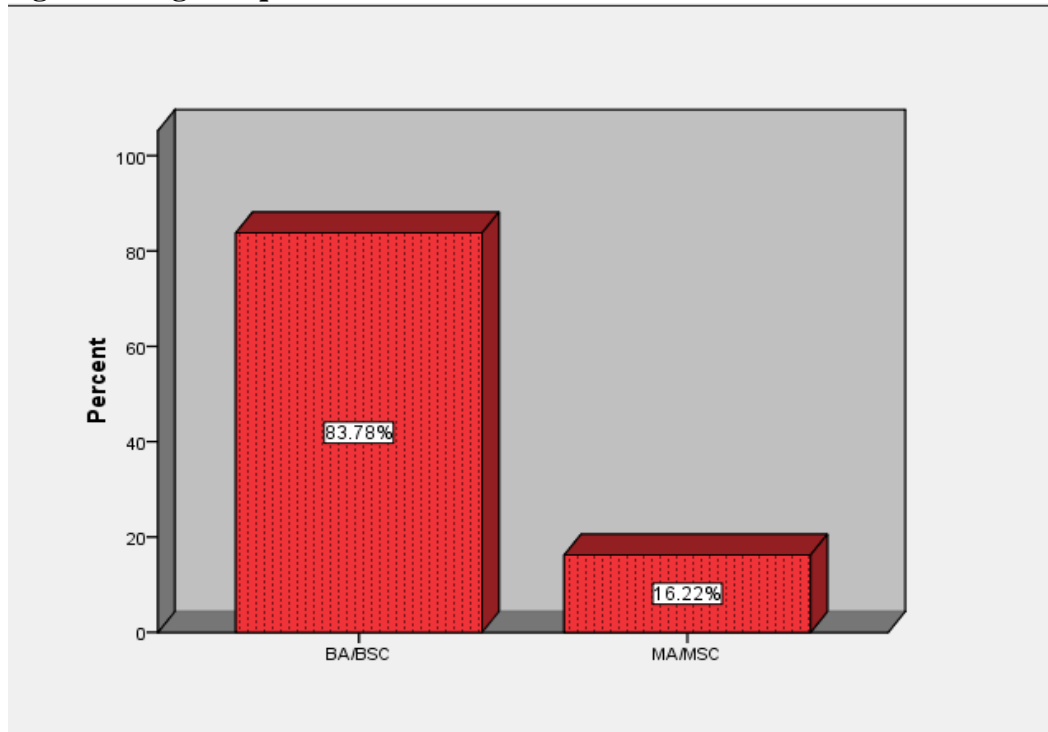
Figure 4-3 Job Position



4.1.4 Highest Qualification

A large majority of the workforce (84%) has BA/BSC degree while 16% have studied further than BA/BSC, they have MA/MSc. The graph also indicates that the current workforce was well educated: this finding may facilitate easier communication.

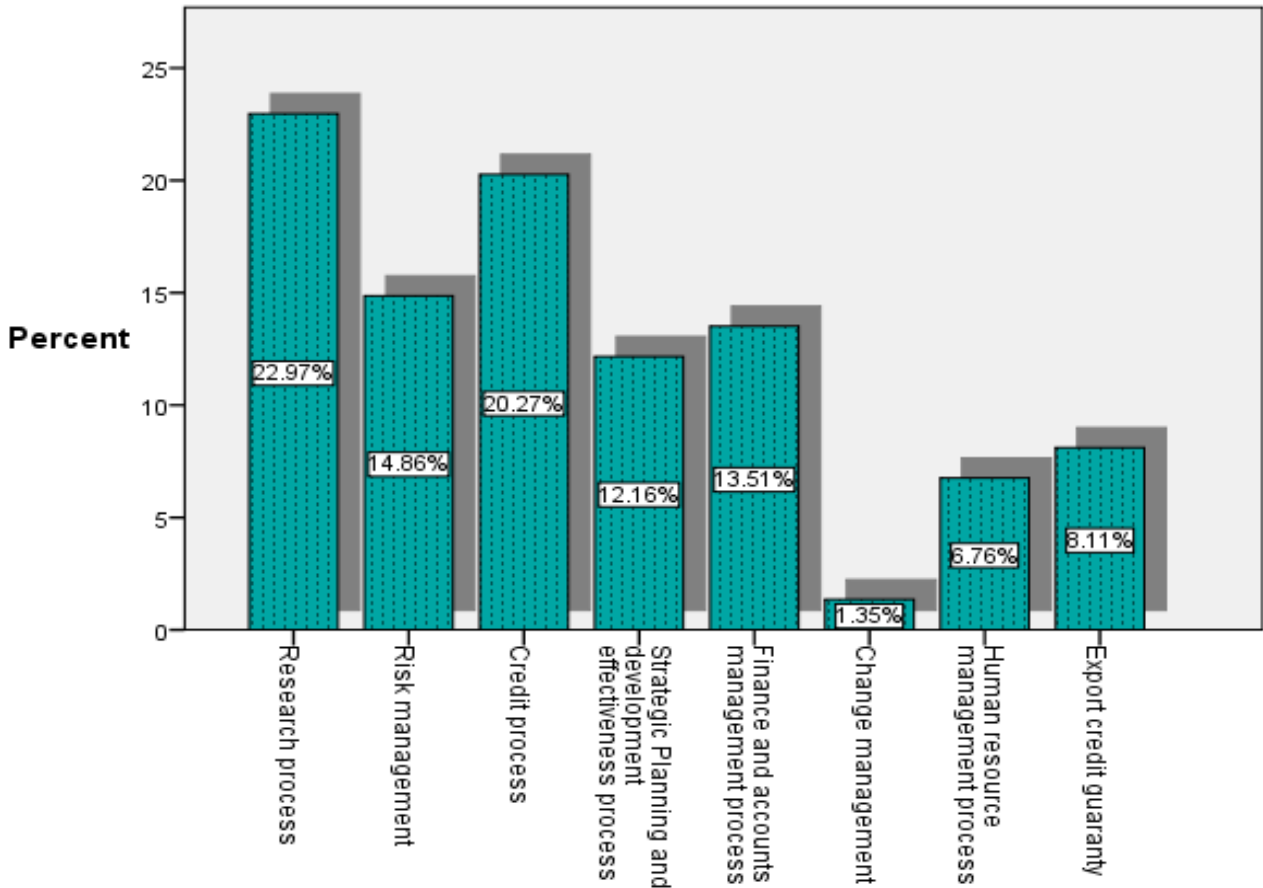
Figure 4-4highest qualification



4.1.5. Process/ sub-process

Figure 4.5 graphically illustrates the processes that the respondents worked in. There were a total of 21 (23%) respondents working in the research process 19 (20%) working in the, 14 (15 %) working in the Risk management process 11(12%) working in the Strategic Planning and Development effectiveness process, 12 (13.5%) Finance and accounts management process, 1 (1.4%) of the respondents working in the Change management.6 (7%) working in Human resource management process and 7 (8%) working in Export credit guaranty. This shows the targeted population was from all processes of the Bank and it is very important for the study inorder to know the feedback of all employees on organizational culture.

Figure,4-5.Process/sub-process



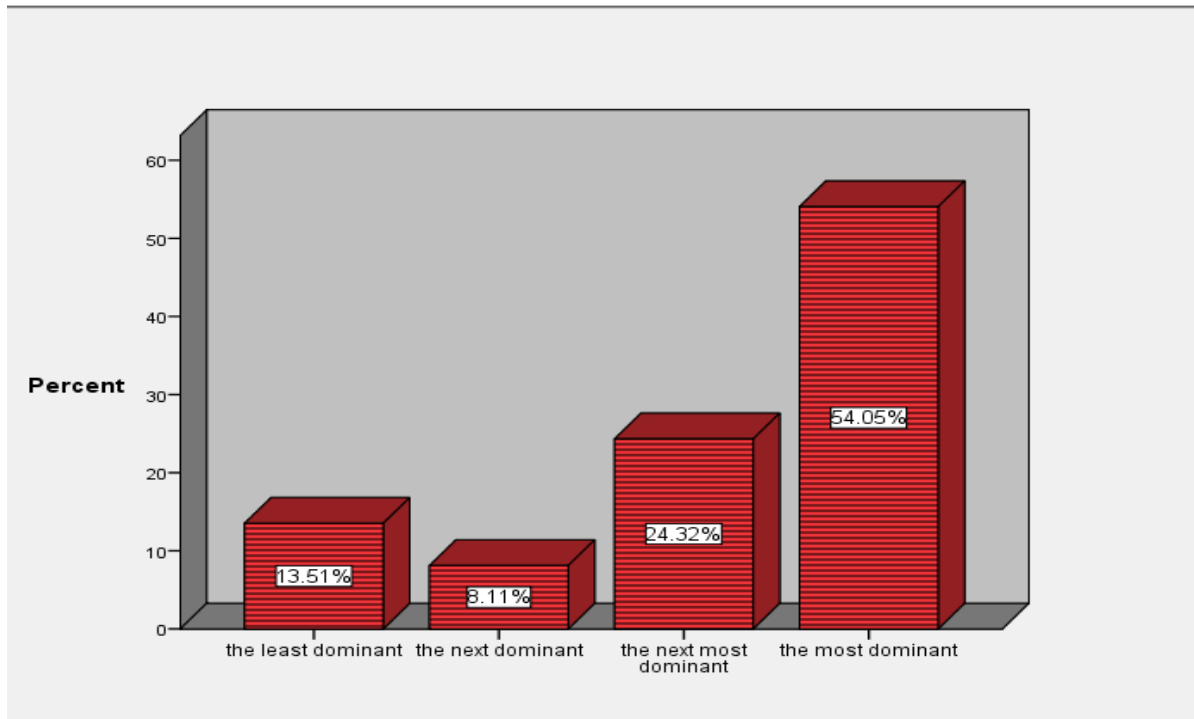
Section 1 - Organizational Culture

2.1. Employees of the organization are expected to give first priority to:

Q1.E (a): Meeting the needs and demands of their supervisors and other high level people in the organization. Existing Culture

Fifty four percent (54%) of the respondents (most dominant) identified the existing culture as power culture because they believe that employees are expected to meet the demands of their supervisors and other high level people in the organization, 8% of the respondents (least dominant) do not believe that the existing culture is power culture, 23.4% of the respondents adopted power culture as the next most dominant view to this question, which indicates that there is a very strong leaning towards the belief that power culture is the dominant culture in the Development Bank of Ethiopia, and 11% of the respondents adopted the next dominant view to this question.

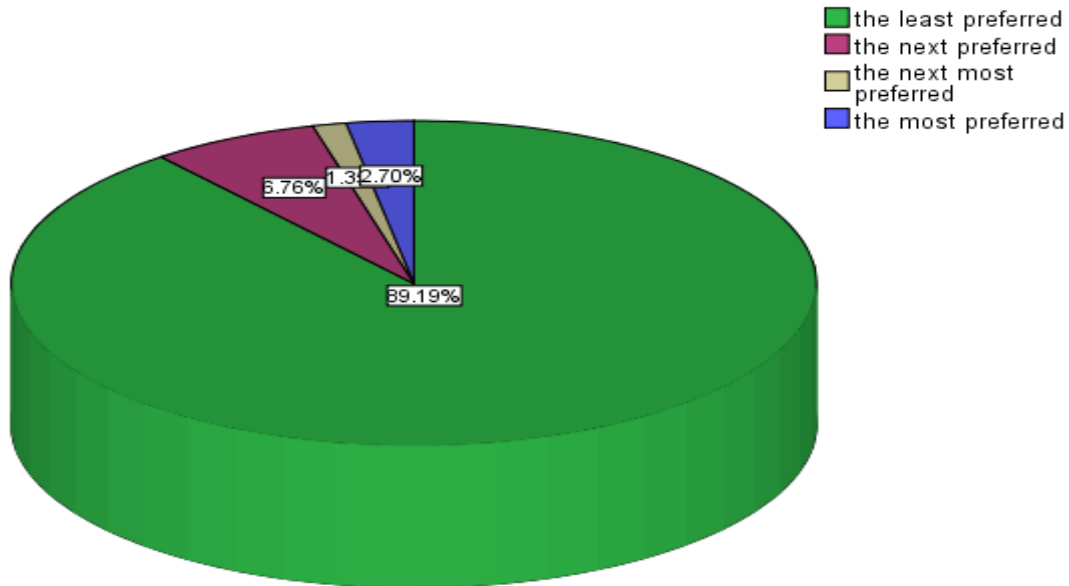
Figure4-6: Meeting the Needs of Their Supervisors, Existing Culture



Q1.P (a): Meeting the challenges of the task, finding a better way to do things. Preferred Culture

Eighty nine percent (89%) of the respondents indicated power culture as the least preferred alternative, 2% of the respondents indicated that they most preferred power culture and 5% workforce shared a moderately preferred view to power culture. There were also 1% of individuals who agreed with this statement, as illustrated by the medium preferred for this culture type.

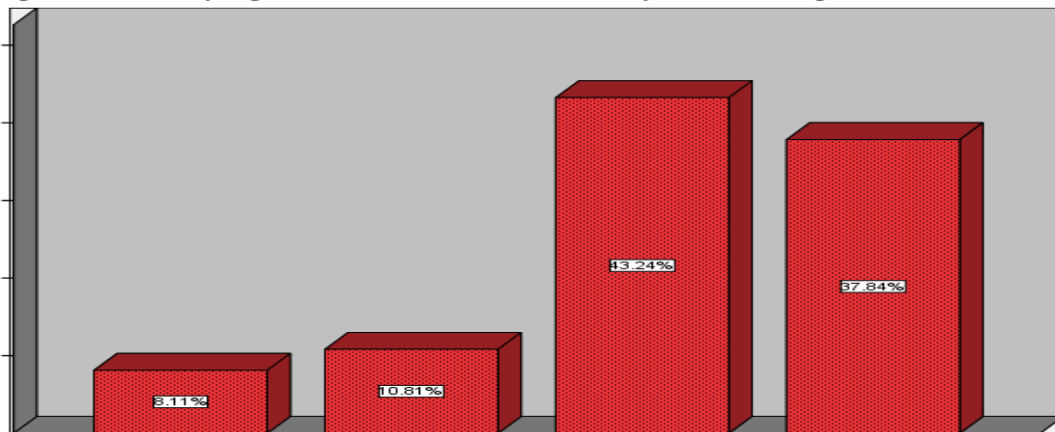
Figure 4-7 Meeting the Needs and Demands of Their Supervisors, Preferred Culture



Q1. E (b): Carrying out the duties of their own jobs, staying within policies and procedures related to their jobs. Existing Culture

Thirty two percent (32%) of the respondents indicated a moderate preference to role culture whilst 1 percent of the respondents indicated role culture as the least preferred culture. 29% indicated a medium preference and 22% indicated most preferred, to carry out the duties of their own jobs and to staying within policies and procedures related to their job.

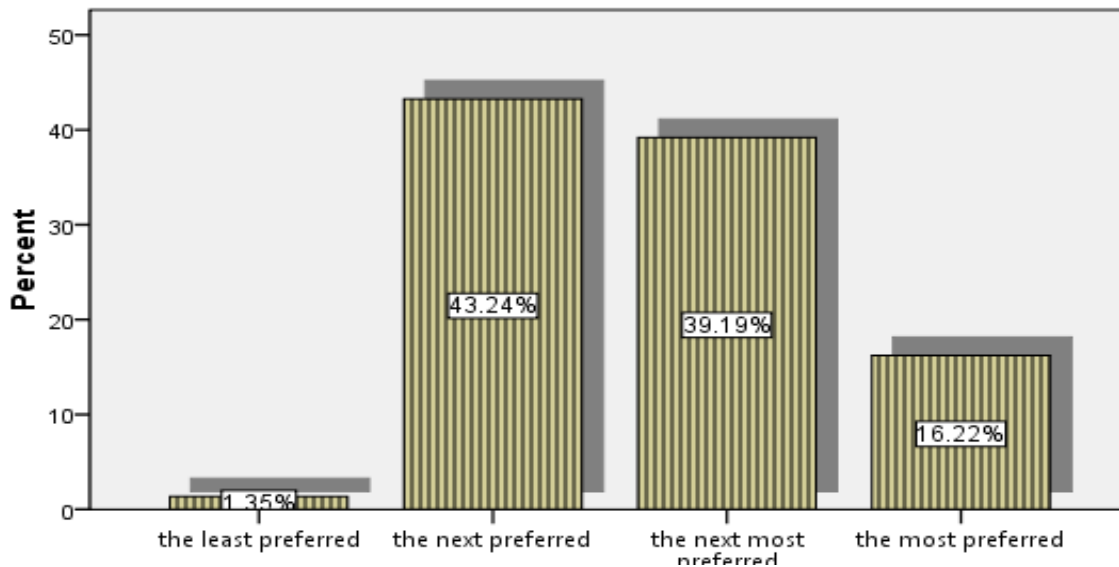
Figure 4-8 Carrying out the Duties of their own jobs, Existing culture



Q1. P (b): Carrying out the duties of their own jobs, staying within the Policies and procedures related to their jobs. Preferred Culture

43 percent of the respondents indicated a moderate preference to role culture whilst 1.4 percent of the respondents indicated role culture as the least preferred culture. The graph clearly illustrates that the role culture is preferred by majority of respondents 55% of respondents, preferring this type of culture. 39 % indicated a medium preference and 16% indicated most preferred, to carry out the duties of their own jobs and to staying within policies and procedure s related to their job.

Figure 4-9 Carrying out the duties of their own jobs, Preferred Culture

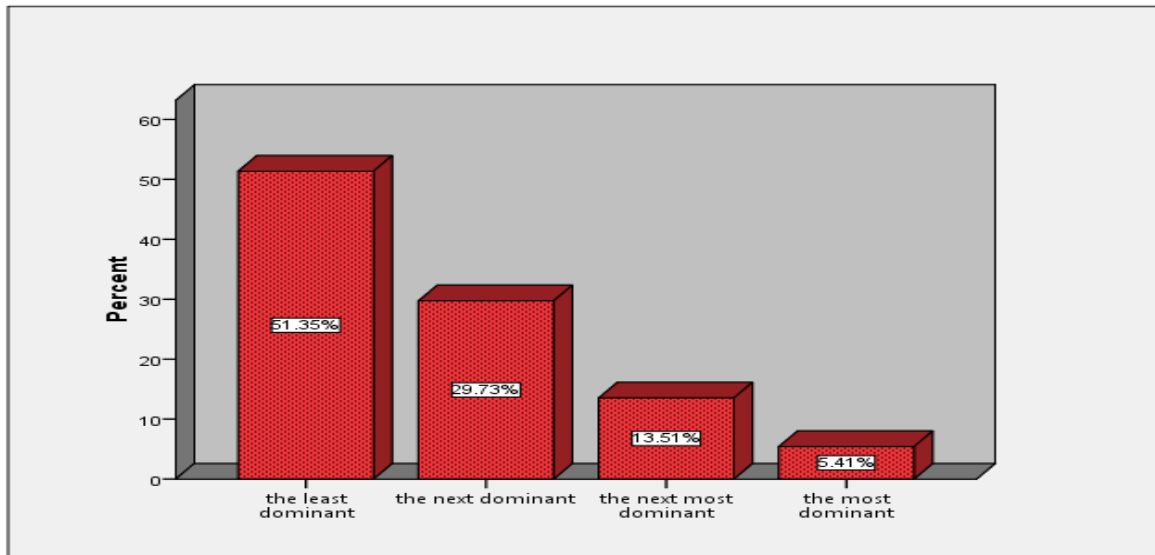


Q1. E(c): meeting the challenges of the task, finding a better way to do things. Existing Culture

The existing culture of development bank of Ethiopia possesses some traits of achievement culture, as evidenced by only 5.4 % of the respondents believing that this is the most dominant view. 28% of the respondents indicated that they moderately believe the existing culture to be that of achievement culture, which further supports this analysis. 14% of the respondents shared a medium dominant view that the existing culture was that of achievement culture and the majority of respondents 51 % of showed a least dominant view. The above graph clearly illustrates that the achievement culture is not a dominant culture of the bank because the combined least and moderate dominant views (51 % and 30%, respectively) represent the majority of the workforce that do not show a achievement culture as a dominant culture. Vast

majority of the employees (81 %) do not think the view of meeting the challenges of the task, finding a better way to do things.

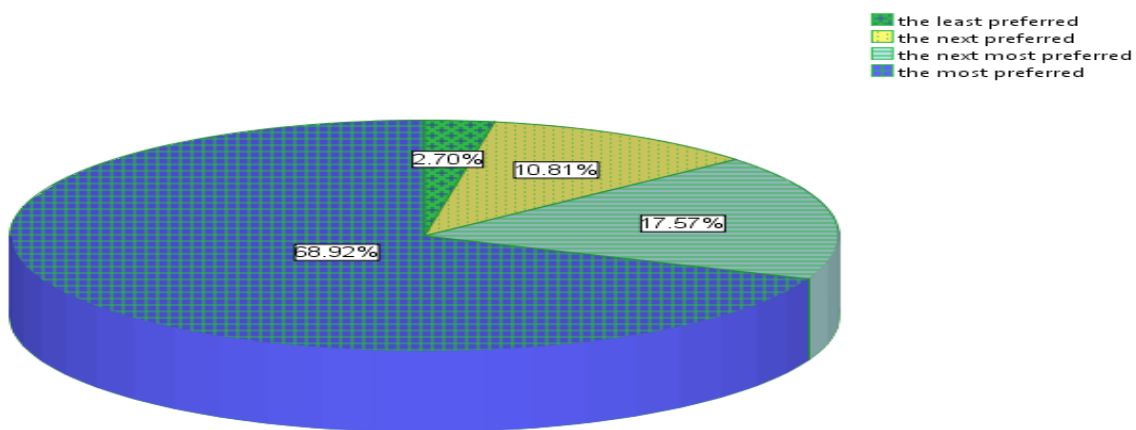
Figure4-10 Meeting the challenges of the task, Existing culture



Q1. P(c): Meeting the challenges of the task, finding a better way to do things. Preferred Culture

69% percent of the workforce most preferred the culture to be achievement culture, a further 17.6 percent (medium preferred) agreed with this view, whilst 11 percent moderately preferred achievement culture and 2.7 percent least preferred achievement culture.

Figure 4-11 meeting the challenges of the task. Preferred culture

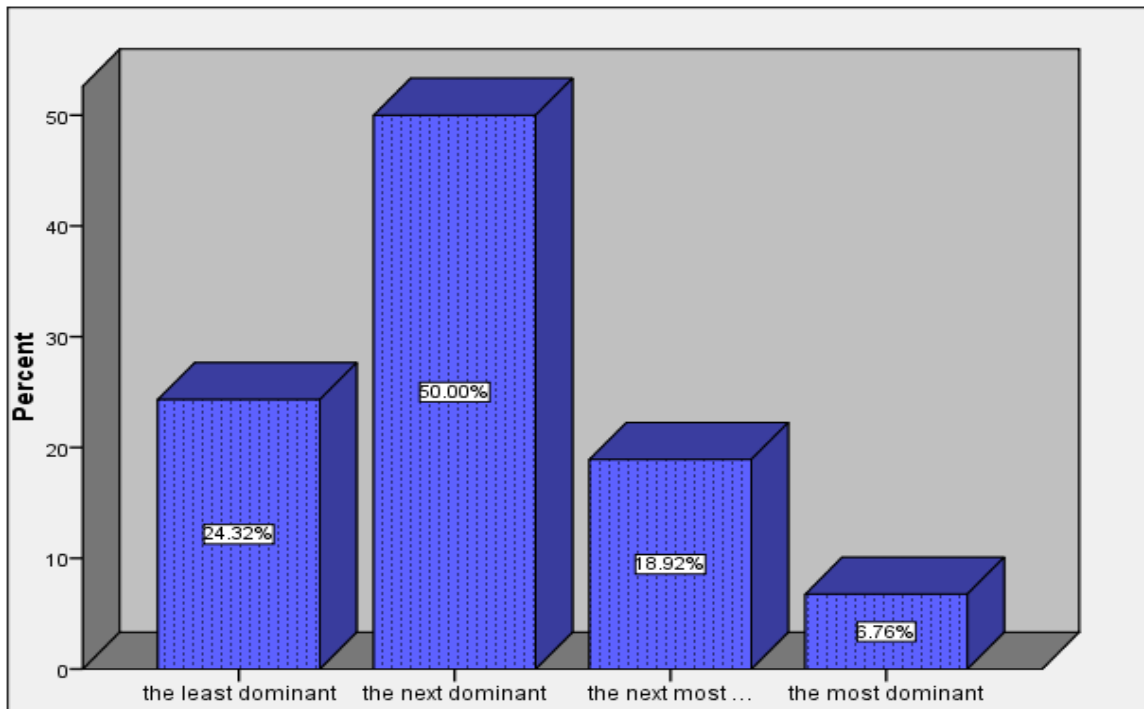


Q1. E (d): Co-operating with the people with whom they work to solve work and personal problems. Existing Culture

A large percentage of the respondents (50 percent) shared a moderate dominant view to cooperate with the people with whom they work to solve work and personal problems, whilst 19 % shared a medium dominant view to support culture. 7 % of the respondents believed that the existing culture was support culture and 24 percent of respondents indicated that the existing culture was not one of support culture.

Figure 5.11: Co-operating with the people with whom they work to solve problems. Existing culture

Figure 4-12 Co-operating with the people, Existing culture

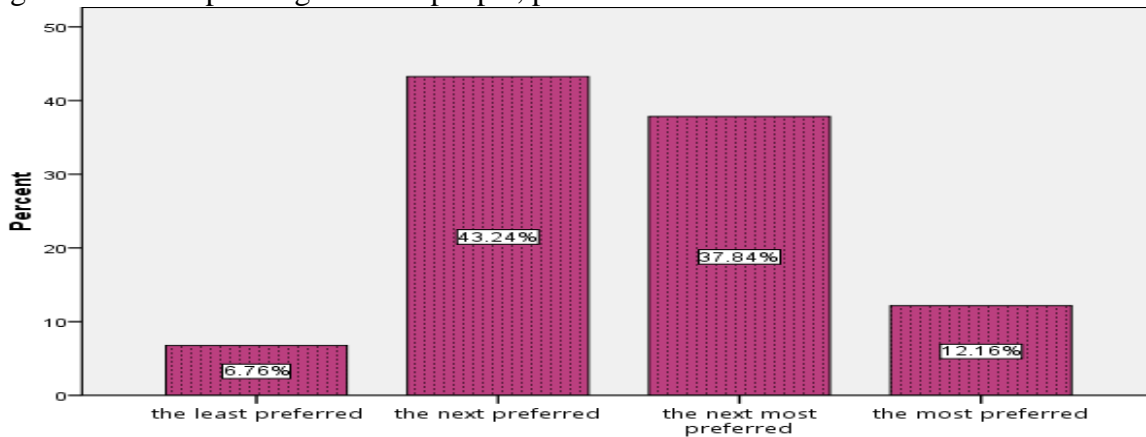


Q1. P (d): Co-operating with the people with whom they work to solve work and personal problems. Preferred Culture

A small percentage of the respondents showed a leaning towards support culture as the most preferred culture. 9% showed a leaning towards, most preferred and 28%, indicated medium preference. There is a small number of Employees (25%) who preferred to work on their own, rather than co-operating with others to solve personal and work related problems. 32%

moderately preferred co-operating with people with whom they work to solve work and personal problems.

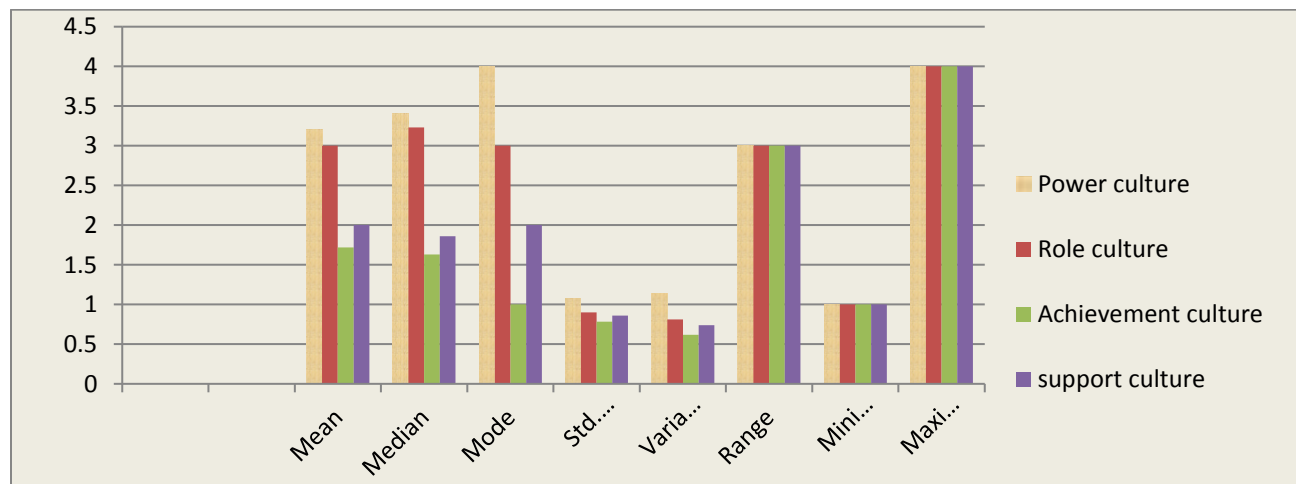
Figure 4-13 Co-operating with the people, preferred Culture



4.2. Central Tendency Statistics for section 2. Overall statistics

Interpretation of Central Tendency Statistics and Graphical representations as illustrated in, Figure 4.14, Table 4.2 and figure 4.15

Figure 4-14 Central tendency statistics - Existing culture



Employees of the Development bank of Ethiopia have identified that the bank has a single source of authority who attempts to control employee behavior, and where all the important decisions regarding the bank are made (Martin, 2005: 493). The success of the bank therefore depends largely on that person in power, and employees are required to report to their supervisors when problems occur.

One of the greatest strengths of the power culture is the ability of the organization to react quickly to change, because there is only one source of power who deals with the change. A major disadvantage of this culture type is that employees do not question their leaders even when they appear to be wrong, and employees are also not inclined to give bad news to their supervisors or leaders due to the consequences that might follow (Harrison, 1993: 32). The results of this research identified, in figure 4.14 that the second strongest existing organizational culture is the role culture with a mean of 3.00. It also found out that the bank has a predominantly power culture. The role culture, which is the second strongest culture, is also referred to as a bureaucratic culture type, which supports by Hellriegel and others (2004)

Table 4.1: Central tendency statistics on preferred culture

Description	Power culture	Role culture	Achievement culture	Support culture
Mean	1.18	3.00	3.53	2.55
Median	1.00	3.00	4.00	2.50
Mode	1	2	4	2
Std. Deviation	.582	.754	.798	.796
Variance	.339	.568	.636	.634
Range	3	3	3	3
Minimum	1	1	1	1
Maximum	4	4	4	4

Figure 4-15 Central tendency statistics –Preferred culture

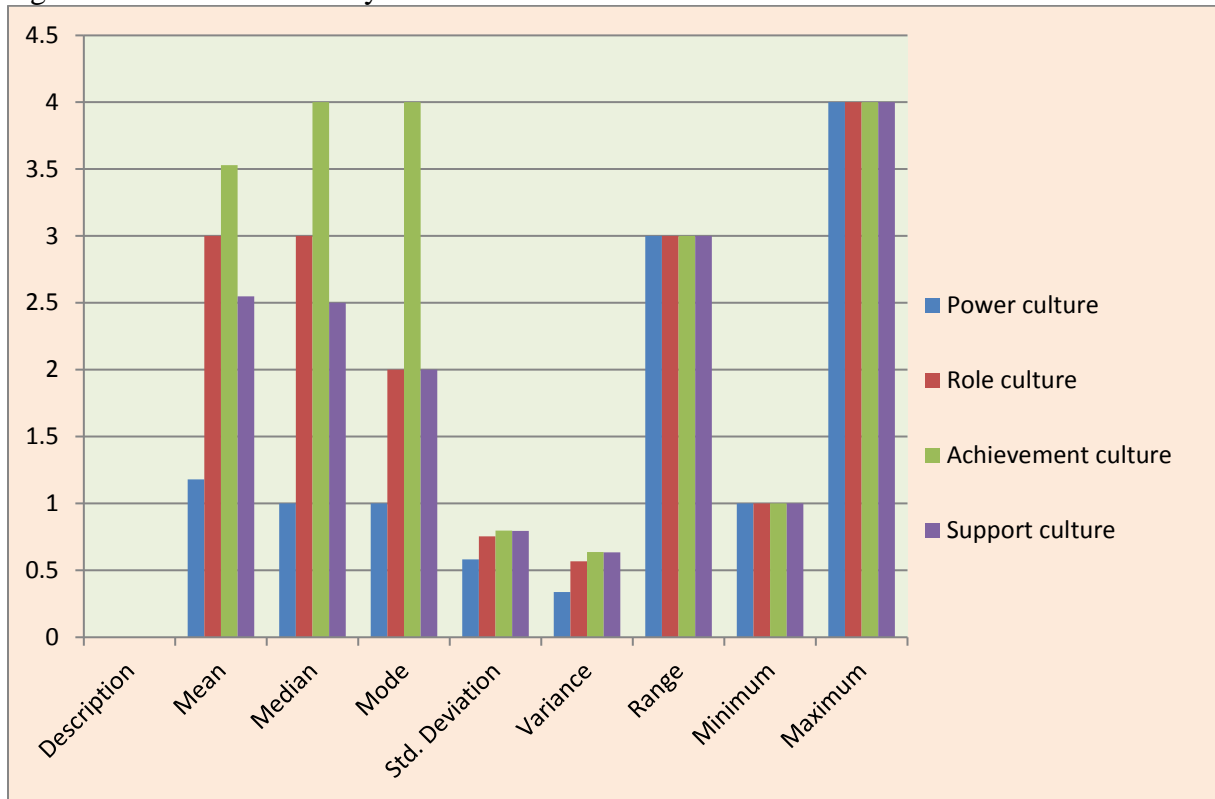


Figure 5.15 illustrates the percentage ratings pertaining to the preferred organizational culture in the Development bank of Ethiopia. It illustrates that, the preferred culture is the achievement culture with a mean score of 3.53. These scores indicate that employees at the Development Bank of Ethiopia would prefer to have achievement culture within the bank as opposed to power culture. The second most preferred organizational culture is the role culture, which has a mean score of 3.00.

The coded values as per the questionnaire are:

1= least preferred alternative

2 = Moderate preferred alternative

3=Medium preferred alternative

4=Most preferred alternative

Section 3: Questionnaires on Employee Performance Affecting Variables

3.1. Do you think that the organization has good performance appraisal system?

A large percentage of the respondents (51 percent) agreed on the idea that the bank has good performance appraisal system and 3% respondents strongly agree on the idea. Contrary to this idea 34 % and 12% disagree and strongly disagree for the question respectively. So it is noted that, the bank still needs improvement in the employee performance evaluation system.

Table 4.2: Performance appraisal systems

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	12.2	12.2	12.2
Disagree	30	33.8	33.8	45.9
Agree	47	51.4	51.4	97.3
Strongly Agree	5	2.7	2.7	100.0
Total	91	100.0	100.0	

3.2. Does the organization give emphasis to workers development through training and other mechanisms?

The question was to indicate whether the organization gives emphasis to workers development through training and other mechanisms or not. As the researcher viewed from their response, majority of the respondents representing 68% agreed that the organization gives emphasis to workers development through training and other mechanisms.10% of respondents were strongly agree, 18% respondents disagreed for the question and 3% of respondents said they strongly disagree.

This shows that now-a-days the organization started to give attention for workers development to enhance their skills, attitudes, and general performance. And it is noted that, the training mechanism of the organization is good but it still needs improvement.

Table 4.3: Workers Development through Training

Categories	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	2	2.7	2.7	2.7
Disagree	18	20.3	20.3	23.0
Agree	62	67.6	67.6	90.5
Strongly Agree	9	9.5	9.5	100.0
Total	91	100.0	100.0	

3.3. The organization has a good leadership style (the relationship between leaders and employees is good)

In regard to a good leadership style majority of respondents representing 51% agree on the idea that the leadership style in the bank is good. Contrary to this, 39% of respondents representing 39 % and 4 % disagreed and strongly disagreed. From this it can be concluded that the leadership style of the bank couldn't satisfy all employees. Some leaders do not communicate with employees in a good manner.

Table 4.4: Leadership style

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	4.1	4.1	4.1
	Disagree	34	37.8	37.8	41.9
	Agree	47	51.4	51.4	93.2
	Strongly Agree	6	6.8	6.8	100.0
	Total	91	100.0	100.0	

3.4. Remuneration (financial and non-financial) provided by the bank are good

Respondents were asked regarding remuneration (financial and non-financial) provided by the bank. As shown in table xx below, 62% of respondents agreed and 3% of respondents strongly agreed. The rest respondents representing 4% and 31% strongly disagreed and disagree for this question respectively. From this it can be concluded that remuneration provided by the bank needs some improvement in order to satisfy employees.

Table 4.5: Remuneration (financial and non-financial)

		Frequency	Percent	Valid Percent	Cumulative
Valid	Strongly	4	4.1	4.1	4.1
	Disagree	28	31.1	31.1	35.1
	Agree	57	62.2	62.2	97.3
	Strongly Agree	2	2.7	2.7	100.0
	Total	91	100.0	100.0	

3.4. The career movements (lateral, diagonal, vertical, horizontal transfer) in the DBE are applied properly and timely and employees are treated equally.

Table 4.7 reveals that, majority of respondents representing 50 % disagreed on the goodness of the organization in the career movements (lateral, diagonal, vertical, horizontal transfer) in the DBE. They said the career movements are not applied properly and timely and employees are not treated equally. However, 35% % and 4 % agreed and strongly agree for this question respectively. Here it can be noted that, respondents and generally employees are not cleared about the mechanism that the organization uses for the career movements and the majority of employees are not satisfied with the system of career movements.

Table 4.6: The career movements (lateral, diagonal, vertical, horizontal transfer)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	12.2	12.2	12.2
Disagree	46	50.0	50.0	62.2
Agree	31	33.8	33.8	95.9
Strongly Agree	4	4.1	4.1	100.0
Total	91	100.0	100.0	

Section 2: Employee Performance affecting variable question Questionnaires

Table 4.7: Central tendency statistics, individual performance affecting variables

	Performance appraisal system	Training	leadership style	Remuneration	The career movements
Mean	2.45	2.84	2.61	2.64	2.3
Median	3	3	3	3	2
Mode	3	3	3	3	2
Std. Deviation	0.743	0.62	0.679	0.61	0.735
Variance	0.552	0.384	0.461	0.372	0.541
Range	3	3	3	3	3
Minimum	1	1	1	1	1
Maximum	4	4	4	4	4

Figure 5-16 Central tendency statistics, individual performance affecting variables

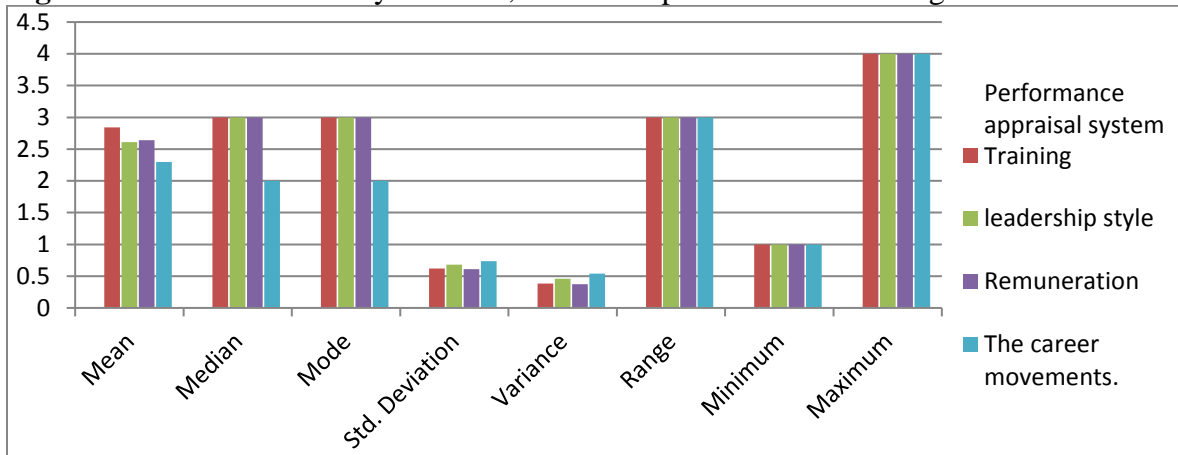


Figure 5.16 illustrates the percentage ratings pertaining to the Training (employee performance affecting variable) average result is good with a mean score of 3.00. This indicates that, currently the organization started to give attention for workers development to enhance their skills and attitudes, Contrary to this the average result for career movements shows a small mean score 2.3 which indicates career movements are not applied properly and timely and employees are not treated equally. The mean score for performance evaluation, leader ship and remuneration is moderate (2.45, 2.61, 2.64) respectively. This shows that those variables are needs attention and the bank will be improve in the near future since they affect the individual performance of the Bank.

The coded values as per the questionnaire are:

1 =Strongly Disagree

2 =Disagree

3 =Neutral

4 = Agree

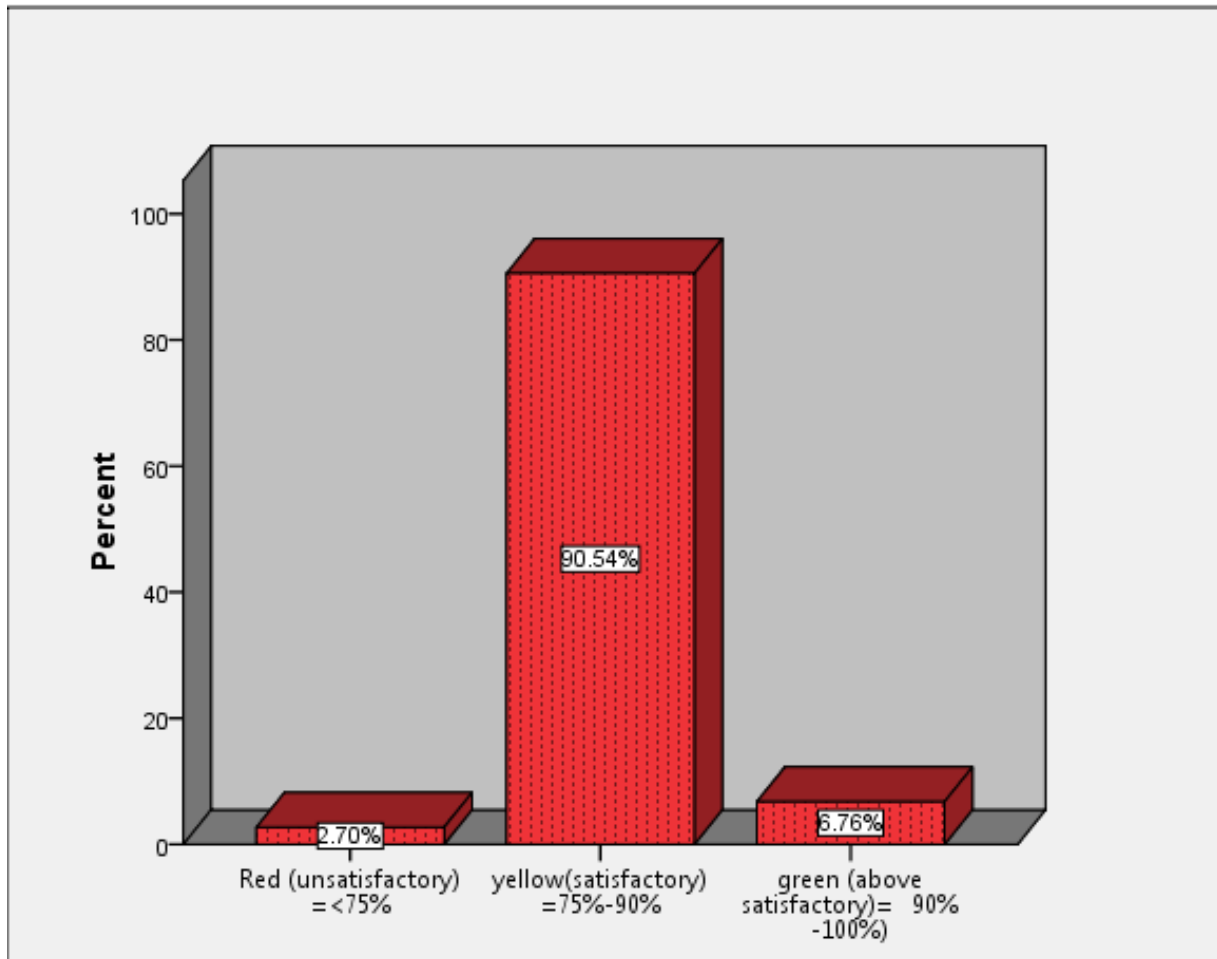
5 = Strongly Agree

Section 3: Individual performance result questioner

Thresholds which are selected for individual performance evaluation in the development bank of Ethiopia are defined as Blue (outstanding), which represents outstanding performance, Green (Above Satisfactory): which represents acceptable performance range, Yellow (Satisfactory):

which shows marginal performance and therefore caution and Red (Unsatisfactory): which depicts below target performance those thresholds is stated based on target achievement and expectation. the individual performance of the respondents shows 90% of respondents individual performance result is under yellow category that is satisfactory=75%-90% and 5% is under green and small amount of respondents (2%) are under red which is unsatisfactory. From the total respondents no one is got blue (outstanding) this shows the current employ performance should be improved through identifying the factors which affect the performance level of employees.

Figure 4-17 Employee performance result



4.3. The impact of organizational culture and individual performance affecting variables on employee job performance

4.3.1. Regression analysis

Regression is a measure of association between two quantitative variables. This form of statistical test is only possible with interval or ratio data (www.SPSS for Psychologists). The following table below shows the regression analysis of the impact of organizational culture and other employee performance variables on employee performance of Development bank of Ethiopia.

Table4.8: Regression Analysis Result.

Variables	Coefficient	Std. Error	t	Sig.
(Constant)	2.090	.257	8.120	.000
Power Culture	.087	.037	.675	.502
Performance Appraisal	.102	.055	.923	.360
Training	.080	.075	.531	.597
leadership style	.236	.063	1.708	.092
Remuneration (financial and non-financial)	.123	.065	1.887	.084
The career movements (lateral, diagonal, vertical, horizontal transfer)	.050	.059	.358	.722

Table 4.9: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. Change	
1	.273 ^a	.075	-.008	.308	.075	.902	6	67	.499	2.103

a. Predictors: (Constant), the career movements (lateral, diagonal, vertical, horizontal transfer). Remuneration (financial and non-financial), Power Culture., Good performance appraisal system, leadership style (the relationship between leader and employees) and Training.

b. Dependent Variable: Individual performance

The result of the multi linear regression of the above equation in general show that, individual performance of DBE is determined by organizational culture, leadership style, performance appraisal system, Training, remuneration, and career movement among DBE staffs. The signs of the coefficients are consistent with theoretical expectations for all variables.

The current remuneration of the bank has significant and Positive impact on individual performance and its magnitude coefficient is 0.102, which is greater than organizational culture coefficient. This implies a one percent increase in current remuneration system will increase performance by 0.123 percent. In other words, the increase in remuneration system will increase the individual performance of DBE

Training of employees has insignificant but positive impact on performance. A one percent increase in the amount of trainings to employees will increase individual performance by 0.08 percent. On the other hand, fair career movement among DBE staffs has highly insignificant and positive effect but it has a minimum effect on individual performance among all variables since its value is minimum (0.05). This implies a one percent increase in practice of equal treatment in career movement will increase individual performance by 0.05 percent. And this variable is the least importance

Leadership style is the other variable that has significant and Positive impact on individual performance in DBE. Leadership style has the highest impact on individual performance in DBE since it estimated coefficient is the maximum (0.236). Thus, we can interpret the result as, on average a one percent increase in current leadership style will Increase individual performance by 0.236 percent. The current performance appraisal system of the bank has insignificant but positive impact on individual performance and has highest impact on performance next to leadership style since its magnitude coefficient is 0.123, which is greater than organizational culture coefficient. This implies a one percent increase in practice of the current performance appraisal system will increase performance by 0.123 percent.

The current dominant organizational culture of the bank (i.e. power) has insignificant but positive impact on performance as expected. The estimated coefficient of organizational culture

is 0.087. Thus, we can interpret the result as, on average, the more adoption of the current organization culture by 1 percent will increase individual performance by 0.087 percent. This implies the current dominant organizational culture of DBE has not influential in affecting individual performance rather leadership style, remuneration, performance appraisal have a great impact on performance in their order respectively. Thus we can confidently say that the current organizational culture should be changed in order to change the individual performance of the bank.

4.4. General Comments on the Open Ended Question

The Responses on the general opinion obtained from a total of 45 respondents are summarized here as follows:

4.4.1 Employee motivation and good communication

Respondents indicated that Employee motivation is critical to maintain productivity. There are several factors that influence motivation including pay, career opportunities and positive relationships with co-workers. Managers also need to understand the role of communication in employee motivation, as it can sometimes be the most basic communication errors that lead to employee dissatisfaction. Facilitating effective communication can help to improve employee motivation and employee performance.

In line with the above ideas respondents also recommended good Relationship, because effective relationships between employees, managers, departments and all levels of the company. Clear and honest communication helps to encourage and strengthen those relationships, which can assist employees in reaching maximum performance. Maintaining strong workplace relationships helps employees in achieving high levels of productivity and supports staff motivation.

4.4.2. Team work

Respondents noted that the team work is the very important variable for the success of the bank and their ideas can be summarized as follows;-

- Team work is simply a help of team members in order to achieve certain goal or objective. Understanding teamwork is essential in order to achieve the goals and successes that every business hopes to see.

- Working together as a team means that several people have to come together and function as one solid unit. It involves taking the various talents and skills in a way that each team member contributes; and combining them for one successful effort.
- Being a team means sharing the responsibility. Because the team will have to share both losses and victories. A team has to remain as a team whether they are winning or losing.
- It's about supporting of one another that all learn by experience and grow together as a team.

4.4.3. Healthy work Environment

Respondents also indicated that healthy work environment is also performance affecting variables as respondents stated the furniture dimensions and arrangement, spatial layout, noise level, temperature, the total amount and accessibility of file and work storage, and the height and density of workplace partitions have a great impact on job satisfaction, performance and comfort once health and security are guaranteed in the workplace for both the individual and the team the work environment can be said to be supportive that employees require to perform their job and activities well.

4.4.4. Good organization culture

Respondents also give their opinion on the organizational culture: majority of the respondents are not satisfied with the current culture of the bank. They recommend as the culture has to change and also indicated as the interference of boss is high and the existing culture is not supporting innovation and talents.

4.4.5. Remuneration

Empirical evidence has shown that a reward for performance is a strong management tool that can be used to create high-performing organization. It motivates individuals to perform better as their contribution and efforts are being recognized, valued and appreciated. Research has shown that monetary rewards and incentives play an important role in attracting and retaining top-performing

4.4.6. Leadership:

Finally, the subject of leadership within the development bank of Ethiopia was also raised by respondents. Respondents generally noted that there was a lack of leadership and leadership skills within the bank. Respondents also stated that leaders need to manage and make decisions with an unbiased and fair attitude.

4.5. Discussion of results on Organizational Culture. Existing and Preferred Culture

The respondents of the study expressed varied opinions towards the existence and preference to power, role, achievement and support culture. However, it was evident that, in most cases, the existence of power culture was rated the highest and the preference to achievement culture was rated high as well. Power culture had the highest mean of 3.20, which is attributed to the fact that the respondents of the study perceive that there is a strong presence of power culture currently in development bank of Ethiopia.. This type of culture, according to Harrison and Stokes (1992:23) has a single source of power from which rays of influence, which are connected by functional and specialist strings that facilitate co-ordination, spread throughout the organization. Martin (2005: 493) adds that all important decisions are made by that person who has the single source of power, and that person retains absolute authority in all matters.

The preferred culture as indicated by the respondents is achievement culture Achievement culture is characterized by people who want to make meaningful contribution to their organization. It appears, from the response of the target population that most of them want to make a meaningful contribution to this organization, as indicated by the highest average mean for preferred culture (3.5). The preference to have an achievement culture also indicates that, there is a clearly understood mission, the employees would prefer to work as a team, and they would also prefer that communication channels are open both laterally and vertically.

The role culture type is also widely preferred, as is indicative by the average mean of 3.00, Indicates that the respondents would also prefer some kind of rules that would govern them within the organization like job descriptions, communication procedures, and dispute resolution procedures, as is characterized by a role culture type organization. The employees of development bank has moderate perception towards support culture (mean2.00), indicates that the respondents would prefer a culture where there is mutual

trust between themselves and the organization. The preference to this type of culture means that the employees would prefer to be valued within their organization and not be just treated as device in a machine.

4.6. Employee performance affecting factors questioner

The mean values for performance appraisal and career movements are (disagree), and the mean values for leader ship style, remuneration and training (agree), as well as the mean values for possibly indicate the following:

- The current performance appraisal system is good but as respondents explained, the system lacks uniformity in all process of the bank which needs improvements.
- So far the bank gives emphasis for training, this helps and it has a great contribution for individual performance of the bank and respondents recommend that the practices would sustain in the future.
- Regarding the Carrere movements the respondents were not comfortable with the existing career movement of the bank which is not clear and not applied properly and timely.
- Regarding the leader ship style there is a perception among the respondents That, leader ship style of the bank is not bad but the leader in all process do not have the same behavior and they don't have good relationship with employees
- As the majority of respondents explained, the remuneration (financial and non-financial) system of the bank needs some improvements especially in line with other organization it needs a great attention. And also they explained as it has a great impact on their performance.

4.7. Employee performance result questionnaires

The mean average for all question prepared on this section averaged 2, which indicates a yellow (satisfactory). This could be caused by the fact that the respondents were not comfortable with the current organization culture of the bank and due to other employee performance variables (performance appraisal system, training. Remuneration, leadership style and career movements) this may affect their current performance result.

4.8. The impact of organizational culture and other employee performance affecting variables on employee performance

Individual performance of DBE is determined by organizational culture, leadership style, and performance appraisal system, training, remuneration, and career movement among DBE staffs.

The signs of the coefficients are consistent with theoretical expectations for all variables.

The current dominant organizational culture of the bank (i.e. power) has insignificant but positive impact on performance as expected. The estimated coefficient of organizational culture is 0.087. Thus, we can interpret the result as, on average, the more adoption of the current organization culture by 1 percent will increase individual performance by 0.087 percent. This implies the current dominant organizational culture of DBE has not influential in affecting individual performance, this shows the culture which is preferred by the employees and management staff should be implemented. Thus we can confidently say that the current organizational culture should be changed in order to change the individual performance of the bank. Leadership style, remuneration and performance appraisal system have a great impact on performance in their order respectively.

CHAPTER 5 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter deals with the summary of major findings, conclusions and recommendations

5.1. SUMMARY OF FINDINGS

It is important to reiterate that this research work was embarked upon with the main objectives of finding out and evaluating the impact of organizational culture on employee's job performance in DBE. To this end, culture was used as the independent variable while Job performance served as the dependent variable.

In order to address the objectives of the study, questionnaires, observation and Document analysis was employed to gather information. The Organizational Culture Assessment Instrument (OCAI) and Employee performance survey are administered to respondents to assess and identify the existing culture, preferred culture job satisfaction and the perception of members towards the change effort practiced by the organization. All the questionnaires distributed were properly filled and returned. At last the study came up with the following major findings.

The findings showed that, the existence of power culture was rated the highest and the preference to achievement culture was rated high as well. Power culture had the highest mean of 3.20, which is attributed to the fact that the respondents of the study perceive that there is a strong presence of power culture currently in Development Bank of Ethiopia.

As the finding of the study tells us, the preferred culture as indicated by the respondents is achievement culture which is characterized by people who want to make meaningful contribution to their organization. It appears, from the response of the target population that most of them want to make a meaningful contribution to this organization, as indicated by the highest average mean for preferred culture (3.5).

The role culture type is also widely preferred, as is indicative by the average mean of 3.00, Indicates that the respondents would also prefer some kind of rules that would govern them within the organization like job descriptions, communication procedures, and dispute resolution procedures, as is characterized by a role culture type organization. The employees of

Development Bank has moderate perception towards support culture (mean 2.00), indicates that the respondents would prefer a culture where there is mutual trust between themselves and the organization.

Regression analysis results

Independent variable is employee performance. In order to understand the real impact of organizational culture on employee performance the study used other employee performance variables like Performance appraisal systems, Training, leadership style, Remuneration and career movements. The data which is related with employee performance is collected through likert scale measurement.

The finding of the multi linear regression shows that, individual performance of DBE is determined by organizational culture, leadership style, performance appraisal system, Training, remuneration, and career movement among DBE staffs. The signs of the coefficients are consistent with theoretical expectations for all variables.

The study finding shows the current remuneration of the Bank has significant and Positive impact on individual performance and its magnitude coefficient is 0.102, which is greater than organizational culture coefficient. In other words, the increase in remuneration system will increase the individual performance of DBE. Training for employees has insignificant but positive impact on performance. On the other hand, fair career movement among DBE staffs has highly insignificant and positive effect but it has a minimum effect on individual performance among all variables since its value is minimum (0.05) and this variable is the least importance Leadership style is the other variable that has significant and Positive impact on individual performance in DBE. Leadership style has the highest impact on individual performance in DBE since it estimated coefficient is the maximum (0.236). The current performance appraisal system of the bank has insignificant but positive impact on individual performance and has highest impact on performance next to leadership style since its magnitude coefficient is 0.123, which is greater than organizational culture coefficient.

The current dominant organizational culture of the Bank (i.e. power) has insignificant but positive impact on employee performance as expected. The estimated coefficient of organizational culture is 0.087. This implies the current dominant organizational culture of DBE has not influential in affecting individual performance rather leadership style, remuneration, performance appraisal have a great impact on performance in their order respectively. Thus the

study findings conclude that the current organizational culture should be changed in order to change the individual performance of the Bank.

5. 2. CONCLUSIONS

From the findings of the study, one can concluded that the dominant culture of Development Bank of Ethiopian in the current situation was power with a mix of role culture. And the staffs 'preferred culture is achievement culture. This type of culture emphasizes an environment that is relatively stable, and characterized by people who want to make meaningful contribution to their organization. And there is a clearly understood mission, the employees would prefer to work as a team, and they would also prefer that communication channels are open both laterally and vertically.

From the summary of findings above organizational culture is the core for improving employee's performance and have an ability to change the working environment conducive for success of the organizational mission by creating shared belief of intelligence to solve problems and make decisions. Each organization has its own culture that guides the success, makes difference from others, and holds them together to facilitate its goals accomplishments.

From the findings above we can also conclude that strong organizational culture is not developed in DBE due to weak attention of top executives for changing the culture of the organization and there is also weak attention to improve the human aspects of the reform in the organization. That is why the social relationship between employees is poor in the organization and most employees are not interested to stay in the organization for the rest of their time. In addition, there was a problem in achieving the goals of the organization because a shared beliefs, values and collective thinking not developed. Moreover, due to weak team spirit between employees they are not committed to work hard at weekend and using fulltime in the organization to accomplish tasks as well as they are not interested and satisfied by their delivery of services to customers of the organization.

Moreover, employees of the organization do not have sufficient knowledge on reform and culture development. The relationship between working groups for creating a healthy competition among employees with a shared organizational culture is weak. Good organizational

culture is important because it shapes; what the organization considers being “right decisions” what employees consider to be appropriate behavior and how they interact with each other within the organization, how individuals, work groups and the organization as a whole deal with work assigned to them, the speed and efficiency with which things get done, the organizations capacity for and receptiveness to change and the attitudes of outside stakeholders to the organization

The results of the study have provided important implications on the relationship between organizational culture and performance. Previous studies have shown the effect of corporate culture on performance (Kotter and Heskett, 1992; Denison, 1990; Van der Post *et al.*, 1998) but did not show the potential relationships of these two factors (organizational culture and performance) in an integrated way. This study, therefore, has shown the important relationships of these two factors in an organizational setting, particularly in a developing country like Ethiopia. This research has also provided us with a better understanding of the relationships of these factors in order to enhance managerial effectiveness and organizational success.

This study shows that there is a positive relation among organizational culture and employee’s job performance. This research demonstrates that everyone in the organization comes from diverse culture and they try to tune their norms and values with organization’s norms and values. When an employee accepts the culture of organization then he/she performs well. According to Gallagher (2008), positive employee performance can cause the profit of an organization

5. 3. RECOMMENDATIONS

With regards to the research findings, several recommendations pertaining to the Development bank and future research have been identified.

- It is evident that the existing organizational culture differs from employees’ preferred culture due to this, the current organization culture has positive impact on performance but insignificantly effect employees’ performance therefore this culture should be changed to preferred culture (achievement culture)
- The bank should create an effective and good performance appraisal system for the fact that, constructive appraisal system can assist in motivating employees, as well as ensure clear expectations and the desired actions needed to achieve organizational outputs.
- To increase performance of employees the bank should improve the remuneration system through implementing effective remuneration strategy and reward system

through implementing Reward management as “the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization because the study shows the existence of a strong relationship between extrinsic or intrinsic remuneration and an employee’s performance

- The leadership style within an organization has a bearing on encouraging or inhibiting employees performance (Armstrong & Murlis 2004:46-49; Cronje and others 2001:144). So the management does carefully analyze the needs of its employees, and create a good relationship with employees.

In order for the DBE to move from a power culture to an Achievement culture, it is recommended that the bank assure;-

- Demanding goals are set and rewards are given for individual achievement of the identified goals.
- Management reduces the fear and anxiety that are endemic to power orientated cultures. To do this, management needs to stop rewarding employees for compliance and not punish employees or withhold rewards from employees for non-compliance.
- Supervisors and management established trust in the integrity and dedication of team members so that employees feel they are able to ask for assistance when they are unsure about the work they are completing.
- Work and decision-making is delegated to lower level managers, supervisors or employees, in order for work to be completed timorously and also to decrease the workload of top management and build trust between the employees and management.

6. REFERENCES

- Armstrong, M. and Murlis, H. 2004. **Reward management: a handbook of remuneration strategy and practice**. 5th edition. London:Kogan Page Limited
- Brief, A. P., and Motowidlo, S. J. (1986). **Pro social organizational behavior**. *Academy of Management Review*, **11**, 710–725.
- Brown, A.D. 1995. **Organizational culture**. London: Pitman Publishing
- Brown. D. and Armstrong, M. 1999. **Paying for Contribution. Real Performance-related pay strategies**. London: Kogan Page.
- Borman, W. C., & Motowidlo, S. J. (1993). Expanding the criterion domain to include elements of contextual performance. In N. Schmitt & W. Borman (Eds.), **Personnel selection in organizations** (pp. 71–98). New York: Jossey-Bass.
- Borman, W. C., & Motowidlo, S. J. (1997). **Task performance and contextual performance: The meaning for personnel selection research**. *HumanPerformance*, **10**, 99–109.
- Campbell, J. P. (1990). **Modeling the performance prediction problem in industrial and organizational psychology**. In M. D. Dunnette & L. M. Hough (Eds.), *Handbook of industrial and organizational psychology*(Vol. 1, pp. 687–732). Palo Alto: Consulting Psychologists Press.
- Campbell, J. P. (1999). **The definition and measurement of performance in the new age**. In D. R.
- Campbell, J. P., McCloy, R. A., Oppler, S. H., & Sager, C. E. (1993). **A theory of performance**. In E. Schmitt, W. C. Borman, & Associates (Eds.), *Personnel selection in organizations* (pp. 35–70). San Francisco: Jossey-Bass.

Campbell, J. P., Gasser, M. B., & Oswald, F. L. (1996). **The substantive nature of job performance variability.** In K. R. Murphy (Ed.), *Individual differences and behavior in organizations* (pp. 258–299). San Francisco: Jossey-Bass.

Cameron K. & Quinn, R.E. (1999). **Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework.** Reading, MA: Addison-Wesley

Deal T. E. and Kennedy, A. A. 1982. **Corporate Cultures: The Rites and Rituals of Corporate Life.** Penguin Books: Harmondsworth

Deal, T.E., and Kennedy, A.A. 1988. **Corporate cultures: The rites and rituals of corporate life.** London: Penguin

Development Bank of Ethiopia Annual Report

Human Resource Management (HRM) policies of the Development Bank of Ethiopia (DBE).

Development Bank of Ethiopia Corporate Balanced Scorecard (2010-2015)

Different information from Development Bank Libraries concerning employee performance and organizational culture

Flamholtz EJ (2001) **Corporation Culture and the Bottom Line**, European Management Journal 19(3): 268-275

George, J. M., & Brief, A. P. (1992). **Feeling good—doing good:** A conceptual analysis of the mood at work—organizational spontaneity relationship. *Psychological Bulletin*, **112**, 310–329.

Hall, J.H. 1988. **The Competence Connection: A Blueprint for Excellence.** Woodstead Press: The Woodlands, Texas

Harmse, L.M. 2001. **The influence of organizational culture on job satisfaction and organizational commitment.** Unpublished thesis for Bachelor of Commerce, Port Elizabeth: University of Port Elizabeth

- Harrison, R. 1972. "Understanding your organizations culture". **Harvard Business Review**, 50(May/June): 119 – 128
- Harrison,R., and Stokes, H 1992. **Diagnosing Organizational Culture**. New York: Pfeiffer and Company
- Harrison, R. 1993. **Diagnosing organizational culture: Trainer's manual**. New York: Pfeiffer and Company
- Hellriegel, D. Slocum, Jr. J. W. & Woodman, R.W. (2001). **Organizational Behavior**. 9th Edition. Sydney: Thomson Learners.
- Hellriegel, d., Jackson, s.e., Slocum, j., Staude, g., amos, t., Klopper, h.b., louw, l., and oosthuizen, t. 2004. **Management (2ndSouth African ed)**. Cape Town: Oxford University Press Southern Africa
- Hofstede, G. 1980. **Culture's Consequences: International Differences in Work Related Values**. Sage Publications: Beverly Hills, CA
- Ilgel, D. R., & Schneider, J. (1991). **Performance measurement: A multi-discipline view**. In C. L. Cooper & I. T. Robertson (Eds.), *International review of industrial and organizational psychology* (Vol. 6, pp. 71–108). Chichester: Wiley
- Li, 2004. A citation analysis of management and organization research in the Chinese context: 1984-1999. *Asia Pacific Journal of Management*, 19(1): 87-107
- Martins, E.C. and Terblanche, F. 2003. Building organizational culture that stimulates Creativity and innovation. **European Journal of Innovation Management**. Vol. 6, No. 1. pp. 64 – 74.
- Martin, J. 2001. **Organizational behavior (2nd ed)**. London: Thomson Learning

McGuire, S.J.J. 2003. **Entrepreneurial Organizational Culture: Construct Definition and Instrument Development and Validation**, Ph.D. Dissertation, The George Washington University: Washington, DC.

Martins, E.C. and Terblanche, F. 2003. Building organizational culture that stimulates Creativity and innovation. **European Journal of Innovation Management**. Vol. 6, No. 1. pp. 64 – 74.

Mullins, L. (1999). *Management and Organizational Behaviour*. 5th Edition

Ojo, Olu (2003) *Fundamentals of Research Methods*, Lagos: Standard Publications

Peterson, M. F., & Smith, P. B. (2000). Meanings, organization and culture: Using sources of meaning to make sense of organizational events. *Handbook of organizational culture and climate* (pp. 101-116). Thousand Oaks, CA: Sage

Robbins, S. (Ed.). (2001). **Organizational behavior: Concepts, controversies, applications**. Englewood Cliffs, NJ: Prentice-Hall.

Schein, E.H. 1983. **The role of the founder in creating organizational culture**. **Organizational Dynamics**. Summer. pp. 13 – 28.

1984. **Coming to a New Awareness of Organizational Culture**. **Sloan Management Review**

1985. **Organizational Culture and Leadership**. Jossey-Bass: San Francisco, CA.

1990. **Organizational Culture**. *American Psychologist*. Vol. 45, No. 2. pp. 109 – 119.

1996. Culture: the missing concept in organization studies. *Administrative Science Quarterly*, 41(2), 229-40

San Francisco: Jossey-Bass. (1996) **Three Cultures of Management: The Key to Organizational Learning**, *Sloan Management Review* 38(1): 9-20.

Swanepoel, B.J., Erasmus, B.J., van Wyk, M.W. and Schenk, H.W. 1998. *South African Human Resources Management: theory and practice*. Cape Town: Juta.

Ubeku, A.K. (1975), *Personnel Management in Nigeria*. 1st Ed. Benin: Ethiopia

Pub Corp

Van Dyne, L., & LePine, J. A. (1998). Helping and voice extra-role behaviors: Evidence of construct and predictive validity. *Academy of Management Journal*, **41**, 108–119.

Van Scotter, J., Motowidlo, S. J., & Cross, T. C. (2000). Effects of task performance and contextual performance on systemic rewards. *Journal of Applied Psychology*, **85**, 526–535.

APPENDIX I: Biographical Information

1.1. Gender of Respondent

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid MALE	73	79.7	79.7	79.7
FEMALE	18	20.3	20.3	100.0
Total	91	100.0	100.0	

Table 1.2: Length of service

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid less than 2 years	12	13.5	13.5	13.5
From 2-5 years	33	36.5	36.5	50.0
From 6-10 years	30	33.8	33.8	83.8
more than 10 years	15	16.2	16.2	100.0
Total	91	100.0	100.0	

Table 1.3: Level of Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid BA/BSC	76	83.8	83.8	83.8
MA/MSc	15	16.2	16.2	100.0
Total	74	100.0	100.0	

Table 1.4 Work Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid less than 2 years	1	13.5	13.5	13.5
From 2-5 years	33	36.5	36.5	50.0
From 6-10 years	31	33.8	33.8	83.8
more than 10 years	15	16.2	16.2	100.0
Total	91	100.0	100.0	

APPENDIX II: EMPLOYEE PERFORMANCE AFFECTING VARIABLES

Figure 2.1 Performance appraisal result

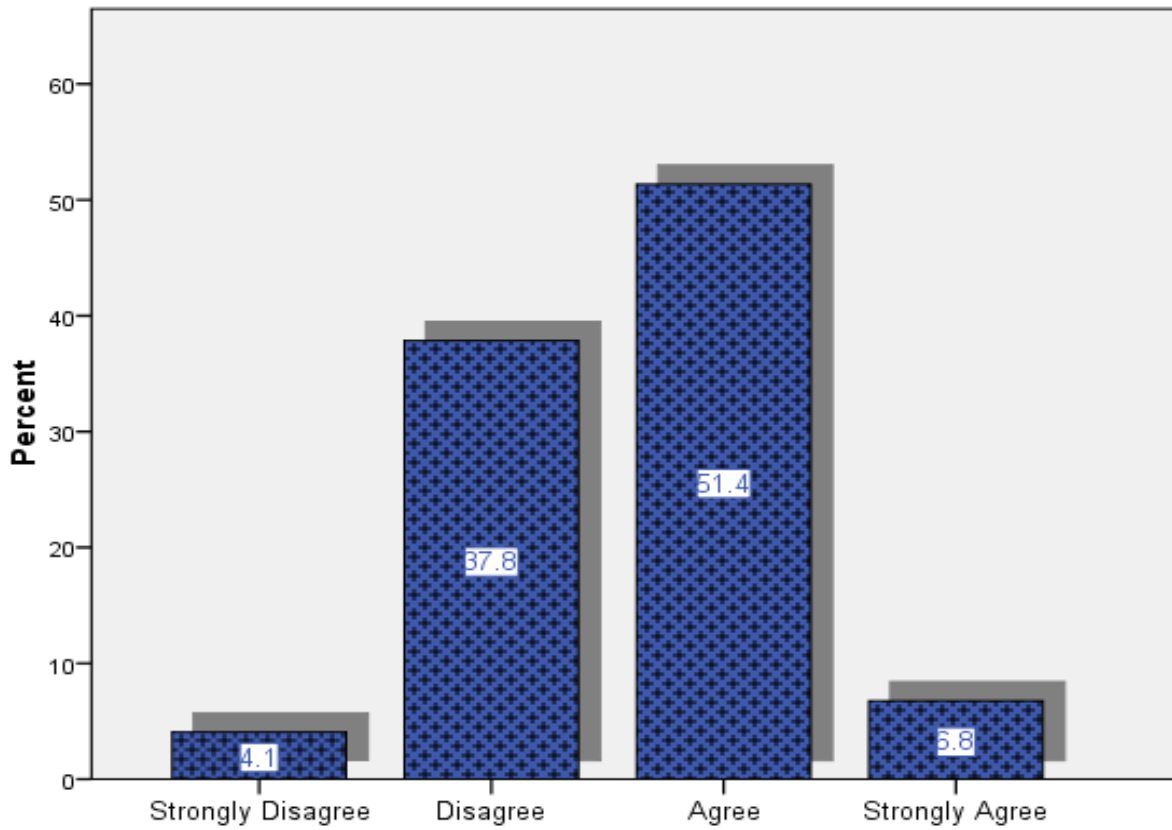


Figure 2.2: Training

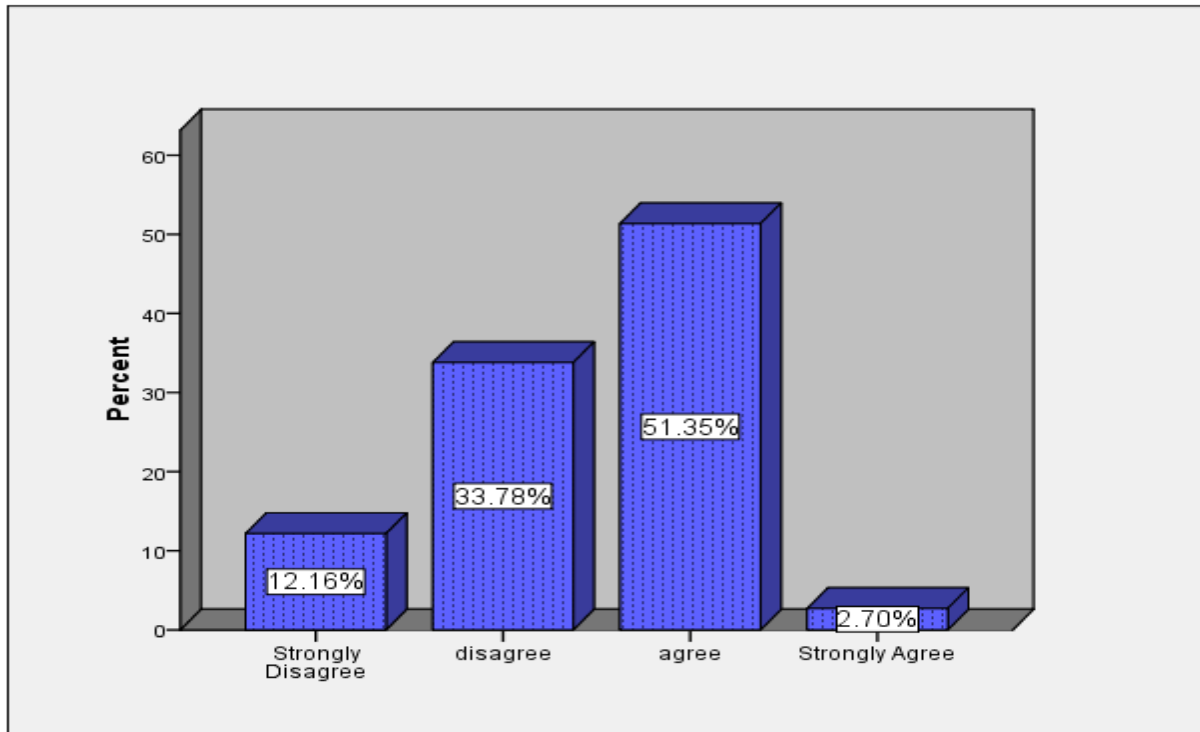


Figure 2.3 Leadership Style

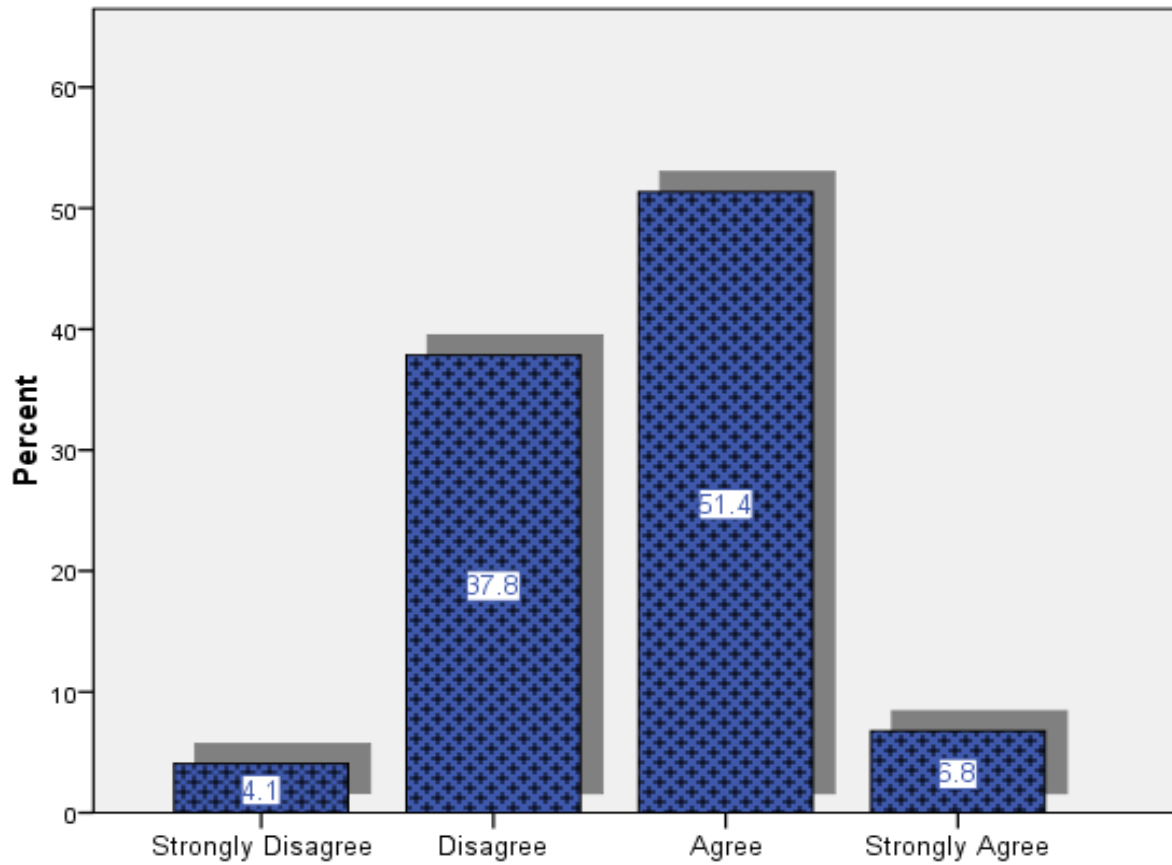


Figure 2.4 Remuneration (financial and non-financial)

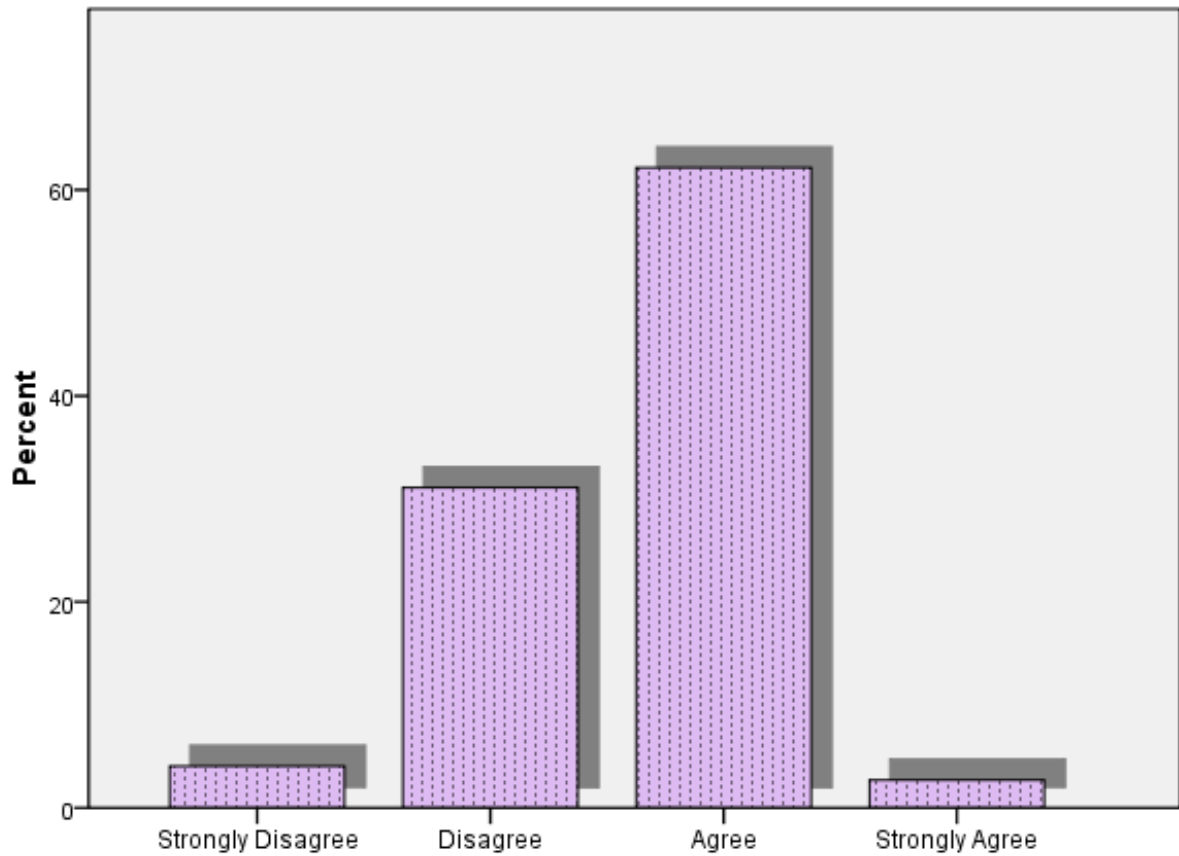
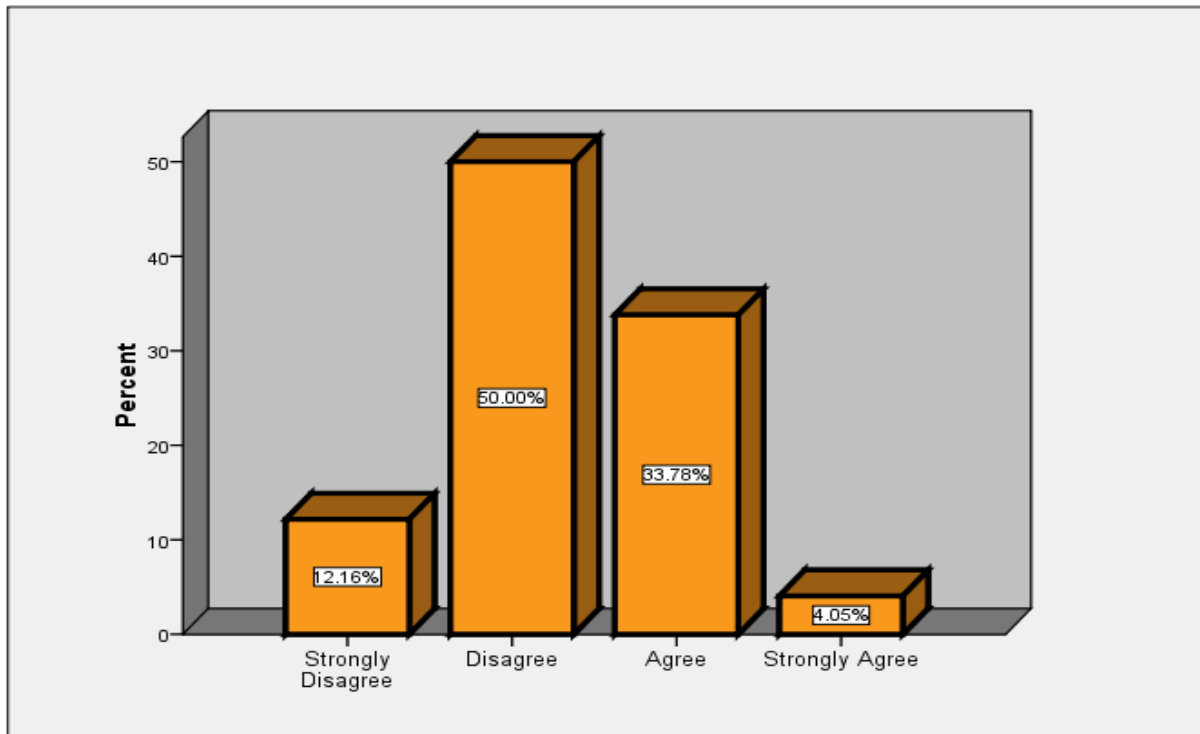


Figure 2.5: Career movements



APPENDEIX III: Regression analyses result

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.514	6	.086	.902	.499 ^a
	Residual	6.364	67	.095		
	Total	6.878	73			

A. Predictors: (Constant), Power culture, performance appraisal Training , Remuneration , (Financial And Non-Financial) , leadership style and career movements ,

B. Dependent Variable: Employee Performance

Residuals Statistics

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.80	2.29	2.04	.084	91
Residual	-1.135	.972	.000	.295	91
Std. Predicted Value	-2.917	3.011	.000	1.000	91
Std. Residual	-3.683	3.152	.000	.958	91

A Dependent Variable: employee performance

APPENDIX IV: Research Questionnaire

St. Mary's University College School of Graduate Studies

Master of Business Administration

Questionnaire for organization culture survey

I am in the process of completing my studies towards a Master of Degree in Business Administration (MBA), and this research study forms part of the Requirements of the qualification. The objective of this thesis is to assess the effect of organizational culture on employee job performance in Development bank of Ethiopia.

Your participation in this study is completely voluntary. There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate. Your information will be coded and will remain confidential. If you have questions about the survey or the procedures, you may contact me at any time through the following addresses:

E-mail: tututave@gmail.com

Extension: 315 or 304 (woinshet)

I apologize for the length of the questionnaire, however the nature of the study does not allow me to shorten it in any way. It is very important for me to learn your opinions. Your co-operation is most valued and appreciated and I would like to express my heartfelt gratitude in advance for your kind participation.

Note:-

- ✓ You are not required to write your name

Thank you in advance,

Woinshet Taye

Biographical Information

1. Please indicate your gender:

Male

Female

2. How long have you been working for the bank?

Less than 2 year

2-5 years

5-10 years

More than 10 years

3. What is your position in your organization?

Junior officer

Senior officer

Officer

Management staff

Other, please specify _____

4. What is your level of education? _____

5. Please indicate the process/ sub-process you work in:

Research process

Credit process

Project rehabilitation sub process		Appraisal sub process	
Risk management	<input type="checkbox"/>	Exportcredit guaranty	<input type="checkbox"/>
Strategic Planning and development effectiveness process	<input type="checkbox"/>	RUFIP Bureau	<input type="checkbox"/>
Ethics and compliant management bureau	<input type="checkbox"/>	Human resource management process	<input type="checkbox"/>
Business promotion and communication process	<input type="checkbox"/>	Fund management	<input type="checkbox"/>
Information technology service process	<input type="checkbox"/>	Property management process	<input type="checkbox"/>
Finance and accounts management process	<input type="checkbox"/>	Legal process	<input type="checkbox"/>
Change management corporate loan approval	<input type="checkbox"/>		<input type="checkbox"/>

I. Organizational Culture Questionnaire

Instructions for completing the Questionnaire

This is the second part of the questioner and consists of seven questions (1, 2....., 7) each with four (A, B, C and D) lists to be ranked by you according to your observations and expectations. The questions you are supposed to fill are presented in two columns, which are headed as **Existing Culture** and **Preferred Culture**.

Existing culture refers to the currently prevailing culture in the DBE, while the preferred culture refers to the way you would like things to be in the future in the DBE.

The ranking keys are “4”, ”3” ,”2” and ”1”, which are to be rated according to your opinion that you think in both cultures (existing and preferred). For example, “4” is to be ranked for the most dominant view in either existing and the most preferred view in preferred culture .and “1”, is to be ranked for the least dominant view for existing culture and for the least preferred alternative for preferred culture

Ranking keys and their description

Existing Culture**Preferred Culture**

4. = The most dominant/existing/ view 4. =Your most preferred alternative

3 = The next most dominant/existing/ view **3** = your next most preferred alternative
2 = The next dominant /existing/ view **2** = your next preferred alternative
1 = The least dominant /existing/ view **1** = the least preferred alternative

Note: Please make sure that, you have assigned only one ranking key (i.e. “4”, “3”, “2”, or “1”) in the columns, “existing” and “preferred” columns for the lists A,B,C and D. Don’t repeat the ranking key for the lists described under the question.

The Organizational Culture Assessment Instrument

1. Employees of the organization are expected to give first priority to ...		Existing	Preferred
A	Meeting the needs and demands of their supervisors and other high level people in the organization.		
B	Carrying out the duties of their own jobs, staying within policies and procedures related to their jobs		
C	Meeting the challenges of the task, finding a better way to do things		
D	Co-operating with the people with whom they work to solve work and personal problems.		
2. The organization treats individuals...		Existing	Preferred
A	As " hands " whose time and energy are at the disposal of persons at higher levels in the hierarchy		
B	As ' employees ' whose time and energy are purchased through a contract, with rights and obligations on both sides		
C	As " associates " who are mutually committed to the achievement of a common purpose.		
D	As " family " or " friends " who like being together and who care about and support one another		
3. Decision - making processes are characterized by...		Existing	Preferred
A	Directives, orders and instructions that come down from higher levels.		

B	The adherence to formal channels and reliance on policies and procedures for making decisions		
C	Decisions being made close to the point of action, by the people on the spot.		
D	The use of consensus decision - making methods to gain acceptance and support for decisions		
4. Work motivation is primarily the result of...		Existing	Preferred
A	Hope for rewards, fear of punishment, or personal loyalty to the supervisor.		
B	Acceptance of the norm of providing a 'fair' days work for a 'fair' days pay.		
C	Strong desires to achieve, to create, and to innovate and peer pressure to contribute to the success of the organization.		
D	People wanting to help others and maintain satisfying working relationships.		
5. Employees are expected to be...		Existing	Preferred
A	Hard working, compliant, obedient, and loyal to the interests of those to whom they report.		
B	Responsible and reliable, carrying out the duties and responsibilities of the jobs and avoiding actions that could surprise or embarrass their supervisors		
C	Self-motivated and competent, willing to take the initiative to get things done; willing to challenge those to whom they report if that is necessary to obtain good results.		
D	Good team workers, supportive, and co-operative, who get along well with others.		
6. Relationships between work groups or departments are generally...		Existing	Preferred
A	Competitive, with both looking out for their own interests and helping each other only when they can see some advantage for themselves by doing so.		
B	Characterized by indifference toward each other, helping each other only when it is convenient or when they are directed by higher levels to do so.		

C	Co-operative when they need to achieve common goals. People are normally willing to cut red tape and cross organizational boundaries in order to get the job done.		
D	Friendly, with a high level of responsiveness to requests for help from other groups.		
7. Assignments of tasks or jobs to individuals are based on...		Existing	Preferred
A	The personal judgments, values and wishes of those in positions of power.		
B	The need and plans of the organization and the rules of the system (seniority, qualification, etc.)		
C	Matching the requirements of the job with the interests and abilities of the individuals.		
D	The personal preferences of the individuals and their needs for growth and development.		

II. QUESTIONNAIRE ON EMPLOYEE JOB PERFORMANCE

No.	Questions or descriptions	Strongly Agree	Agree	Disagree	Strongly Disagree
1	Do you think that the organization has good performance appraisal system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2	Does the organization give emphasis to workers development through training and other mechanisms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The organization has a good leadership style (the relationship between leader and employees is good)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Remuneration (financial and non-financial) provided by the bank are good.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The career movements (lateral, diagonal, vertical, horizontal transfer) in the DBE are applied properly and timely and employees are treated equally.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. How much result do you achieved in the recent performance evaluation?

.....

8. Do you feel happy by the result you got so far? Yes/no

If No why.....

9. What do you think are the major factors affecting your performance? _____

10. Do you think that the current organizational culture of the bank affects your performance?

If yes

how? _____
