



**SAINT MARRY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
GENERAL MBA**

**THE EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEES' PERFORMANCE  
AT NEFAS SILK LAFTO SUB-CITY PUBLIC SERVICE AND HUMAN DEVELOPMENT OFFICE**

**BY  
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**JUNE 2019, SMU  
ADDIS ABABA, ETHIOPIA**

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## List of Acronyms

OLS:	Ordinary Least Square
OC:	Organization Culture
EP:	Employee Performance

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## Abstract

*An organization's culture may have a big influence on the performance of that organization in any part of the world. It is a practice that cannot just be wished away as it has both positive and negative effects as far as performance of the employees is concerned. The focus of this study is Nefas silk Lafto Sub city public service and human development office, with the main objective being to determine the effect of organization's culture on employees' performance and to assess prevalent organizational culture traits. The research design adopted for this study involved both descriptive and explanatory methods in which the research sought to collect qualitative data from a target population of 179 employees working in the institution. The data collected was then summarized, classified, tabulated and analyzed using SPSS, STATA and Microsoft office tools. The result of the study revealed that, the four traits of organizational culture (involvement, consistency, adaptability and mission) account for 69.9% of the variation in the performance of employees, and the prevalent overall organizational culture of the institution was not strong. The result also indicated that involvement and mission cultural traits have relatively higher effect on employees' performance while task performance of employees had better existence. Hence concluding that there is significant positive effect of organizational culture on employees' performance and the overall culture of the institution edges to the negative end of the scale. The study recommends that while it keeps on strengthening the existing positive cultural elements, the institution should also provide effective integration & coordination of systems among departments, continuously develop their employee's skills & capacity and reinforce team orientations. It should also embrace a learning organizational culture and encourage employees to adhere to core values by making employees' participate in decision making process in a way that will promote employee's performance.*

**Key Words:** Organization Culture, Employee Performance, Organizational Culture Traits, Involvement, Consistency, Adaptability, Mission, Task Performance

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Organizational culture provides a framework with respect to the attitudes and performances of employees in their workplace. It comprises the unwritten customs, behaviors and beliefs that determine the rules of the game for decision-making, structure and power (Dave Ulrich, 2010). Employees usually align their goals and objectives with those of the organization and feel responsible for the overall well-being of the organization. In return their efforts are appreciated by the management and suitably rewarded, creating an immense job satisfaction. In such organizational cultures, as the employees are committed to achieving their goals, they will have a positive effect on the overall performance of the organization. On the other hand, in organizations where managers are not facilitators but taskmasters, employees live with fear and distrust and work is nothing but a dreary chore. Since employees set personal and professional objectives and execute duties to attain them, culture affects the manner in which they subconsciously and consciously think, affecting how they come to decisions and eventually the way they perceive, feel and act (Brown, 1995). If employees are not involved in the overall organizational goals they do not understand the implications of their tasks and hence may not be committed to achieving them. An organizational culture where employees are considered an important part of the growth process of the organization fosters employee commitment towards the organization. Therefore, a supportive culture as stated by Ritchie (2000) is considered as a motivational instrument which promotes the employees to perform smoothly and ensures better productivity. Hence depending on the type of culture that is prevalent in an organization, it can have either a positive or negative effect on employees' performance (Edgar Leonard, 2013).

When it comes to public service institutions, there is a performance crisis created due to the need to produce more for less cost. This problem strikes through poor, developing and developed countries and has raised the appetite for efficiency and the need for evaluation mechanisms to help assess the performance of public service institutions or programs that are quite inadequate in public expectations. This is due to the fact that many of the public servants in these institutions lack public service core values, such as impartiality, loyalty, equity, accountability and fairness Nabukeera, Ali and Raja (2014).

In the Ethiopian context, this problem have been further aggravated by all the problems of bureaucratic systems and an ineffective and inefficient public service institutions (Getachew & Common, 2006). Here, most people would define the public service culture in the country's public service institutions as a culture that accommodates elements such as wastefulness, inflexibility, nepotism, and laziness (Henok, 2017). This has been reflected in terms of its structures, regulatory and financial frameworks, inefficient recruitment system, demotivated and unresponsive workforce, lack of human resources development and training, rule and procedure driven bureaucracy, corruption, and mismanagement of resources. These institutions are faced with the challenge of improving their performance while at the same time maintaining their central objective of effective service delivery to a wide range of stakeholders. These institutions do not exist in a vacuum but in a specific culture or socio-cultural environment that influence the way their employees think, feel and behave. It is also evident that a positive and strong culture can make an average individual to perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with less achievement (Kandula, 2006). Therefore, the culture of these institutions has an active and direct role in attitude and performance of employees as it is correlated with job satisfaction, job performance and employee retention (Ahmed, 2012).

However, more recently, under the leadership of prime-minister Dr Abiy Ahmed, there have been an attempt in reforming the public service by introducing reforms in public management aimed at ensuring greater efficiency and effectiveness within public institutions. An attempt has been made to understand the reasons for ineffective and inefficient service delivery and a reform direction has been set with the premise that, the Ethiopian public service institutions need to focus their key reforms and transformation initiatives at institutional structures and systems. Due emphasis has been given to the basic values and principles governing the service delivery and hence make public services development oriented, people's needs are to be responded to, and the public is to be encouraged to participate in problem solving; services are to be provided impartially, fairly, equitably and without bias; Transparency is to be fostered by providing the public with up-to-date, timely, accessible and accurate information (Worku, 2018).

Although setting strategic direction is an important step in reforming the sector, the real challenge lies in the daunting process of integrating and adapting the deep rooted organizational culture to the new way of doing things guided by appropriate strategic directions. As these cultures and organizational structures have evolved over an extended period of time, it is difficult to integrate

and align them with the new reform strategy. In the long run, this will have a hindering effect in the overall performance of people in the institutions. Hence in these institutions, what matters is not just having a good policy, but also having an employee committed to the vision, mission and the strategy of the organization, and possessing the will and means to constantly contribute in making these a reality. In order to alleviate this, there needs to be a detailed investigation of how and which cultural elements hinder employees performance and which others facilitate them to perform better. As such, this research report examines the correlation between organizational culture elements as they relate to employees performance and tries to identify the specific traits of organizational culture that both inhibit and facilitate employee's performance at Nefas silk Lafto Sub city public service and human development office.

## 1.2 Statement of the Problem

Public service institutions in Addis Ababa have received a lot of criticism for their apparent inability to deliver services effectively and efficiently. Being responsible for the control and coordination of many public service institutions under it, Nefas Silk Lafto Sub city public service and human development office also shares this critic. Inherent in this criticism is the fact that the deep rooted organizational culture in these public service institutions may have contributed for their performance to be not optimum. This trend is found in these institutions where an increasing frustration by the citizens is expressed in daily life. It is not uncommon to see public servants treating senior citizens with an attitude that border that of a vagabond. This perception of public servants not delivering optimally or even not delivering at all, is apparent in many comments made about the service delivery of these institutions. According to Birhanu Tsegay (2017), on his research article posted on horn affairs, these institutions are characterized by: high dropout of young skilled professionals; lethargic and slow in official decisions and actions; poorly staffed and corruptive; common practices of nepotism; breakdown of disciplinary system and code of ethics; and unresponsive and discourteous to the public. Hence, as the country moves forward, the importance of good and effective public service has never been more important. The critical role of these institutions both in terms of effective service delivery and in ensuring that public resources are being spent appropriately is a burning issue. Details of corruption, lack of strategy implementation and poor performance may cause flurries in national economy which in turn affects public confidence and future state stability. While the researcher acknowledges that there are diverse reasons for the lack of optimum performance in public institutions, a specific focus is deemed more useful.

Given the focal position of organizational culture in this context and despite the claims for a link between organizational culture and employees' performance, few studies appear to have actually examined the direct effect of organizational culture on employees' performance. Most of these studies have also been performed in the context of private business organizations which lack the in-depth manifestations of public service institutions both in terms of organizational strategy and individual values. Previous literatures have also focused on studying proxies of employees' performance such as employee satisfaction and commitment rather than investigating the direct link between the two. In most of these studies, a unilateral focus has been given to measure the task performance of employees and internal traits of organizational culture. The researcher claims that, when dealing with public service institutions, a more holistic investigation of organizational culture dimensions that influence both internal and external communications of the institution should be examined. The Researcher also believes that, the social and psychological soft skills of public servants is as important as their task performance entailed in their job descriptions. Hence an assessment of their contextual performance and productive behavior is deemed important. Thus, this study investigates the effect organizational culture has on employees' performance within Nefas silk Lafto Sub city public service and human development office's context. To accomplish this, Denison's (1990) model of culture is found fitting for this as it have involvement and consistency dimensions to assess internal aspects of culture and adaptability and mission to assess external aspects. Koopmans's (2014) model of performance measurement is also adopted to assess the task performance, contextual performance and productive behavior of employees.

### 1.3 Research Questions

Many factors influence people in organizations, but not all are considered when trying to understand the behavior of people at work. The most frequently overlooked factor is the influence of organizational culture on employee's performance; hence the research is focused on the following research questions:

- (i) What are the prevalent organizational culture traits and employees' performance levels at Nefas silk Lafto Sub city public service and human development office?
- (ii) Is there any relationship between involvement cultural trait and employees' performance at Nefas Silk Lafto Sub city public service and human development office?
- (iii) Is there any relationship between adaptability cultural trait and employees' performance at Nefas Silk Lafto Sub city public service and human development office?

- (iv) Is there any relationship between consistency cultural trait and employees' performance at Nefas Silk Lafto Sub city public service and human development office?
- (v) Is there any relationship between mission cultural trait and employees' performance at Nefas Silk Lafto Sub city public service and human development office?

## 1.4 Objectives of the Study

### 1.4.1 General Objectives

The primary objective of this study is to assess the effect of organizational culture on employee performance at Nefas silk Lafto Sub city public service and human development office.

### 1.4.2 Specific Objectives

- (i) To assess the prevalent organizational culture elements and employees' performance levels at Nefas silk Lafto Sub city public service and human development office.
- (ii) To examine the effect of involvement cultural trait on employees' performance at Nefas Silk Lafto Sub city public service and human development office
- (iii) To examine the effect of adaptability cultural on employees' performance at Nefas Silk Lafto Sub city public service and human development office.
- (iv) To examine the effect of consistency cultural trait on employees' performance at Nefas Silk Lafto Sub city public service and human development office.
- (v) To examine the effect of mission cultural trait on employees' performance at Nefas Silk Lafto Sub city public service and human development office.

## 1.5 Significance of the Study

Organizational culture - a popular but also a very complex concept - has been identified as an influential factor affecting the successes and failures of organizations in diverse ways. However, culture is a very versatile concept, and there are many differences in both defining and applying it. The existing literature on organizational culture and employees' performance is mainly focused and carried out in developed countries and considering the determinants, influences and composition of the culture, it cannot apply universally in different environments like Ethiopia. Hence the findings of those studies cannot be invoked with full confidence in understanding the Ethiopian organizational situations. In the light of this observation, it is envisaged that the results of this study fills some gaps and at the same time make modest contributions to the body of existing knowledge. The findings of this study can be used to tackle problems arising from work situations in the

Ethiopian public service context. This study also critically examined how the culture of the organization affects individual employees' performance in general and how this in return determines organizational performance. The final report provides adequate information on how cultural elements affect employee's performance at a place of work. Thus, the study's finding can be used to enrich the thinking of top management on how to develop good image of their institutions through enriching the organizations' culture among its employees. The study can also be a source of information for improving effectiveness of the public service intuitions service delivery by increasing employee's commitment. Furthermore, the findings can be used as a reference for researchers who intend to pursue a study in similar subject matter.

## 1.6 Delimitation of the Study

The research is confined to Nefas silk Lafto Sub city public service and human development office. While it should include all public service institutions in Addis Ababa, it would not be feasible for the researcher to take it up in wider perspective and scope because of the time, money and resource constraints. However, the result may as well apply to other public institutions as most of the public institutions in Ethiopia operate in a more or less similar operating procedures and characteristics which do not differ significantly. The research was conducted primarily during October 2018 and June 2019. In the conceptual perspective, even though there are many dimensions to measure an organizations culture, the study only considers selected cultural elements such as employee involvement, consistency, adaptability of operations and the mission of the institution adopted from (Denison ,1990) which the researcher found fitting to the study. Selected sub-indexes of employees performance, such as task performance, contextual performance and productive behaviour were adopted from Koopmans (2014) were also used. These cultural and performance dimensions were investigated using a mixed approach of explanatory and descriptive research designs.

## 1.7 Definitions of Terms

**Organization:** as defined by Hodge, Anthony & Gales (1996), Organization is a social entity where two or more people are working together cooperatively within identifiable boundaries to accomplish a common goal or objective

**Organizational Culture:** as defined by Jones & George (2006), organizational culture comprises the shared set of beliefs, expectations, values, norms and work routines that influence how members of an organization relate to one another and work together to achieve organizational goal.

**Employee Performance:** Armstrong (2006) defines employee performance as the ability of any



employee to successfully and efficiently perform the duties and tasks assigned to him or her within the organization

## 1.8 Organization of the Study

The study is organized in five parts. The first chapter includes background of the study, Statements of the problem, research questions, objectives, research hypothesis, and significance of the study and scope of the study. The second chapter deals with literature review (both theoretical and empirical). The third chapter discusses all the methodologies that have been utilized. The fourth chapter consists the presentation and analysis of results and discussions. Finally chapter five summarizes the findings and forwards conclusions and recommendations of the study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Theoretical Literature**

##### **2.1.1 Understanding Organizational Culture**

There is no single definition for organizational culture. The topic has been studied from a different perspectives ranging from disciplines such as anthropology and sociology, to the applied disciplines of organizational behavior, management science, and organizational communication. One way to perceive culture is through individuals' personality. Personality is a way of understanding why all managers and employees, as individuals characteristically think and behave in distinct ways. However, when people belong to the same organization, they often tend to share certain beliefs and values that lead them to act in a similar way. Although most of us will understand in our own minds what is meant by organizational culture, it is a general concept which is difficult to define or explain precisely. Even though people may not be aware consciously of culture, it still has a pervasive influence over their behavior and actions. The wide diversity of interpretations relating to organizational developments give rise to a large number of different definitions. A popular and simple way of defining culture is: "how things are done around here". For example, Mullins (2004), explains organizational culture as reflecting the underlying assumptions about the way work is performed; what is 'acceptable and not acceptable'; and what behavior and actions are encouraged and discouraged. It can be seen as the collective behavior of humans who are part of an organization and the meanings that the people attach to their actions. Culture includes the rules and policies, values, norms, working language, systems, symbols, beliefs and habits. It is also the pattern of such collective behaviors and notions that are taught to new entrants to the organization as a way of perceiving, and even thinking and feeling. Organizational culture affects the way people and groups interact with each other, customers, and with everyone who has a stake in the organization.

According to Baker (2002) organizational culture became a business phenomenon in the early 1980s prompted by a number of publications. Among these, were books Ouchi (1981) and Pascale and Athos (1981) suggesting that Japanese economic success could be attributed to Japanese organizational culture and the total quality management approach. The book by Peters and Waterman (1982), named 'In Search of Excellence: Lessons from America's best run companies' was the other highly influential book of the early 1980s.

Organizational culture comprises the shared set of beliefs, expectations, values, norms and work

routines that affect how members of an organization relate to one another and work together to achieve organizational goal. In essence, organizational culture reflects the distinctive ways organizational members go about performing their jobs and relating to others inside and outside the organization Jones and George (2006). According to Cameron and Quinn (2011:19), organizational culture encompasses the taken for granted values, underlying assumptions, expectations, collective memories and definitions present in an organization. It conveys a sense of identity to employees, provides unwritten and often unspoken guidelines for how to carry on in the organization, and it helps to maintain the social system that they experience. Thus culture is undetectable for most of the time and in the main, people are unaware of it. Culture is not the overt behavior or visible artefacts that one might observe if one were to visit the company. Organizational culture is the glue that binds members of the organization together through shared values, symbolic devices, and social ideals.

As claimed by Kazmi (1998), the manifestation of corporate culture in an organization is evident in shared things (e.g. the way people dress), shared sayings (e.g. “let’s get down to work”), shared actions (e.g. a service oriented approach), and shared feelings (e.g. hard work is not rewarded here). What is common in all these definitions is the important assumptions that are sufficiently central to the life of the members to be of major significance. From the variety of assumptions that the people in the community may hold, the cultural assumptions are those that are widely enough shared and highly enough placed relative to other assumptions in the community.

From the above discussion, there seems to be wide agreement that organization culture refers to a system of shared meaning held by members that distinguishes the organization from other organizations. This system of shared meaning is on closer examination, a set of a key characteristics that the organization values. The most recent research suggests that there are four primary cultural traits that, in aggregate, capture the essence of an organization’s culture (Denison, 1990). These traits are: involvement, consistency, adaptability and mission. Each of the above elements exists on a continuum from low to high. Appraising the organization on them, then gives a composite picture of organizational culture. This picture becomes the bases for feeling of shared understanding that members have about the organization, how things are done, and the way members are supposed to behave. Depending on the prevalence of these characteristics, we can categorize the overall culture of the organization either as a strong culture or weak one.

**Strong Culture:** -Baker (2002:4) notes that although all organizations have cultures, ‘some appear to have stronger, more deeply rooted cultures than others. A strong culture is typically conceptualized as a coherent set of beliefs, values, assumptions, and practices embraced by most members of the organization. The beliefs and values of organization are considered strong when employee embraces greater part of culture. Deal and Kennedy (1982) argued that the rules in organization must be considered important for employees. The policies, procedures and objectives designed by top managers must highly influence upon behavior of employees. According to Riley (2014) in organizations with very strong cultures, the culture is the strategy.

**Weak Culture:** - The loosely knit organization cultures that helps in guiding thoughts, attitudes and beliefs of individuals. Weak culture is characterized by core values that are not clearly defined, communicated or widely accepted by those working for the organization.

## 2.1.2 Theories of Organizational Culture

Cultural anthropologists believe that interesting and valuable lessons can be learned by comparing one culture with another, categorizing an organization’s culture can help managers in several ways. Categorizing the culture is antecedent to better understanding the pros and cons of that particular type of culture. A clear understanding of their corporate culture can also assist managers in getting the correct person-organization match when recruiting for new employees. Finally, knowing the current position of their organization can assist managers in making decisions about and progress toward cultural change. As result of this there appears to be a number of ways in which to classify different types of organizational culture.

### 2.1.2.1 Schein's Theory of Organizational Culture

Schein's model of organizational culture is not only one of the most cited culture models but also one that serves a high degree of abstraction and complexity reduction. Edgar Schein (1992) outlines that the organizational culture model is directly influenced by direct mechanisms that include the behavior, status of the staffs and opinions of employees. Indirect mechanisms indirectly influence the organizational culture; this includes the mission and vision of a company, rules and regulations, corporate identity, rituals and design. It mainly comprises of three domains: basic underlying assumptions, espoused values, and artefacts. She distinguished between observable and unobservable elements of culture. It therefore becomes evident that there is a certain hierarchy between these domains. Visible behavior influences and is influenced by unobservable assumptions

through rules, strategies and standards.

**Artefacts** – These are outward expressions of culture that provide signals to others about what is valued. Cultural artefacts might include physical office spaces and how they are organized, the dress code and language used; technology and products; publications of the organization, both internal and external documents, which reveal both what is valued by the organization and how it wishes to be perceived by others; and behavioral patterns such as ceremonies and celebrations.

**Espoused values** - These are the strategies, goals and objectives of the organization. They are usually notably stated because they guide members of the group with regard to how to behave in different circumstances, and in training new members how to behave. However, it is also possible to have a breach between espoused values and behaviors. In this situation values predict only what people might say in different circumstances, not what they will actually do. Thus, a company may say that it values its employees, but its record in that regard may negate what it says.

**Underlying assumptions** – These are the taken for granted beliefs that pertain in organizations and that represent the essence of the culture of the organization. In Schein's view these constitute the core and most important aspect of organizational culture, and an understanding of how these assumptions came to be is necessary for any complete understanding of organizational culture.

### 2.1.2.2 The Denison's Model of Culture

The values and beliefs of an organization give rise to a set of management practices, which are concrete activities usually rooted in the values of the organization (Denison 1990). These activities stem from and supplement the dominant values and beliefs of the organization. Accordingly, Denison's model states that the four broadly defined cultural traits of involvement, consistency, adaptability, and mission, collectively facilitate an organization's capabilities for integrating and coordinating internal resources as well as its adaptation the external environment, thereby leading to exceptional organizational performance. Organizations with strengths in two of the attributes often share certain orientations and outcomes. An organization with a strong internal focus is focused on the flow of the internal integration of systems, structures, and processes. It values its people and honors itself on the quality of its products or services. A strong internal focus has been associated to higher levels of quality, fewer defects and less rework, good resource utilization, and high employee satisfaction. Denison's four traits of organizational culture are discussed below.

**Involvement:**-The involvement trait focuses on employees' commitment and sense of ownership, involvement in decisions that affect them, and team orientation. Effective organizations empower

their employees, use teamwork, and continuously develop the capacity of their employees (Becker, 1964).

**Consistency:**-Consistency refers to the existence of organizational systems and processes that promote real alignment and efficiency over time. It is the focus on a common set of management principles, consensus regarding right and wrong ways to do things, and coordination and integration across the organization. “The fundamental concept is that implicit control systems, based on internalized values, are a more effective means of achieving coordination than external control systems that rely on explicit rules and regulations” (Denison, 1990, p. 9). Organizations are more effective when they are consistent and well-integrated (Saffold, 1988). Effective organizations combine involvement and consistency in a continual cycle such that “involvement is used to generate potential ideas and solutions, which are then refined into a more precise set of principles” (Denison, 1990, p. 11).

**Adaptability:**-According to Denison & Mishra (1995), Adaptability is the organization’s capacity for internal change in response to external conditions. Lawrence & Lorsch (1967) argued that companies that are highly internally focused and integrated can have difficulty adapting to external market demands. Hence as argued by Fey and Denison (2003) and Nadler (1989), it is important to ensure a capacity for creating change, understanding the customer and meeting their needs, and continuing to learn as an organization.

**Mission:** -according to Denison & Mishra (1995), mission refers to the degree to which an organization is clear on why it exists and where it is headed. Effective organizations pursue a mission containing economic and noneconomic objectives that provide meaning and direction for their employees. According to Fey & Denison (2003) and Mintzberg & Henry (1979), these organizations have a clear purpose and direction, goals and objectives, and a vision for the future.

### 2.1.3 Organizational Culture and the Public Service

An awareness of the cultural characteristics of public service organizations is central to understanding the impact of culture on service delivery within the public services. There is a general evidence in respect of the centrality of culture to the achievement of strategic objectives in an organization. Public sector organizations are fundamentally different to private organizations. Public service organizational culture is critically influenced by the fact that most public organizations are subject to political rather than market controls.

In discussing this reality Parker and Bradley (2006) reflect that public organizations are constrained by political authority and political activities. Their activities are part of a broader government strategy of economic management and social development. Consequently the diversity of their goals, access to resources, and the nature of organizational constraints differ. An awareness of these differences might explain the resilience of a hierarchical culture in the public sector and suggests that cultural change may be more challenging in the public service than in the private sector.

Pollitt and Bouckaert (2004: 40), claimed at the very highest level, there are two models of organizational cultures within public service institutions. The first is the Rechtsstaat model which has strong legal basis, where the actions of public servants are grounded in a strong understanding of the law, rule following and precedent. The second is, the public interest model, where particular perspectives and procedures are not as dominant as within the Rechtsstaat model. The law is in the background rather than the foreground and civil servants are regarded as simply citizens who work for government organizations, not some special cadre with a higher mission to represent the state.

A further distinctive feature of organizational cultures in the public sector is the notion of values. Values are defined as the individual principles or standards that guide judgment about what is good or proper. As noted by MacCarthaigh (2008) values are essential components of organizational culture and instrumental in determining, guiding and informing behavior. While relevant for all organizations, the concept of values has particular resonance for public service organizations. As MacCarthaigh (2008) further comments, if the work of the public service is not based on or driven by an appropriate set of values, it may lose the trust, confidence and respect of the public who rely on it. In the Ethiopian context, what would be perceived by many to be core public service values, such as impartiality, loyalty, equity, accountability and fairness are the principles that shape the public service institutions. However, it is also true that different values can apply to different parts of the public service and also that values may change over time. Given the increasing range of demands on the public service, as well as frequent ambiguity in terms of goals, relationships and responsibilities, value conflicts are not unusual.

The academic literature also suggests that traditional organizational cultures in the public sector are likely to impede public service modernization unless they themselves are changed to become aligned with the modern role of public service institutions as an engine of economic growth. Zalami(2005), as summarized in Table 2.1, notes that change proponents have identified attributes of public sector

culture focused on its authorities and controls, rules driven, bureaucratic nature, inefficient use of resources, unaccountable for results, and suggests a new paradigm more responsive to citizen needs.

**Table 2.1 Organizational Culture Paradigms in Public Services**

<b>Old Paradigm</b>	<b>New Paradigm</b>
Government is the source of authority and control	Government provides services and solutions to common problems
Government is rules-driven and resistant to changes	Government is results-oriented and changes to meet new needs
Public servants are focused on themselves and their situations	Public servants are focused on meeting the needs of the citizens

Source: Zalami, 2005

Culture is, therefore, a key battleground in the context of management reform in the public service. Simplistic approaches suggest that the old bureaucratic culture of the public service must be dismantled and replaced by a more private sector like entrepreneurial cultures. A fuller understanding of culture and the reasons for particular organizational cultures in the public service is central to successful management of reforms. To this end adapting cultural models that are common in private sector organizations to the public service institution is considered to be the new trend. Hence this paper will adapt Denison’s model of organization culture to assess the prevailing cultural traits as well as to inquire the necessary cultural elements required to boost the performance of employees’ in Nefas silk Lafto Sub city public service and human development office.

#### 2.1.4 Organizational Culture and Performance

Employee’s performance means the ability of employees to attain goals either personal or organizational by using resources efficiently and effectively (Daft, 2000). Armstrong & Baron (2004) defines employee performance as the ability of any employee to successfully and efficiently perform the duties and tasks assigned to him or her within the organization. In addition, Armstrong argues that employee performance is not just a matter of only what a group of employees (teams) or an individual employee achieves in regard to the set goals and targets but it also has to do with how the employees or an individual employee is willing and motivated to uphold and promote the values of the organization. Sometime the term performance is mixed with productivity. Ricardo, R. and Wade. D (2001) stated that, performance and productivity were two different things. Productivity means the ratio that represents the volume of work done within the due to period while performance



is an indicator of productivity, consistency, and quality of work. According to Stewart (2010), norms and values of organizational culture greatly affect those who are directly or indirectly involved with the organization. These norms and values are invisible, yet have extreme impact on the performance of employees and the organizations profitability.

According to Motowidlo, Borman & Schmit (1997), several assumptions about job performance that lead to the deduction that culture would put an influence on it including the idea that job performance is behavioral, episodic, evaluative, and multidimensional. Accordingly we can distinguish among three types of job performance; i.e., task performance, contextual performance and productive behavior.

**Task performance:** - represents those things that are typically on a job description and involve the transformation of materials into goods and services such as sales or operating manufacturing equipment.

**Contextual performance:** - Includes such things as volunteering for additional assignments, persistence in completing difficult activities, working with others to assist in completion of their tasks, and supporting organizational policies and objectives, even when it might be inconvenient. Furthermore, contextual performance can occur through its effect on other people, an individual's development of knowledge and skills and affecting the organization's resources.

**Productive Behavior:** - refers to the "behavior that contributes to organizational effectiveness through its effects on the psychological, social, and organizational context of work. This includes interpersonally oriented behaviors reflecting the interpersonal transactions that occur on the job. Employees having productive behavior focus on the positive aspects of their work situations rather than complaining about unimportant things. They flare positive attitudes by communicating their achievements to peers as well as external stakeholder hence facilitating effectiveness in their organization.

As stated by Deal and Kennedy (1982), strong culture in the organization is very helpful to elevate the performance of the employees which in return leads to the goal achievement and increases the overall performance of the organization. The relationship between the strength of organization culture and business performance was examined by Sorensen (2002). The result showed that organizations having strong existence of cultural traits of empowerment, capacity development, consistency, customer focus and widely accepted strategic intent were best able to deliver a successful strategy in reasonably stable operating conditions.

## 2.2 Empirical Review

Interest in organizational culture has always been driven by a belief that having the right sort of culture impacts positively on organization's performance. In the mid-eighties Denison (1984) stated that there is little evidence on the impact of an organization's culture on its performance, but was later going to make new discoveries. Gordon (1985) discovered around that same time that companies in dynamic industries shared cultural values that contributed to increased stability. By the early nineties; however, a link between organizational culture and performance had been better established by the same before mentioned (Denison, 1990). He found that organizations with participative cultures were performing better than those cultures that were not. This is in line with Burt, Gabbay, Holt, & Moran (1994), who hold that a feature of culture important for an organization's performance is the extent to which the employees buy into it.

After this initial period of interest around the role of culture in performance, a number of other scholars built on the foundation laid by the likes of Daniel Denison through empirical research (e.g. Denison & Mishra (1995), Gordon (1985), Kotter & Heskett (1992) and Sørensen (2002). Some degree of correlation has also been found by Burt, Gabbay, Holt, & Moran (1994), as well as by Ogbonna & Harris (2000), to mention a few. Rashid et.al (2003) found from studying organizational culture literature that there is a clear link between culture and organizational performance. However, Lewis (1994) concludes her study of a tertiary institution in Australia by stating that behavior is the only thing that can directly affect an organization's performance. Lewis (1994) also points out that "while behavior may be one embodiment of culture, culture is certainly not the only determinant of behavior".

Organizational culture has been shown to be an important aspect of an organization, as it can, and does affect employee's behaviors, motivation and values. Alvesson (2002) summarized four views on the relationship between organizational culture and performance: the strong-culture thesis, where a strong culture leads to high performance; the exact opposite, where high performance leads to creation of "strong" culture; the contingency approach, where certain cultures are appropriate and necessary and; and finally the "adaptive cultures", which are the key to better performance through its ability to respond to environmental changes quickly.

From the research conducted by Olu Ojo (2009) in Nigerian banking sector regarding the effect of organizational culture on employee job performance by conducting survey from 100 employee of the Nigerian banking sector, 48.7% of the employees agreed that organizational culture determines the productivity level of the organization. This study further revealed that there is a positive relationship between organizational culture and employee job performance. This is evidenced in the first hypothesis tested in which the calculated value of chi-square 56.23 was greater than the tabulated value of 9.48. He examined various views on organizational culture and strived to ascertain the importance of relationship between organizational culture and corporate performance in business context. The researcher's findings drew that organizational culture plays a vital role in an organization's general performance.

Lok, peter, John and Crawford (2004) performed study on Hong Kong and Australian managers and found a positive effect of organization culture on employee performance. Zain et al. (2009) examined the effect of four dimensions of organization culture namely teamwork, communication, reward and recognition, and training and development on employee performance and found that all the above four dimensions of organization culture were important determinants of employee performance. Mahmudah (2012), also concurred this by reporting a significant relationship between organization culture and service delivery.

Aftab, Rana and Sarwar (2012) considered Denison's four dimensions of organizational culture and role based performance in identifying the relationship. The link between the four components was shared in order to sustain the competitive corporate world. The result of the research concluded that culture of an organization has direct impact on the performance of employees. Similarly, Denison's tool was attempted by Beidokhti and Ghaderi (2011) to identify the relationship of organizational culture and customer satisfaction in banking industry. Standard questionnaire of Denison organizational culture was applied then Cronbach Alpha ratio was used to obtain the questionnaire reliability of organizational culture and employee satisfaction. The final result indicated that there is positive relationship between organizational culture and employee satisfaction.

Denison's model was also applied in a case study in Pakistan with the aim to expand the base of knowledge and empirical test the relationship between organizational culture and performance management practice. According to Ehtesham et. al (2011), the statistical result shows that adaptability and mission have significant positive values in correlation with PMP. The overall result

indicated that organizational culture and performance management practice are strongly associated with each other and should be complimentary.

On the study made by Pirayeh, Mahdavi and Nematpour (2011), the influence of organizational culture on the effectiveness of human resources in oil and gas Production Company, their result indicated that the company has desirable dimensions of organizational culture and that by using various statistical techniques it was confirmed that the organizational culture has an effect on effectiveness of employees.

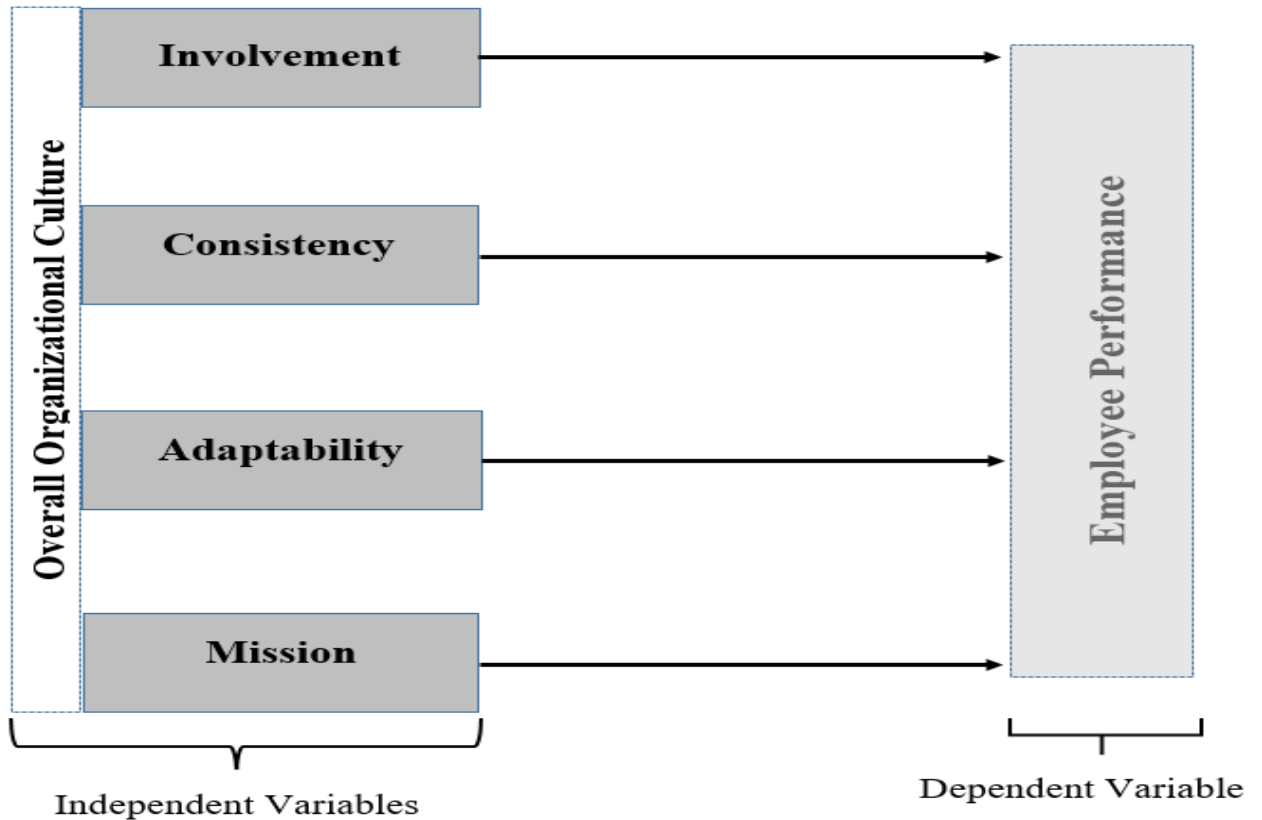
Aluko (2013) examined that there is significantly positive relationship between organizational culture and employee's performance, and found that an organizations and its employees were not performing and working together very well because of weak culture. The organization's weak culture may cause lack of involvement, consistency, adaptability, and mission.

According to Petty et al., (1995:485) conducted a study amongst 3,977 employees across a United States company to assess whether there was a relationship between organizational culture and organizational performance. The results of this study indicated that organizational performance was linked to organizational culture. The authors affirm that there was a strong link evident in the correlation between teamwork and performance. This correlation indicated that teamwork, being the major aspect of culture, was significantly related to performance. The authors also contend that such behaviors as helping others, sharing of information and resources, and working as a team seemed to enhance performance in the organization studied.

From this range of literatures, it appears as the role of organizational culture in performance has received increasingly more interest and acceptance over the years. Although such a relationship is difficult to prove, some of the above mentioned scholars have found different degrees of correlation. These studies show that an employee's performance depends on what is and what is not proper among his or her peers, which in turn affects that individual's behavior and intention to participate in and contribute to the organizational goals. Projecting it a more sensible form, we can say that culture provides the energy needed to function well in the organizations by acting as it were ensuring a proper circulation of blood through all the organs. As such, this research aims at extending knowledge about organizational cultures, its possible effects on performance and introducing meaningful relationships, that is, defining link between them from the Ethiopian perspective.

## 2.3 Conceptual Framework

Based on the different literature reviews carried out on this study and the different frame work that has been analyzed for this research the researcher has formulated below frame work adopted from Denison's frame work which is thought to be suitable for this study.



**Figure 2.2 Conceptual Framework.** Source: Researcher (2019)

As seen above, this paper builds on the organizational culture framework of Denison and colleagues; Denison (1990), Denison & Mishra (1995) and Fey & Denison (2003), which was developed using a combination of qualitative and quantitative investigations of organizational culture. The researcher will conceptualize organizational culture along four dimensions that have shown to relate to employees performance: involvement, consistency, adaptability, and mission. The researcher will present an empirical test of the relationship between these four organizational culture traits measured by 12 indexes (three for each cultural traits) and employees' performance. The researcher will extend existing research on this relationship by allowing each culture trait to relate independently to employees performance, and by obtaining employee performance ratings from employees' themselves.

## 2.4 Hypothesis

The researcher hypothesizes that the result obtained from the above researches is transferable to Nefas silk Lafto Sub city public service and human development office. Hence to confirm the effect that each of the four cultural traits have on employees' performance, the following null and alternative hypotheses are devised.

### **Hypothesis 1**

**H0:** Involvement cultural trait does not have significant effect on employees' work performance at Nefas silk Lafto Sub city public service and human development office.

**H1:** Involvement cultural trait has significant effect on employees' work performance at Nefas silk Lafto Sub city public service and human development office.

### **Hypothesis 2**

**H0:** Consistency cultural trait does not have significant effect on employees' work performance at Nefas silk Lafto Sub city public service and human development office.

**H2:** Consistency cultural trait has significant effect on employees' work performance at Nefas silk Lafto Sub city public service and human development office.

### **Hypothesis 3**

**H0:** Adaptability cultural trait does not have significant effect on employees' work performance at Nefas silk Lafto Sub city public service and human development office.

**H3:** Adaptability cultural trait has significant effect on employees' work performance at Nefas silk Lafto Sub city public service and human development office.

### **Hypothesis 4**

**H0:** Mission cultural trait does not have significant effect on employees' work performance at Nefas silk Lafto Sub city public service and human development office.

**H4:** Mission cultural trait has significant effect on employees' work performance at Nefas silk Lafto Sub city public service and human development office.

## **CHAPTER THREE**

### **METHODOLOGY OF THE RESEARCH**

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

According to Cooper and Schindler (2001), a research design provides the framework to be used as a guide in collecting and analyzing data. This study used both descriptive and explanatory research designs by which qualitative data was collected ascribing it quantitatively using structured Likert scale questionnaires. This design was used because explanatory research was helpful in identifying how employees perceived the traits of organizational culture and their performance helping to draw inferences on the relationship between the independent and dependent variables. Whereas descriptive statistics was used because it helped to describe characteristics associated with the subject population and provided a picture of the existing cultural phenomenon in the institution under study. Then the data collected was analyzed quantitatively using the statistical Package for Social Science (SPSS). The computed data was analyzed using descriptive statistics including frequencies, means, and percentages. Linear regression was used to draw inferences between the dependent and independent variables.

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

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

The theoretical population of the study consisted of the entire employees of Nefas silk Lafto Sub city public service and human development office. Ideally the researcher wanted to study the entire population. However, it was impossible and unfeasible to do census and therefore the researcher settled for a sample. According to Black and Champion (1976), sample is a portion of subjects taken from a population, which is considered to be representative of the population. As it was impractical to perform census, the researcher adopted sampling techniques to draw a sample from which the research can be inferred to the total population. Thus, for effective coverage and lower cost, only selected samples among permanent employees were covered. The total number of employees recorded in the institution at the time of this research was 324.

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

For the purpose of this study and according to its scope representative samples were selected. To collect primary data the questionnaire survey method was used. According to Rescoe (1975), sample

sizes larger than 30 and less than 500 are appropriate for most researches. Having this in mind and the above mentioned limitations, statistical sampling formula by Yamane (1967), was applied to perform a proportionate sampling. To determine the sample size, below statistical formula by Yamane (1967), was adopted at confidence level of 95%.

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

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

Thus

$$n = \frac{324}{1 + (324 * 0.05^2)}$$

$$=179$$

As seen above, by using Yamane’s formula of calculating sample size with an error 5% and with a confidence coefficient of 95% (Yamane, 1967).The calculation from a population of 324 resulted into 179 samples from all employees. Based on the calculation above, a total of 179 employees were required to constitute the sample size. However, predicting that none response rate and incomplete questionnaire during data collection would be high a 20% higher sample size that consisted about 215 questionnaires, designed for the employees of the institution were prepared.

### 3.2.3 Sampling Technique

The employees were further stratified in to eight based on the number of departments in the office. The above sample size, 215, was proportionately distributed into these eight strata’s to guarantee appropriate and equal representation. The formula applied to identify the respective sample size for each strata was:

$$N_s = (D_1 / N) * n$$

Where; N<sub>s</sub> = sample size for each strata

N = Total Number of population

D<sub>1</sub>= Population size of the strata

n = sample size



Thus the total number of sample for each department was calculated using the above formula and the researcher was able to distribute questionnaires having different number of employees within each department as depicted in table 3.1 bellow. Within those departments the questionnaires were distributed randomly to all available and willing employees.

**Table 3.1 sample size in each strata**

Sr. No	Name of Department	Total Employees	Sample Size
1	Education Related Offices	72	48
2	Public service and Human Resource Office	93	61
3	Culture and Tourism Office	19	12
4	Communication Office	24	16
5	Food and Health Related Offices	27	18
6	Women and Children Office	23	15
7	Sports Office	24	16
8	Employees and Social Affairs Office	42	29
<b>Total No. of Employees</b>		<b>324</b>	<b>215</b>

Source: Researcher's Survey (2019)

### 3.3 Types of Data

Primary data was collected with the help of questionnaire distributed to the 215 employees in the institution. This included a mix of employees from different responsibilities. Secondary data was collected from different journals, books and the institutions websites and the researcher's observation. The questionnaire used included organizational culture survey and employee's performance survey questions with Likert scale answers.

### 3.4 Instruments of Data Collection

In the questionnaires, two categories of major variables were measured. The independent variable as organizational culture while the dependent variable as performance of employees. Likert with scale (1= strongly disagree, to 5 = strongly agree) were administered to the respondents. Collected questionnaire data were encoded in to a summary report. Microsoft Excel and SPSS and STATA was used to categorize the summary report in order to evaluate the underlying organizational culture elements and employees performance.

### 3.5 Procedures of Data Collection

The study used primary data. Primary data was collected using questionnaires comprised of both close and open-ended questions. The questionnaires were divided into three sections; section I, section II and section III. Section I dealt with general information about the employees, section II addressed organizational culture components adopted by the institutions and section III addressed employee performance elements. The questionnaires were distributed with the help of friends and colleagues which took about 15 days of break hour visiting and diplomatic pleading. In some instances, drop and pick method was used to overcome distance and time constraints.

### 3.6 Reliability of the Study

Mugenda & Mugenda (2003) asserted that, the accuracy of data to be collected largely depended on the data collection instruments in terms of validity and reliability. Validity as noted by Robinson (2002) is the extent to which result obtained from the analysis of the data actually represents the phenomenon under study. In this paper, validity is ensured by using standard questionnaires used in previous studies. Validity was further strengthened by having objective questions included in the questionnaire. This is achieved by carefully drafting the instrument used to identify any ambiguous, awkward, or offensive questions. According to Mugenda & Mugenda (2003), reliability on the other hand refers to a measure of the degree to which research instruments yield consistent results. In this study, the instrument that is used to measure the job performance has been tested by Koopmans (2014) and was found to be reliable. The internal item consistency reliability was also examined with Cronbach's Alpha test the result of which is presented under table 3.1 below. The instrument used to measure the organizational culture has also been used by many scholars such as Zakari, Poku & Owusu-Ansah (2013) and Muhammad (2011). This instrument was originally designed by Denison and his colleges (Denison 1984, 1990, 1996). In addition, to ensure a high response rate, frequent follow up visits to the respondents was made and confidentiality was assured. Diplomatic pleading for response were also applied as a response rate enhancement strategy. Furthermore the questionnaires were carefully translated to Amharic to avoid misunderstandings and confusions due to language barrier.

#### **Cronbach alpha**

Cronbach alpha is a test of reliability technique that requires only a single test administration to provide a unique estimate of the reliability for a given test. Cronbach alpha reliability coefficient normally ranges between 0 and 1. According to George and Mallery (2003:231) who provided the

following rule of thumb for the Cronbach's alpha.  $>.9$  excellent,  $>.8$  good,  $>.7$  acceptable,  $>.6$  questionable,  $>.5$  poor and  $<.5$  unacceptable. After data collection a Cronbach's Alpha test was performed which reaffirmed our assumptions of reliability and the result is shown under table 3.2

**Table 3.1; Measure of internal consistency –cronbach's alpha**

Dimensions	Cronbach's Alpha	Internal Consistency	N of Items
Involvement	0.922	excellent	8
Consistency	0.928	excellent	8
Adaptability	0.907	excellent	8
Mission	0.908	excellent	6
Performance	0.944	excellent	10

Source: Researcher's survey (2019)

### 3.7 Methods of Data Analysis

Data analysis method entailed editing, coding and tabulation of data collected into manageable summaries. To ensure easy analysis, the questionnaire were coded according to each variable of the study to ensure accuracy during analysis. The analysis was conducted using the Statistical Package for Social Sciences (SPSS), MS Excel and STATA. Data was analyzed using descriptive statistics, which included frequencies, sum, mean, max, standard deviations and percentages and the ordinary least square multiple regression method was used to analyze cause and effect relationships. Tools of analysis such as spearman correlation, and ANOVA were also used, for instance, to determine the degree of relationship that exists between dependent and independent variables and the correlation among independent variables.

#### **Descriptive Analysis**

Summary statistics, which include the means and standard deviation values, are computed for each variables in the study. The descriptive statistical results were presented by tables, frequency distributions and percentages to provide a summary picture of the data.

#### **Spearman Correlation**

Spearman correlation coefficient was used to determine the relationships between cultural elements in involvement, consistency, adaptability and mission and their level of correlation with employee performance.

## **ANOVA**

This method was used in order to determine whether there is significant interdependence between performance of employees and the components of organizations culture. Anova test was used in the case of more than two group comparisons.

## **Multiple Regression Analysis**

Regression was used to describe the relationship between organizational culture elements and employee job performance. As the relationship between the independent variables was expected to be linear, the major statistical analysis that was used in this study was the ordinary least square (OLS) regression analysis (the simple regression analysis). The generic equation for OLS is expressed in form of:  $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n + e$

Where:            Y is the dependent variable  
                       $\alpha$  is a regression constant;  
                       $\beta_1, \beta_2, \beta_3$  and  $\beta_n$  are the beta coefficients;  
                       $X_1, X_2, X_3,$  and  $X_n$  are the independent (predicator) variables and e is the error term.

The independent variables were measured from Likert scale data collected via cultural components questionnaires and sub categorized in to four independent variables (Involvement, consistency, adaptability and mission) whereas the dependent variable was measured from Likert scale data collected via performance components questionnaires. Thus the OLS model for this study was established to be: Employee performance =  $\alpha + \beta_1$  (involvement) +  $\beta_2$  (consistency) +  $\beta_3$  (adaptability) +  $\beta_4$  (mission) + e

## **3.8 Ethical Considerations**

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

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.1 Response Rate

Out of 215 questionnaires distributed, a total of 199 were returned from which only 182 were valid responses. As discussed in chapter three, the required sample size for this research was 179, thus the researcher discarded three questionnaires and took the required 179 responses for analysis. This represents 100% of the intended sample size which was more than adequate for data analysis. The summary is presented under table 4.1 below.

**Table 4.1 Response rate**

Distributed	Returned	Valid Response	Sample Size	Response Rate
215	199	182	179	100%

#### 4.2 Demographic Data of Respondents

In this section concise information of the respondents' demographic data in terms of gender, age bracket, education level, and period worked with the institution are captured. The summary of the respondents' information is presented under table 4.1 below.

**Table 4.2 Gender, age bracket, experience and education distribution of respondents**

Age	Gender				Total	Percent
	Male	Female				
Years 15-29	33	34			67	37.4%
Years 30-45	43	47			90	50.3%
Years 46 and above	10	12			22	12.3%
Total	86	93			179	100%
Percent	48.0%	52.0%			100%	
Years Served	Educational Level				Total	Percent
	Elementary School	High school	Vocational School	College/University		
Less than a year	0	1	0	20	21	11.7%
1 – 4 years	3	0	2	73	78	43.6%
4 – 6 years	0	0	0	21	21	11.7%
6 – 8 years	0	0	0	15	15	8.4%
Above 8 years	0	1	0	43	44	24.6%
Total	3	2	2	172	179	100%
Percent	1.7%	1.1%	1.1%	96.1%	100%	

Source: Researcher's survey (2019)

As the above table illustrates, from the gender distribution of the total respondents 48.0% are male and 52.0% are female respondents. Thus, from the gender profile of the respondents it can be inferred that the biasedness of the responses, if it were ever dependent on gender is minimum since there is no significant difference in the proportion of the respondents. The age distribution also shows that 62.6% of respondents are above the age of 29 indicating there is a high level of maturity among respondents.

The questionnaire distributed sought to establish the number of years the respondents had worked with the institution. This was to determine whether the respondents had been there long enough to give accurate information for the study. The study also sought to establish the level of education of the respondents. The level of education was important in the study because it intended to gather whether the respondents had adequate level of education to understand the concept and language of the study. The findings are presented in table 4.1 above.

The findings presented in the table shows that 43.6% of the respondents had worked for the institution for a period of 1-4 years and about 24.6% of the respondents had been with the institution for more than 8 years. Furthermore only 11.7% of the respondents had worked for the institution for less than a year. This implies that most of the respondents targeted for the study had lengthy tenure with the institution giving them adequate experience in their respective job descriptions and therefore could provide accurate information to the researcher. This also indicates that the respondents had been in the environment long enough to be exposed to the different organizational cultures in the institution. This reaffirms the validity of the information gathered and hence validates the findings of the research. As it can be seen from the table above, about 96.1% of the respondents had attained a college or university education and that further reaffirms that they had the academic background to understand the influence that culture has on their performance level.

### 4.3 Results

This part presents the results of analyzing the two main categories of variables (organizational culture dimensions as the independent variable, and employee's performance as the dependent variable) and the relationship between the two. It further aims to achieve the research objectives by providing answers to the research questions outlined in chapter one.

### 4.3.1 Descriptive Analysis

Here, the existence levels of the four dimensions of organizational culture (involvement, consistency, adaptability and mission) along with their 12 sub-indexes and employees' performance along with its 3 sub-indexes is assessed using frequency distribution.

#### 4.3.1.1 Organizational Culture and Employees' Performance Assessment

The first objective of this study was to identify the organizational culture of Nefas silk Lafto Sub-city public service and human development office. To achieve this objective, the respondents were presented with 30 statements related to organization culture and 10 statements related to employee job performance. This was intended for them to reflect their views and opinions on the existing cultural traits as well as to assess their current performance level. The result gathered from respondents' is summarized in table 4.3 below.

**Table 4.3 Descriptive analysis of organizational cultural traits and employees' performance**

Dimensions	Involvement	Consistency	Adaptability	Mission	Employee Performance
Strongly Disagree	15.5%	15.8%	16.5%	15.8%	14.4%
Disagree	19.7%	21.2%	19.9%	16.8%	13.9%
Neutral	17.0%	18.1%	17.1%	18.1%	15.5%
Agree	36.6%	30.4%	37.0%	36.7%	40.8%
Strongly Agree	11.3%	14.5%	9.5%	12.6%	15.3%
% of Total Agreement	47.9%	44.9%	46.5%	49.3%	56.1%

Source: Researcher's survey (2019)

Table 4.3 shows the overall distribution of the 30 items on the four dimensions of organizational culture and the 10 items on the performance of employees'. The overall frequency of those who agree about the existence of strong organizational culture is 47.15% indicating that the majority of respondents did not feel positive regarding their organizations culture. With a percentage of 47.15, it can be seen that the respondents' view of their institutions organizational culture was edging to the negative end of the scale. As it can be seen from the table above, the cultural traits with highest percentage score is mission with 49.3% followed by involvement with 47.9%. This indicates mission and involvement traits of organizational culture are at a relatively higher level of existence than other dimensions and according to the result consistency and adaptability traits are those with lowest existence. The frequency of employees' having a positive opinion about their performance lies a little above the neutral line with overall percentage of 56.1%. This indicates that although majority

of employees' believed their performance was good, many of them thought their performance was not up to par.

Furthermore, the researcher measured employees' performance by using 3 indexes enabling an extended sub category of performance traits measurement, the result of which is presented in table 4.4 below.

**Table 4.4 Employee performance indexes**

Dimensions	Culture Indexes	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% of Total Agreement
Performance	Task performance	10.7%	17.3%	11.3%	48.8%	12.0%	60.8%
	Contextual Performance	16.3%	12.7%	19.0%	38.0%	14.1%	52.1%
	Productive Behavior	15.5%	12.3%	15.1%	36.8%	20.3%	57.1

Source: Researcher's survey (2019)

The result shows the highest percentage value of agreement goes to task performance of employees' with a percentage value of 60.8% followed by productive behavior and contextual performance with percentage values of 57.1% and 52.1% respectively. This indicates that employees had relatively better task performance than productive or contextual performance. It also shows that more focus was given to showing productive behavior, avoiding complaints and praising outcomes.

The researcher also performed an empirical test of the relationship between the four organizational culture traits measured by 12 indexes (three indexes for each cultural trait) and the result of which is shown in table 4.5 below.

**Table 4.5 Organizational culture indexes**

Dimensions	Culture Indexes	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% of Total Agreement
Involvement	Empowerment	12.3%	19.7%	15.1%	40.1%	12.9%	53%
	Team Orientation	13.6%	20.1%	15.8%	35.9%	14.7%	50.6%
	Capability Development	20.0%	19.6%	19.6%	33.6%	7.3%	40.9%
Consistency	Core Values	17.7%	21.8%	17.1%	29.3%	14.1%	43.4%
	Agreement	13.7%	20.7%	18.4%	31.2%	16.0%	47.2%
	Coordination & Integration	16.1%	21.3%	19.0%	30.7%	12.9%	43.6%
Adaptability	Creating Change	15.9%	21.9%	15.6%	36.1%	10.5%	46.6%
	Customer Focus	15.1%	20.9%	17.0%	38.5%	8.4%	46.9%
	Organizational Learning	18.2%	17.6%	18.2%	36.0%	9.9%	45.9%
Mission	Strategic Direction & Intent	14.9%	10.5%	12.6%	44.2%	17.8%	62%
	Goals and Objectives	15.4%	18.5%	20.7%	36.7%	8.7%	45.4%
	Vision	17.0%	21.2%	20.7%	29.6%	11.5%	41.1

Source: Researcher's survey (2019)



Table 4.5 shows there is relatively better understanding of strategic directions and intents of the institution among employees indicated by 62% respondents agreeing about its existence. Team orientation, empowerment and agreement were among those cultural traits having relatively better existence in the institution with 50.6%, 53% and 47.2% of respondent agreeing about their existence. Capability development, vision and core values were of those cultural indexes which had the lowest existence with only 40.9%, 41.1% and 43.4% of respondent agreeing about their existence.

### 4.3.2 Inferential Analysis

In this part, the cause and effect relationship among the four dimensions of organizational culture (involvement, consistency, adaptability and mission) and employees' performance is investigated using correlation and regression analysis.

#### 4.3.2.1 Correlation Analysis

Correlations are the measure of the linear relationship between two variables. According to Field (2009), a correlation coefficient has a value ranging from -1 to 1. Values that are closer to the absolute value of 1 indicate that there is a strong relationship between the variables being correlated whereas value closer to 0 indicates that there is little or no linear relationship. In this research, the spearman's correlation coefficient was computed for the purpose of determining the relationship among the independent variables and employees' performance. Spearman's correlation was chosen because Spearman's correlation coefficient is appropriate method to measure the correlation when the data are measured at ordinal level (Andy, 2006). The result of the correlation analysis is presented under table 4.6 below.

**Table 4.6 Correlation analysis**

Dimensions	Spearman's rho Dimensions	Involvement	Consistency	Adaptability	Mission
Employee Performance	Correlation Coefficient	.686**	.730**	.659**	.741**
	Sig. (2-tailed)	.000	.000	.000	.000

\*\* . Correlation is significant at the 0.01 level (2-tailed). Source: Researcher's survey (2019)

The result from table 4.6 confirms that each of the four organizational cultural traits of involvement, consistency adaptability and mission are positively and strongly correlated with performance of employees' at a confidence level of 0.99. As it can be seen from the table, the Spearman's correlation coefficient values of consistency and mission are 0.730 and 0.741 respectively at a confidence level of  $r = 0.01\%$ . The value for involvement and adaptability are 0.786 and 0.659 respectively at a

confidence level of  $r = 0.01\%$ ). This shows that all the four traits of organizational culture exhibited significant positive correlation with performance of employees.

#### 4.3.2.2 Multiple Regressions Analysis (OLS)

To understand the impact that organizational culture have on employees' performance, the researcher engaged regression analysis. To conduct a multiple linear regression several assumptions have to be met Vocht, (2006). Among those assumptions is that the sample size should be large enough. For social science researches at least 15 respondents per independent variable are needed. For this research the assumption is met. Since 4 independent variables are used, so 60 respondents were needed and 179 respondents were used. The second assumption that needs to be addressed is normality that is, the variables have to be normally distributed. According to David Garson (2012) a common rule of thumb for test of normality is calculating for kurtosis and skewedness and they should be with the range of +2 to -2. The result of the tests for kurtosis and skewness is presented under appendix B and the result shows all variable lie within the acceptable statistics range.

Furthermore, the assumption for the regression model (OLS) that impacts the validity of all tests (p, t and F) is that residuals should behave to be normal. Residuals are the difference between the observed values (Y) and the predicted values (X1, X2, X3, and X4). Using stata the researcher used a kernel density estimates (kdensity) plot to check the normal distribution of the residuals the result of which is presented under Figure 4.1 below.

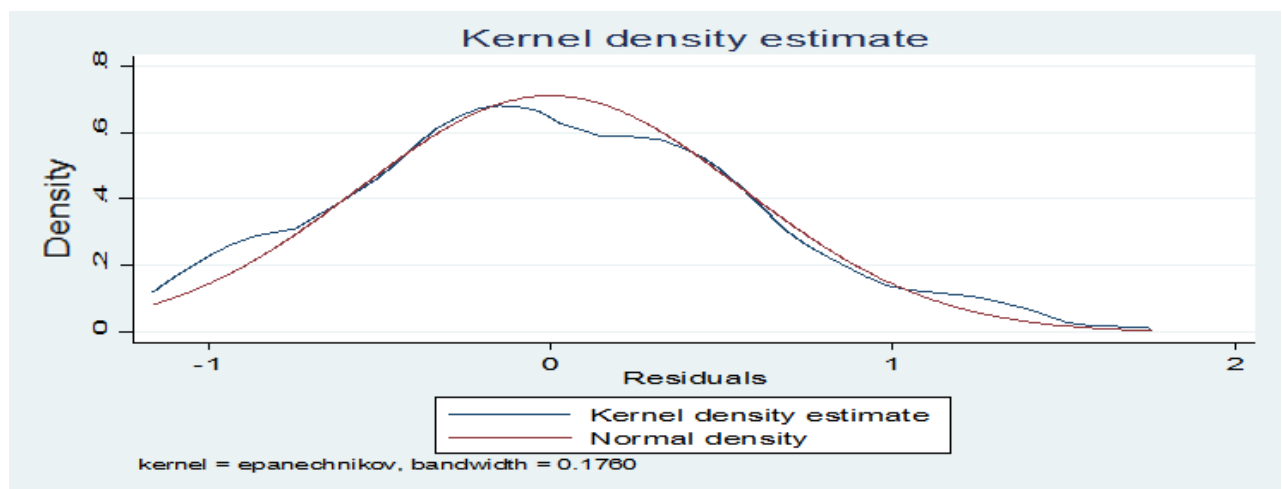


Figure 4.1 Kernel density normality test for residuals, Source: Researcher's survey (2019)

As it can be seen from the figure, the residual estimates closely follow the normal density fit, implying the normal distribution of the residuals. A normality test has also been performed using

SPSS where a normal P-P regression residual graph has been plotted the result of which can be found under appendix B. A more robust normality check also has been performed using stata where standardized normal probability plot (pnorm) and quintile-normal plots (qnorm) were plotted and the plots are presented under appendix B.

To test for the assumption of homoscedasticity, which is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point of the model, standardized predict values against the standardized residuals was obtained using the rvfplot of stata, the result of which is presented under appendix B. The result shows as the predicted values increase (along the X-axis), the variation in the residuals is roughly similar indicating that the assumption was not violated.

Another assumption that needs to be tested is multicollinearity check. These can be checked with the use of variance inflation factor (VIF) check. According to Hair et al (1995), a VIF value of below 10 or 1/VIF value of greater than 0.10 is acceptable for multiple linear regression. In this study, the assumption is satisfied for all variables as presented in table 4.7 below.

**Table 4.7 Multicollinearity check**

<b>Variable</b>	<b>VIF</b>	<b>1/VIF</b>
consistency	5.57	0.179479
adaptability	4.03	0.248149
involvement	3.38	0.295560
mission	3.35	0.298171
Mean VIF	4.08	

Source: Researcher’s survey (2019)

To check for outliers with extreme values that could have a negative effect on estimators, the researcher has used the scatter plots of the individual predictor variables the result of which is presented under appendix B. the result of the avplot of stata shows, all independent variables are scattered in the acceptable range of the graph.

The other assumption is that there should be independence, that is independent observation is assumed in regression. In order to test independence, Durbin- Watson statistics is needed. So according to David Garson (2012), the Durbin- Watson coefficient statistic should be from 1.5 to 2.5. In this study the assumption is met with a Durbin-Watson value of 2.084.

The ANOVA statistics was used to check regression model significance. A high value of F statistic (104.564) with an F-significance value of  $p = 0.000$  was established denoting a significant positive relationship between the dependent and independent variables as well as showing that there is a

probability of 0% of the regression model presenting a false information. This infers that the overall model was significant and the variation explained by the model was not by chance.

**Table 4.8 ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	134.912	4	33.728	104.564	.000 <sup>b</sup>
Residual	56.125	174	.323		
Total	191.037	178			

a. Dependent Variable: Employee Performance

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

Source Researcher (2019)

Bearing in mind that all preconditions for regression analysis were met, ordinary least square regression model was applied to determine how organization culture in the institution affects the employee performance. The multiple linear regressions used in this model was represented by the equation:  $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$

Whereby: Y is employee performance;  $\alpha$  is regression constant;  $\beta_1 - \beta_4$  are regression coefficients; X1 is involvement culture; X2 is consistency culture; X3 is adaptability culture; X4 is mission culture; and,  $\varepsilon$  is error term. The result of the regression analysis is presented in table 4.8 below.

**Table 4.9 Multiple regression model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.840 <sup>a</sup>	.706	.699	.56794	2.084

a. Predictors: (Constant), Mission, Involvement, Adaptability, Consistency, Source: Researcher's survey (2019)

b. Dependent Variable: Performance

As it can be seen from the result above, a high value of adjusted R-Squared value is observed. Adjusted R-Square is coefficient of determination and measures the proportion of the variance in the dependent variable (employee performance) that is explained by variations in the independent variables (involvement, consistency, adaptability and mission). An adjusted R-square value of 0.699 shows that organizational culture has a good impact on employees' performance. It means 69.9% of variations or changes in employee performance are caused by organization culture elements.

The regression output also computes the magnitude of the coefficients of each of the independent variables to determine the  $\beta$  coefficients as well as their significance value to tell which one had

more effects on performance and which of them had a significance effect on performance of employees' The result of which is presented under table 4.9 below.

**Table 4.10 Regression coefficients of organizational culture traits**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.424	.149		2.835	.005
Involvement	.252	.078	.243	3.211	.002
Consistency	.193	.095	.197	2.032	.044
Adaptability	.209	.087	.199	2.410	.017
Mission	.274	.074	.279	3.709	.000

a Dependent Variable: Performance Source: Researcher's survey (2019)

From the table we can observe that the regression coefficients for involvement, consistency, adaptability and mission are 0.252, 0.193, 0.209 and 0.274 at a significance level of 0.002, 0.044, 0.017 and 0.000 respectively. Hence substituting these values in to the OLS general equation, the following regression equation is established.

$$\text{Performance} = 0.424 + 0.252(\text{involvement}) + 0.193(\text{consistency}) + 0.209(\text{adaptability}) + 0.274(\text{mission}) + \epsilon$$

This implies that, all the four organizational traits have a positive and significant relationship with employees' performance at 95% confidence level with significance level ( $p < 0.05$ ).

#### 4.4 Discussions

Many researchers such as Ogbonna & Harris (2000), Rousseau (1990), Kotter & Heskett (1992) and Marcoulides & Heck (1993), found a strong relationship between organizational culture and employees' performance. The result of this present study also shows the existence of significant impact of organizational culture on employee performance taking into account of cultural traits such as involvement, consistency, adaptability and mission. The study focused in assessing the relative existence of each of the cultural traits and their respective influence on the performance of employees' within the framework of Nefas silk Lafto Sub city public service and human development office. The results gained from the descriptive as well as inferential statics of the study are discussed with respect to both theoretical and empirical implications.

Descriptive analysis was done to assess the prevalent cultural traits in the institution. The result shows that mission culture have a better existence in the views of respondents with 49.3% of

respondents agreeing about its existence. This implies that the institution have properly communicated a mission containing economic and noneconomic objectives that provides meaning and direction for its employees. This was further indicated by employees' relatively better understanding of strategic directions & intents of the institution indicated by the views of 62% of respondents. This might be due to the fact that it is a widely accepted and highly practiced phenomenon to post the strategic direction and goals of the institution on almost every gates and walls within the compound. According to respondents having properly defined and communicated mission contributed to higher performance in their jobs. This is in line with Baker (2004) who argued, having a well-defined and clearly communicated mission creates shared sense of purpose, direction and strategy which can coordinate and galvanize organizational members toward collective goals.

The result also shows that existence of involvement culture was slightly lower than the neutral scale with 47.9% of respondents agreeing to its existence. This was further indicated by higher percentage values of sub-indexes empowerment and team orientation with 53% and 50.6% of respondents having a positive opinion on their existence. This implies that employees thought being able to participate in the decision making process and working in teams helped them to perform better in their jobs. This is in agreement with Lawler (1996) who argued that, effective organizations encourage involvement by empowering their people, build their organizations around teams, and develop human capability at all levels. In such organizations, executives, managers, and employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization.

The cultural traits of consistency and adaptability were slightly lower indicating that the leaders and managers in the institution have a long way to go in practicing what they preach and helping their employees' to base their operations on the needs of customers and perform innovatively taking their clients comments as an input.

The descriptive analysis also established that organization culture influenced employee performance in terms of employees' task performance, contextual performance and their productive behavior. According to the result, employees' task performance had relatively better existence in the institution followed by productive behavior of employees'. This implies that employees gave focus to only

what was entailed in their job description and the psychological & social context of work, avoiding complaints and praising outcomes. Employees prefer to flare positive attitudes by communicating their achievements to peers as well as external stakeholder. The relative lower existence of contextual performance indicates that most employees are less inclined to take on additional responsibilities than what their job descriptions entail and are not willing to go the extra mile to take on challenging responsibilities that might require them updating their knowledge and job skills.

The result from the correlation analysis shows that there is a positive correlation between all organizational culture dimensions that is (involvement, consistency adaptability and Mission) with employees' performance. According to the result, the correlation coefficient of mission was 0.741 with significance level of .000 and the coefficient for consistency was 0.730 with significance level of .000. According to Cohen (1988), coefficients 0.741 and 0.730 suggest significant strong positive correlation signifying a strong relationship between the organizational culture traits (mission and consistency) and employees' performance. The result also showed the organizational traits of involvement and adaptability also have strong positive correlation with coefficient values of .686 and .659 respectively. The result of the research performed by Nongo (2012), who examined the impact of organizational culture on corporate effectiveness of the cement manufacturing industry in Nigeria, also argued that a correlation coefficient value of more than .6 signifies a strong correlation.

Regression analysis was performed in order to test hypotheses outlined in chapter two of this research. The regression was done among traits of organizational culture (involvement, consistency, adaptability and mission) and employee performance. The researcher performed a regression analysis of organizational culture as a whole as independent variable and employees' performance as dependent variable. The result revealed an adjusted R-square value of 0.699 which shows that organizational culture as a whole has a good impact on employees' performance. It means 69.9% of variations or changes in employee performance are caused by the combined effect of organization culture elements. The anova output which comes along with the regression also shows that there is a high value of F-statics with a significance value of .000 indicating a proper model fit. The high percentage of adjusted R squared combined with a high significant value of anova statistics to confirm model significance is sufficient evidence to accept that organizational culture as a whole has a significant effect on employees' performance.

To test hypotheses 1 to 4, the researcher performed a regression analysis of each of the organizational culture traits (involvement, consistency, adaptability and mission) as independent variable and employees' performance as dependent variable. According to the result each of the four cultural traits are positively associated having the significance level of 0.002, 0.044, 0.017 and 0.000 respectively. This shows that all the four organizational traits have a positive and significant relationship with employees' performance at 95% confidence level with significance ( $p < 0.05$ ). The result of the regression further shows all the four traits have a positive  $\beta$  value indicating that all the four traits have positive significance inferring that as the existence of each of the traits increases, so does the performance on employees' in the institution. Hence based on the level of significance, sufficient evidence exists to accept hypothesis H2 to H5 and reject its counter null hypothesis. Thus:

### **Hypothesis 1**

**H0:** Involvement cultural trait does not have significant effect on employees' work performance.

>> **Rejected**

**H1:** Involvement cultural trait has significant effect on employees' work performance

>> **Accepted**

### **Hypothesis 2**

**H0:** Consistency cultural trait does not have significant effect on employees' work performance

>> **Rejected**

**H2:** Consistency cultural trait has significant effect on employees' work performance

>> **Accepted**

### **Hypothesis 3**

**H0:** Adaptability cultural trait does not have significant effect on employees' work performance

>> **Rejected**

**H3:** Adaptability cultural trait has significant effect on employees' work performance

>> **Accepted**

### **Hypothesis 4**

**H0:** Mission cultural trait does not have significant effect on employees' work performance

>> **Rejected**

**H4:** Mission cultural trait have significant effect on employees' work performance

>> **Accepted**

Therefore, based on the results of the analyses, all the alternative hypothesis were accepted. Adjusted R squared value of 0.699 of the regression analysis also indicated that 69.9% of variations in job



performance was explained by organizational culture traits while only 31.1% of variance was unexplained by this model. It was further found that each organization culture traits were significant with a regression coefficient  $\beta = 0.252, 0.193, 0.209$  and  $0.274$  at significance level of  $0.002, 0.044, 0.017$  and  $0.000$  for involvement, consistency, adaptability and mission respectively. With this result, it is statistically supported to conclude that there is a positive relationship between organizational culture and job performance and all the organizational cultural dimensions have a positive impact on employee job performance at Nefas silk Lafto Sub city public service and human development office. Thus if the culture of the institution is not nurtured to be appropriate and strong, the employee performance may become below par and hence dissatisfactory organizational performance. These findings are in agreement with Kotter (2012) that organizational culture has power to improve performance of employees, and employee job satisfaction. Suitable organizational cultures will motivate members to diligently attend to their duties hence improve on performance of the firms as a whole. This is due to the fact they will be satisfied due to the good work environment at the office, respectful interactions with one another and comfort. Additionally, they will work towards attaining organizational goals and work subsequently towards the attainment of personal goals.

Furthermore the multiple regression output established regression model of  $\text{Performance} = 0.424 + 0.252(\text{involvement}) + 0.193(\text{consistency}) + 0.209(\text{adaptability}) + 0.274(\text{mission}) + \epsilon$  with the above significant levels. This implies that when the independent variables (Involvement, consistency, adaptability and mission) are constant at zero, the employee performance value would be 0.424. This shows that without the four organization culture traits, the performance of employees at Nefas silk Lafto Sub city public service and human resource development office would perform dismally. This also tells us that every unit positive increase in involvement would contribute to employee performance by a factor of 0.252 provided that other factors (consistency, adaptability and mission) are kept constant. This statistic is significant with significance level  $p = 0.002$ . A unit increase in consistency would contribute to employee performance by factor of 0.193 with P value of 0.044 should other factors be held constant. Additionally, holding other factors (involvement, consistency and mission) constant, a unit increase in adaptability would contribute to employee performance by a factor of 0.209 at significance level  $p = 0.017$ . A unit increase in mission would also contribute to employee performance by a factor of 0.274 at significance level  $p = 0.000$ , should involvement, consistency and adaptability be kept constant. This indicates that organization culture as a whole would positively and strongly influence the performance of employees'.

The value of the beta coefficients also shows that the most influencing factors among the cultural traits are mission culture and involvement culture. This might be because mission acts as the stepping stone for every activity within the institution. This implies that the existence of clearly defined and properly communicated strategic direction & intent, objectives and vision of the institution goes a long way in elevating the performance of employees in the institution. The regression output also shows that, involvement has a strong effect on employees performance and is only second to mission. This is because involvement in the work place encourages employees to be innovative, seek newer ways of solving a problem, discourages micro managing and hence enhances employees' intrinsic motivation to perform. It also implies that when employees are empowered enough to be part of the decision making process, reoriented to perform in teams and are developed to acquire the necessary skills, perform better in their day today activities. This is in concurrence with studies by Spreitzer (1995), who concluded that in an organization with clearly defined Strategic Direction & Intent and where people are empowered and team-oriented, executives, managers, and employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization.

The value of the beta coefficients also show adaptability and consistency cultural traits also have a positive impact on employees' performance. This implies that adaptive culture can make a difference in employees' performance by enabling organizations to take risks and learn from their mistakes, and have capability and experience at creating change by using comments from customers as an input for their change strategy. Furthermore when there is more customer focus, creating change and organizational learning, employees at the institution will be better able to meet customer demands by planning for future customer requirements or leading customers to what they may want in the future. This is in agreement with Nadler (1989) and Senge (1990) who argued that adaptable organizations are driven by their customers, take risks and learn from their mistakes and have the capability and experience at creating change. Such organizations are continuously changing their systems to promote improvements and provide value for their customers. The study also revealed that consistency cultural trait had a positive effect on employee performance. This implies that employees in the institution thought having stability and internal integration that results from a common mindset and a high degree of conformity would act as a power source for a better performance. This is in agreement with conclusions by Ul Mujeeb et.al (2011), who established that consistency cultural trait is useful since normally behavior is rooted in a set of core values, and

leaders and followers are skilled at reaching agreement even when there are diverse points of views, hence reaffirming that consistency culture would influence employee performance positively.

All the above findings were also supported by the findings and arguments given by Zakari, Poku & Owusu-Ansah (2013) and Olu Ojo (2009) who found a positive relationship between organizational culture and employee performance. The findings of Ehtesham, Muhammad & Muhammad (2011) also proved that each of the four organizational cultural traits of involvement, consistency adaptability and mission were positively and strongly associated with employee job performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATION**

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

Descriptive, correlation and regression analysis was done based on four core cultural traits of organizational culture which are mission, consistency, adaptability and involvement against employees' performance. Based on these dimensions major findings of the research are summarized as follows.

The results of descriptive analysis found that the organizational culture of the institution lies a little below the neutral line with only 47.15% of respondents having a positive response on its existence. It also revealed that the most prevalent sub cultural traits within the institution were strategic directions and intents, empowerment and team orientation with agreement frequencies of 62%, 53% and 50.6% respectively.

The result also shows that the overall frequency of employees' who thought their performance was good lies above the neutral line with a percentage value of 56.1%. It further revealed that the most prevalent sub-index of employees' performance was their task performance with agreement frequency of 60.8%.

The result from spearman's correlation coefficient revealed that, there is a positive correlation between organizational cultural dimensions i.e. involvement, consistency, adaptability and mission with employee job performance with a correlation coefficient of 0.684, 0.730, 0.659 and 0.741 respectively indicating strong positive association.

The result of multiple linear regression analysis revealed that all the cultural dimensions which are involvement, consistency, adaptability and mission have positive association with a confidence level of 95% and a beta coefficient of  $\beta = 0.252, 0.193, 0.209$  and  $0.274$  at significance level of  $p= 0.002, 0.044, 0.017$  and  $0.000$  respectively.

The adjusted R square value of the regression was 0.699 indicating a 69.9% of variation in employees' performance was explained by the four cultural traits of involvement, adaptability, consistency and mission.

## 5.2 Conclusions

In this part, based on the results from the descriptive statistics, correlation analysis and multiple linear regression, a concise conclusion is forwarded. An attempt is made to realize the objectives of the study, by answering the five research questions and the four hypotheses which were generated on chapter one. Hence from the findings of the analysis the following conclusions are forwarded.

From the result of the descriptive analysis, we can conclude that, the prevalent cumulative culture of the institutions is not strong and adaptability and consistency cultural traits are of those which needs the most improvement. This was reflected by the opinion of the majority of participants lying below the neutral line about their organizational culture strength with only 47.15% them having a positive view about it.

We can also establish that, sub cultures of mission and involvement cultural traits such as empowerment of employees, team orientation and agreement are among those having a better existence in the institution. Whereas capability development, creating change, customer focus, organizational learning, coordination & integration and core values are among those which have minimal existence. Hence we can conclude that, although there are few positive cultural traits in the organization, in overall the institutions organizational culture edges towards the negative end of the scale. In many cultural trait assessment measures, the institution does not have a strong positive organization culture

The contextual performance of employees in the institution is also not good indicating that most employees are less inclined to take in additional responsibilities and are not willing to take on challenging responsibilities that might require them updating their knowledge and job skills.

Considering all the traits of organizational culture against performance levels, correlation coefficient values were high showing a strong positive relationship between organizational culture and employee performance. Furthermore an adjusted R-square value of 0.699 indicates that a 69.9% of variation in employees' performance is explained by the four cultural traits. Thus we can conclude that each of the four cultural traits both individually and as a whole have a direct and positive impact on the performance of employees.

From the result of the regression analysis, mission cultural trait have the highest positive impact on job performance followed by involvement cultural trait. Whereas adaptability and consistency

cultural traits have relatively lower impact. Hence we can assert that, determining mission first will ensure that members are aiming for the same goal and enhance their performance. We can also infer that by emphasizing on the input and participation of its members, the institution can make their members become highly concerned about their organizations immediate interests and increase their cohesion.

From these we can also conclude that, all the research questions were satisfactorily answered and all the four alternative hypothesizes are accepted. In saying that, all organizational culture traits have been shown to be an important aspect of the institution, as they can, and do affect employee's behaviors, motivation and values and hence affecting their performance. Each of these cultural traits affect employee's performance at different degrees. The most noted factors that affects the employee performance is the mission and involvement cultures, followed by consistency and adaptability cultural traits.

### 5.3 Recommendations

Healthy organizational culture improves and runs competitive environment by enhancing employees' performance. The results obtained from this study also concluded the same. However the prevailing culture in the institution was deemed to be weak. Hence based on the findings, the study recommends that the management of Nefas silk Lafto Sub city and public service and human development office should consider adopting the following recommendations.

The study findings revealed that the culture of the institution in all of the four dimensions shows that the office does not have a strong organizational culture. So in order to carryout operations as a public service entity properly, the institution must improve its organizational culture. It should try to maintain a strong and positive organizational culture for the benefit of the organization and its employees.

Mission cultural trait has the highest effect on the performance of employees in the institution. Hence the researcher recommends that the management should play a pronounced role in influencing organizational culture that is aligned to its mission, strategy and structure. The management should focus more on the adherence to the organizations mission by making sure that those in leadership positions are conversant with the organizations mission so as to be able to pass it down to their subordinates.

The study shows the existence of adaptability culture is low in the institution. Therefore it is recommended to ensure a capacity for creating change to meet the changing customer's needs, and continuing to learn as an organization. The management should keep on adapting to changes as well as re-assessing the effect and frequency of mitigation measures adopted. This will help to identify whether the adopted counteractive cultures are making any acceptable difference. While doing that, it is essential that the institution gives due consideration to their target public. The management therefore should aim to obtain an in-depth understanding of service seekers in order to fully acknowledge their customers as well as motivate their employee.

Although the effect of involvement culture is only second to mission, its prevalence in the institution was not good. Thus the researcher recommends that the organization should adapt involvement culture within employees'. The full responsibility of strengthening this culture lies entirely with the management. This can be done by carrying out regular assessments to determine the soft and hard skill levels of its employees; the organization can take this opportunity to address the shortfalls and help the employees unleash their full potentials. The researcher therefore recommends that the organization invests in training and development of its employees to improve their capability at all levels. At the same time, the management should emphasize the input and participation of its employees. In order to further its employee identification with the organization, the management should extend its employee involvement in decision making that affects them, giving them the authority and ability to manage their own work. They should also reinforce team orientation. This will certainly boost the employees' performance.

As the existence of consistency culture is low in the institution, the study recommends that it is very crucial that the organization adapts consistency culture trait by which managers and leaders practice what they preach. This will create atmosphere of adherence to ethical codes that guides the behavior of employees making it easy to reach consensus, even on difficult issues. Furthermore, to uphold culture of consistency, the researcher recommends that those who design work in the organization should, give individual assignments that are consistent with their strengths, the management should also work on the ethical practices of the organization like credibility and integrity which promotes a high performance culture.

The results of the regression shows that the independent variables have positive impact on the employees job performance with varying degree of influence and therefore, the organization needs

to nurture and develop the right type of culture giving the appropriate priority. Accordingly, the institution should endeavor to promote the cultural dimension of mission, involvement, adaptability and consistency respectively. Hence, the institution should give more priority to strengthen cultural traits that have highest influence on performance of employees.

#### 5.4 Limitation of the Study

Adequate and reliable information is important to undertake any kind of survey precautions. It is also paramount to undertake properly and randomly selected respondents in order to ensure adequate representativeness of the sample population. However, the carelessness of some respondents while filling the questionnaires and the unavailability and unwillingness of randomly selected respondents made it difficult to perform pure random selection among the target population. Hence in place of unavailable and unwilling employees, those who were conveniently there and willing employees were used making the selection less purely random.

#### 5.5 Implication for Further Studies

As mentioned earlier in this paper, not adequate research has been done about the impact of organizational culture in the public service sector of Ethiopia. This study limited itself to only one office of the sector and recommendations are therefore made for further research in all public service institutions in order to encompass a broader scope. The study also used Denison's Model of organizational culture to study the culture of the institution as a whole, further researches on the same organization can be done using a different framework to ascertain department level microscopic view of the institutions culture. Organizational culture influences organizations in many ways ranging from the overall organizational performance to subsets like financial performance, performance management, employee job satisfaction, leadership behavior, person-organization fit, organizational change management, customer satisfaction, and strategy implementation, among others. For further study, the researcher recommends a study on the influence of organizational culture on any of the above subsets in the public service sector of Ethiopia.



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## APPENDIX A: QUESTIONNAIRES

### Survey Questionnaire

#### I. Demographic Information

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

Q1 Your age    1. Years 15-29  2. Years 30-45  3. Years 46 and above

Q2 what is your gender    1. Male  2. Female

Q3. How many years have you served in this organization?

1. Less than a year                       4. 6 – 8 years   
 2. 1 – 4 years                                       5. Above 8 years   
 3. 4 – 6 years

Q4. What is your Educational Level?

1. Never been to school                       4. Vocational School   
 2. Elementary School                       5. College/University   
 3. High school

#### II. Organizational Culture Related Questions

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

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

		1	2	3	4	5
<b>INVOLVEMENT</b>						
1	Decisions in my organization are usually made at the level where the best information is available					
2	Information is widely shared in my organization so that everyone can get the information he or she needs when it is needed					
3	I believe that all individual employees can have a positive impact in my organization					
4	Cooperation across different departments of my organization is actively encouraged					

5	In my organization, people work like they are part of a team and rely less on hierarchy					
6	My organization delegates authority so that people can act on their own					
7	In my organization, the capability of people is constantly improving					
8	In my organization, there is continuous investment in the skills of employees					
<b>CONSISTENCY</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
9	In my organization, the leaders and managers practice what they preach					
10	In my organization, there is a clear and consistent set of values that governs the way we do operations					
11	In my organization, when people ignore core values, they are held accountable					
12	In my organization, when disagreements occur, we work hard to achieve "win-win" solutions					
13	In my organization, it is easy to reach consensus, even on difficult issues					
14	In my organization, there is a clearly defined culture					
15	In my organization, our approach to doing business is very consistent and predictable.					
16	In my organization, it is easy to coordinate projects across different departments					
<b>ADAPTABILITY</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
17	In my organization, the way things are done is very flexible and easy to change.					
18	In my organization, new and improved ways to do work are continually adopted					
19	In my organization, customer comments and recommendations often lead to changes					
20	In my organization, customer inputs directly influences our decisions					
21	In my organization, all employees have a deep understanding of customer wants and needs					
22	In my organization, the employees view failure as an opportunity for learning and improvement					
23	In my organization, learning is an important objective in our day-to-day work.					
24	In my organization, we make certain that everyone is informed about what is going on across the organization.					
<b>MISSION</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
25	In my organization, there is a long-term purpose and direction.					
26	There is a clear mission that gives meaning and direction to our work.					
27	In my organization, there is widespread agreement about goals					
28	In my organization, our leaders set goals that are ambitious, but realistic					
29	In my organization, we continuously track our progress against our goals					
30	In my organization, our vision creates excitement and motivation for all employees					



### III. Performance Measurement Related Questions

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

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

		1	2	3	4	5
1	I managed to plan my work so that it was done on time					
2	I was able to separate main issues from side issues at work					
3	I was able to perform my work well with minimal time and effort					
4	I started new tasks myself, when my old ones were finished					
5	I took on extra responsibilities					
6	I took on challenging work tasks, when available					
7	I came up with creative solutions to new problems					
8	I don't complained about unimportant matters at work					
9	I focused on the Positive aspects of a work situation, instead of on the negative aspects.					
10	I spoke with colleagues and people from outside the organization about the positive aspects of my work					

*Thank you for your cooperation and valuable information!*

### የዳሰሳ ጥናት መጠይቅ

#### ክፍል አንድ፡ የስነ ሕዝብ መረጃን የሚመለከቱ ጥያቄዎች

በምርጫ መልክ ለተቀመጡ ጥያቄዎች የ (✓) ምልክት ፊትለፊት ያለው ሰጥን ውስጥ ያስቀምጡ፡ አጭር መልስ ለሚፈልጉ ጥያቄዎች አስተያየትዎን በአጭር ለማስቀመጥ ይሞክሩ

ቁ1. እድሜዎ ስንት ነው? U. ከ15-29 ዓመት  ለ. ከ30-45 ዓመት  ሐ. ከ46 ዓመት በላይ

ቁ2. ፆታዎ U. ወንድ  ለ. ሴት

ቁ3. በዚህ ድርጅት ውስጥ ምን ያህል ዓመት አገልግለዋል?

1. ከ 1 ዓመት በታች  3. ከ4 – 6 ዓመት  5. ከ 8 ዓመት በላይ

2. ከ1 – 4 ዓመት  4. ከ 6 – 8 ዓመት

ቁ4. የትምህርት ደረጃዎ ምን ያህል ነው?

1. አልተማርኩም  3. ሁለተኛ ደረጃ ት/ቤት  5. ኮሌጅ/ዩኒቨርሲቲ

2. አንደኛ ደረጃ ት/ቤት  4. የቴክኒክ/ሞያ ት/ቤት

**ክፍል ሁለት፡ የድርጅታዊ ባህልን የሚመለከቱ ጥያቄዎች**

የሚከተሉት ጥያቄዎች የድርጅቶችን የአሰራር ባህል ለመለካት የሚረዱ ናቸው። ለ እያንዳንዱ ጥያቄ የመስማማቶን ወይን ያለመስማማቶን መጠን (√) ምልክት በሰንጠረዥ ላይ በቀረበው ቦታ በማስገባት ያመለክቱ።

1 = በጣም አልስማማም, 2 = አልስማማም, 3 = ግልልተኛ 4 = እስማማለሁ, 5 = በጣም እስማማለሁ

		1	2	3	4	5
<b>አሳታፊነት የተመለከቱ ጥያቄዎች</b>						
1	በድርጅታችን ውስጥ የሚሰጡ ውሳኔዎች ተጨባጭና ጠቃሚ መረጃን መሰረት ያደረጉ ናቸው					
2	በድርጅታችን ውስጥ የመረጃ ተደራሽነት ያለ በመሆኑ ሁሉም የድርጅቱ ሰራተኞች አስፈላጊውን መረጃ በወቅቱና በአግባቡ ያገኛሉ					
3	እኔ እንደማምነው ሁሉም የድርጅቱ ሰራተኞች ለድርጅቱ መልካም አስተዋጽኦ አላቸው					
4	በድርጅታችን ውስጥ በስራ ዘርፎች መካከል መናበብና የትብብር መንፈስ በከፍተኛ ሁኔታ ይበረታታል					
5	በድርጅታችን ውስጥ ሰዎች በጋራ እና በመተባበር የሚሰሩ በመሆናቸው የበላይነትና የበታችነት ስሜት አይንጸባረቅም					
6	በድርጅታችን ውስጥ ሰራተኞች የመወሰን ሀላፊነትን የሚጠይቁ ሥራዎች ላይ ስለሚወከሉ ውሳኔ የሚጠይቁ ሥራዎችን በራሳቸው ብቃት ይሰራሉ					
7	በድርጅታችን ውስጥ የሰው ሀይል ጥራት ከጊዜ ወደ ጊዜ በመጨመር ላይ ነው					
8	በድርጅታችን ውስጥ በሰው ሀብት ማጎልበት ላይ ቀጣይነት ያለው መዋለ-ንዋይ ይፈሳል					
<b>ቀጣይነትና ወጥነትን የተመለከቱ ጥያቄዎች</b>		1	2	3	4	5
9	በድርጅታችን ውስጥ መሪዎች እና አላቃዎች እንዲተገበር የሚያዙትን የሥራ ባህል እራሳቸውም ይተገብሩታል					
10	በድርጅታችን ውስጥ ማንኛውም የሥራ ክንውን ግልጽና እና ቀጣይነት ባላቸው መሰረታዊ የሥነ-ምግባር እሴቶች የሚገዛ ነው					
11	በድርጅታችን ውስጥ ሰዎች መሠረታዊ እሴቶችን ችላ ሲሉ ተጠያቂነት አለባቸው					
12	በድርጅታችን ውስጥ አለመግባባቶች በሚፈጠሩበት ጊዜ ሁሉንም ወገን ተጠቃሚ የሚያደርግ መፍትሔ ለማግኘት ጠንክረን እንሰራለን					
13	በድርጅታችን ውስጥ በአስቸጋሪ ጉዳዮች እንኳን ሳይቀር በቀላሉ ከመግባባት ላይ መድረስ እንችላለን					
14	በድርጅታችን ውስጥ በግልጽ የተቀመጠ ድርጅታዊ የሥራ ባህል አለን					
15	በድርጅታችን ውስጥ የሥራ ክንውን አቅጣጫዎች ወጥ እና የተለመዱ በመሆናቸው ለመገመት የሚያስቸግሩ አይደሉም					
16	በድርጅታችን ውስጥ በተለያዩ አደረጃጀቶች እና የሥራ ዘርፎች ውስጥ ያሉ ፕሮጀክቶችን ማመቻቸት እና ማቀናጀት ቀላል ነው					
<b>ተለዋዋጭነትን የተመለከቱ ጥያቄዎች</b>		1	2	3	4	5
17	በድርጅታችን ውስጥ ነገሮች የምንከውንባቸው ዘዴዎች በቀላሉ መስተካከል የሚችሉና ለመለወጥም ቀላል ናቸው					
18	በድርጅታችን ውስጥ ሥራን ለማከናወን የሚረዱ አዳዲስ እና የተሻሻሉ ዘዴዎች ሁሉም ይተገበራሉ					

19	በድርጅታችን ውስጥ የደንበኞች አስተያየቶች እና ምክሮች ብዙ ጊዜ ለአሰራር ሂደት ለውጥ መነሻ ሀሳቦች ተደርገው ይወስዳሉ					
20	በድርጅታችን ውስጥ ከደንበኞች የሚገኙ ግብአቶች የምናደርጋቸው ውሳኔዎች ላይ በቀጥታ ተጽዕኖ ያሳድራሉ					
21	በድርጅታችን ውስጥ ሁሉም ሰራተኞች ስለተገልጋዎች ፍላጎት ጥልቅ የሆነ ግንዛቤ አላቸው					
22	በድርጅታችን ውስጥ ያሉ ሰራተኞች ያልተሳኩ የሥራ አጋጣሚዎችን ለመማር እና ለመሻሻል እድል የሚፈጥሩ አጋጣሚዎች አድርገው ያይታል					
23	በድርጅታችን ውስጥ መማር እና መሻሻል የዕለት ተዕለት ሥራችን ውስጥ ወሳኝ አካል ነው					
24	በድርጅታችን ውስጥ በተለያዩ የስራ ዘርፍ እና እርከኖች ላይ ምን እየተደረገ እንዳለ የድርጅቱ ሰራተኞች አስፈላጊውን መረጃ በወቅቱና በአግባቡ ያገኛሉ					
<b>ተልእኮን የተመለከቱ ጥያቄዎች</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
25	በድርጅታችን ውስጥ የረጅም ጊዜ ዓላማ እና አቅጣታ ላይ አለን					
26	በድርጅታችን ውስጥ ለሥራችን ትርጉም የሚሰጥ እና መመሪያ ሊሆን የሚችል ግልጽ ተልዕኮ አለ					
27	በድርጅታችን ውስጥ ስላሉ ግቦች በሰራተኞች መካከል ሰፊ የሆነ ስምምነት አለ					
28	በድርጅታችን ውስጥ መሪዎች እና አለቆች የላቀ ምሽት ያላቸው ሆኖም ግን ተጨባጭ የሆኑ ግቦችን ያስቀምጣሉ					
29	በድርጅታችን ውስጥ በተቀመጡት ግቦች ላይ ያለንን አፈፃፀም ቀጣይነት እና ተከታታይነት ባለው መልኩ እንገመግማለን					
30	በድርጅታችን ውስጥ ያለው ራዕዮችን ለሰራተኞች ሁሉ ደስታና ተነሳሽነትን ይፈጥራል					

**ክፍል ሶስት: የአፈፃፀም ብቃትን የሚመለከቱ ጥያቄዎች**

የሚከተሉት ጥያቄዎች የሰራተኞችን የአፈፃፀም ብቃትን የአፈፃፀም ብቃት ለመለካት የሚረዱ ናቸው። ለ እያንዳንዱ ጥያቄ የመስማማቶን ወይን ያለመስማማቶን መጠን (v) ምልክት በሰንጠረዥ ላይ በቀረበው ቦታ በማስገባት ያመለክቱ።

**1 = በጣም አልስማማም, 2 = አልስማማም, 3 = ገለልተኛ 4 = እስማማለሁ, 5 = በጣም እስማማለሁ**

		1	2	3	4	5
1	ሥራዬን በአግባቡ አቅጧል ስለነበር በጊዜው ለማጠናቀቅ ችያለሁ።					
2	በሥራዬ ላይ ዋና ዋና ጉዳዮችን ከተጋዳኝ ጉዳዮች መለየት ችያለሁ					
3	ሥራዬን በአነስተኛ ጊዜ እና አቅም ለማከናወን ችያለሁ					
4	የተሰጡኝን ሥራዎች ባጠናቀቅኩ ጊዜ በራሴ ተነሳሽነት ሌሎች አዳዲስ ሥራዎችን እጀምራለሁ					
5	ከሚመለከተኝ የሥራ ሃላፊነት ውጪ ተጨማሪ ሃላፊነቶችን እወስዳለሁ					
6	ፈታኝ ሥራዎች በሚኖሩበት ጊዜ በተቻለኝ አቅም እነዚያን ፈታኝ ሥራዎች ለመውሰድ እሞክራለሁ					
7	አዳዲስ ችግሮች በሚፈጠሩበት ጊዜ ፈጠራ የተሞላበት መፍትሄዎችን አመጣለሁ					
8	በሥራ ቦታዬ ላይ በጣም አስፈላጊ ባልሆኑ ጉዳዮች ላይ ብዙም ቅሬታ አላሰማም					
9	በአጠቃላይ የስራ ሁኔታዎች ላይ በአሉታዊ ጎኖች ሳይሆን አዎንታዊ ገጽታዎች ላይ አተኩራለሁ					
10	ስለ ሥራዬ መልካም ገጽታዎች ከሥራ ባልደረበኛ ጋር እና ከድርጅቱ ውጪ ከሌሎች ጋርም አወራለሁ					

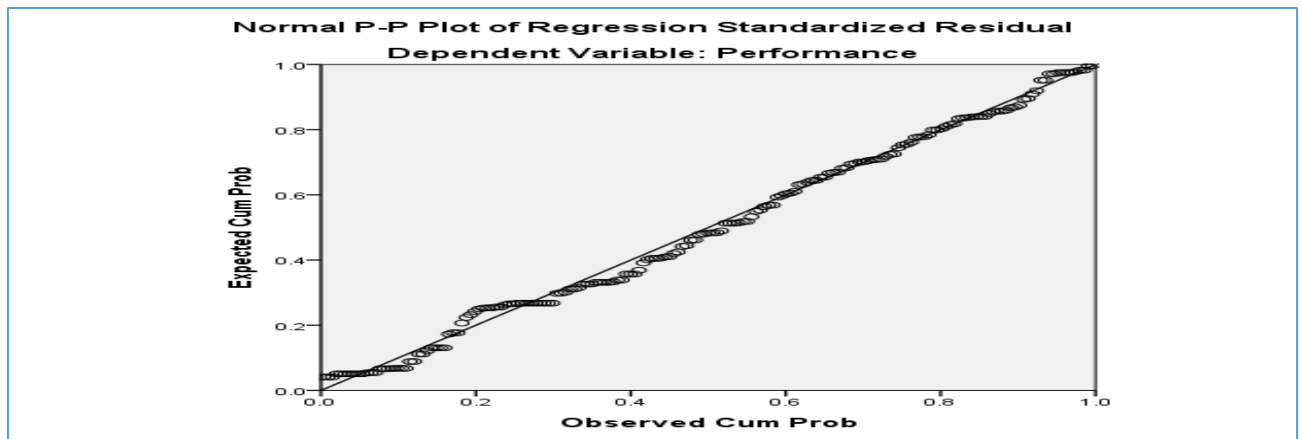
**ላደረጉት ትብብር እና ለሰጡኝ ጠቃሚ መረጃዎች አመሰግናለሁ!**

# APPENDIXB: TABLES, GRAPHS AND PICTURES

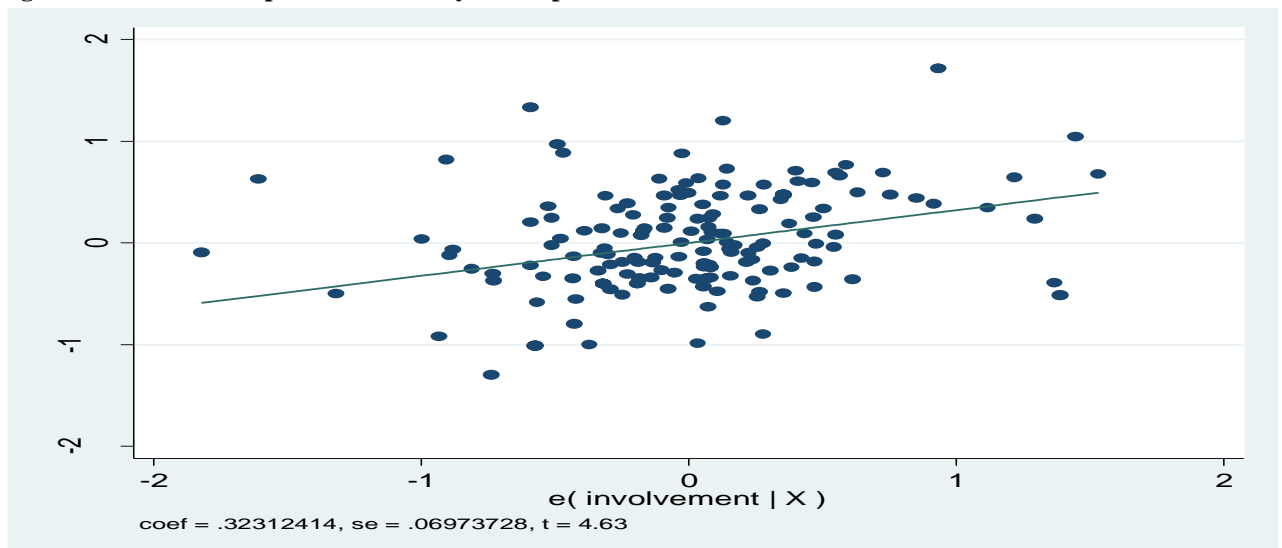
## 1. Normality Test for variables

**Table 1 Skewness and Kurtosis of variables for independence and Normality Check**

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Involvement	179	-.482	.182	-.608	.361
Consistency	179	-.259	.182	-.375	.361
Adaptability	179	-.528	.182	-.479	.361
Mission	179	-.551	.182	-.397	.361
Performance	179	-.833	.182	-.136	.361



**Figure 1 SPSS residual plot for normality test of performance**



**Figure 2 Normal distribution of involvement**

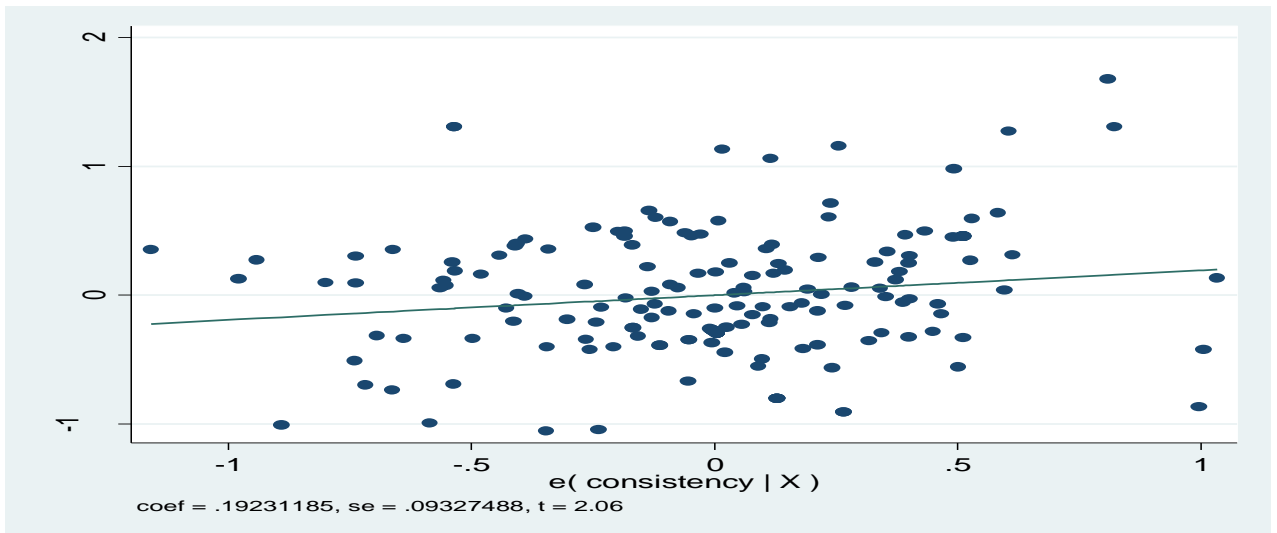


Figure 3 Normal distribution of consistency

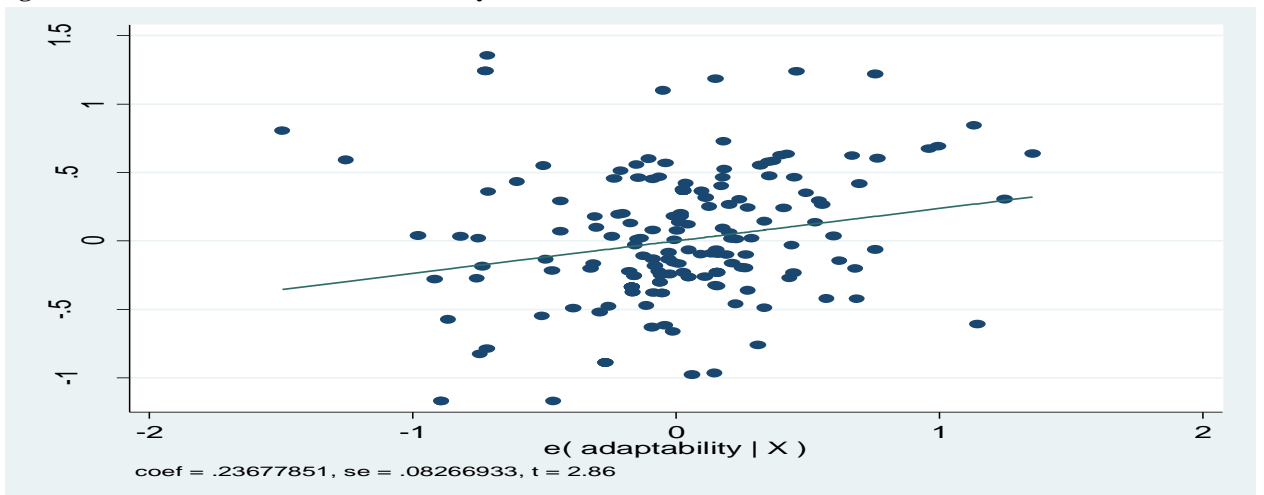


Figure 4 Normal distribution of adaptability

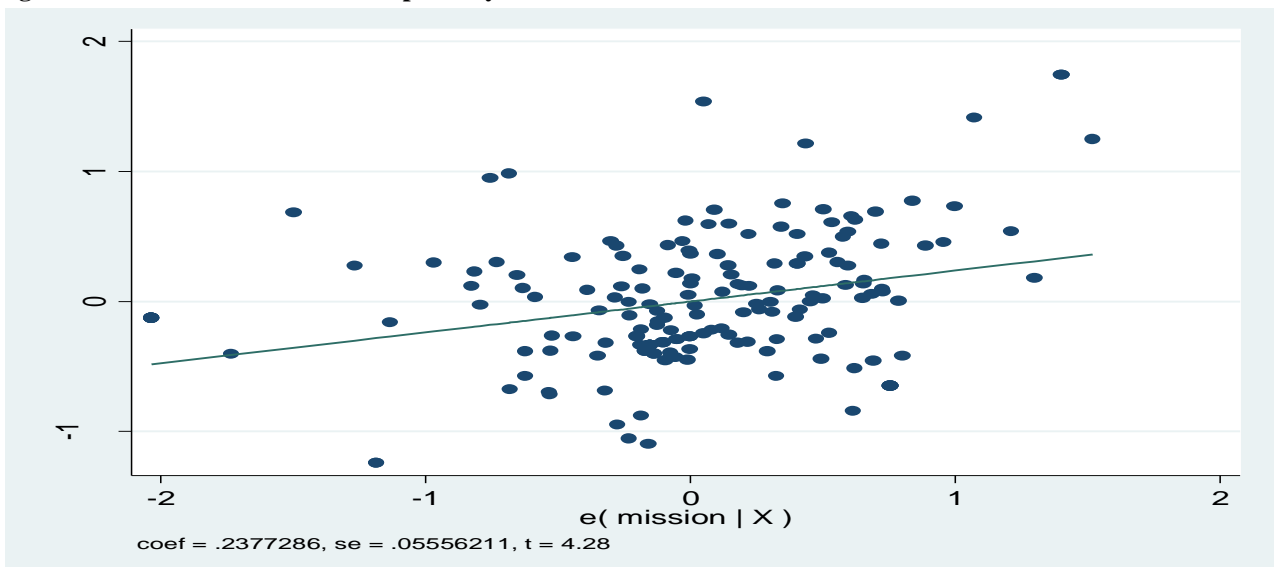


Figure 5 Normal distribution of mission

## 2. Normality Test for residuals

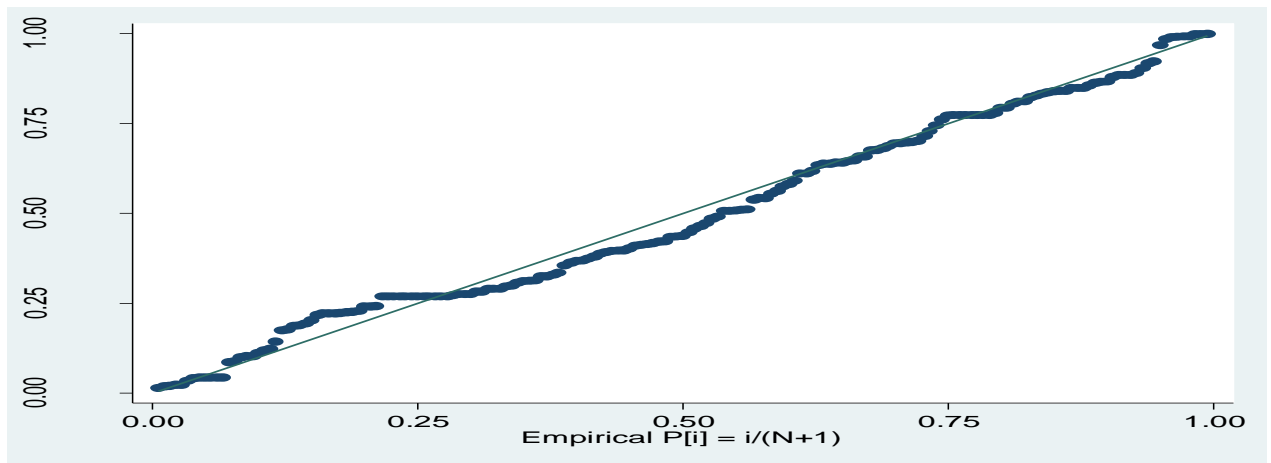


Figure 6 Stata Standardize normal probability plot test of residuals

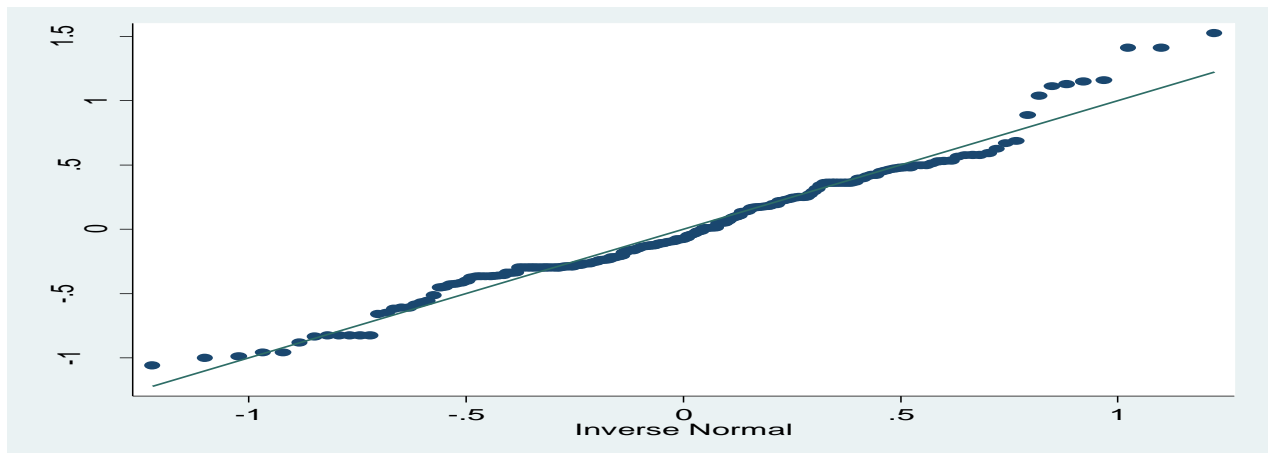


Figure 7 Stata Quintile-normal plot test of residuals

## 3. Linearity test

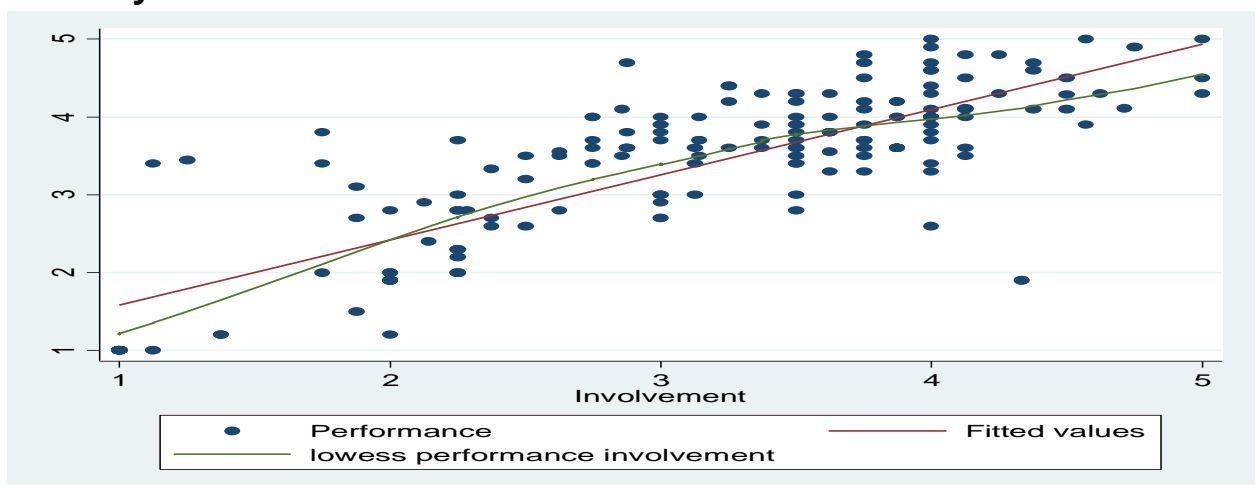


Figure 8 Linearity test for involvement

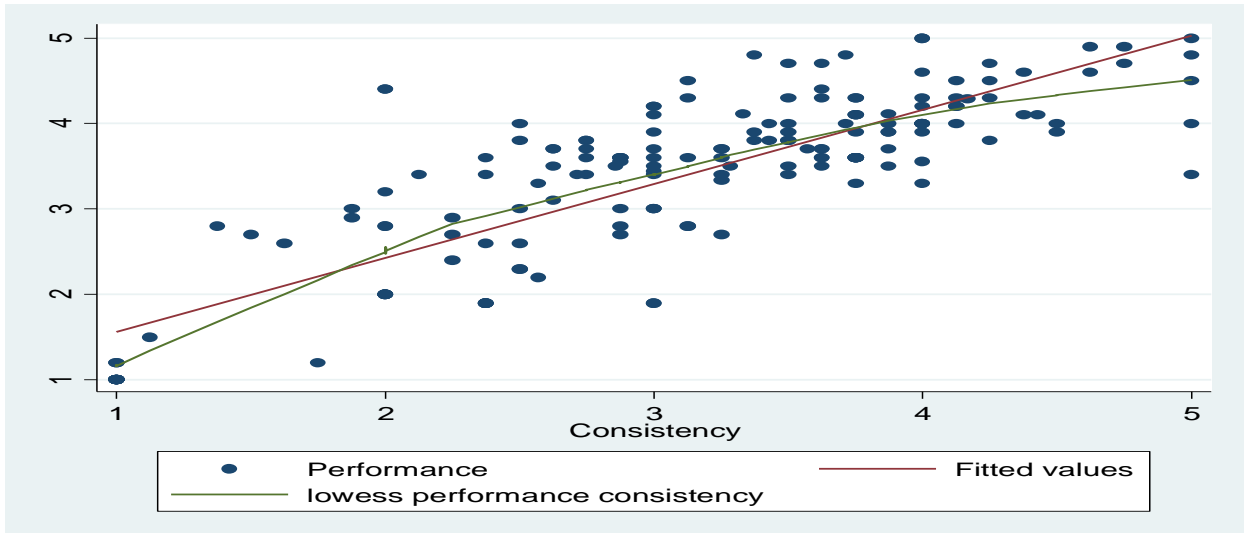


Figure 9 Linearity test for consistency

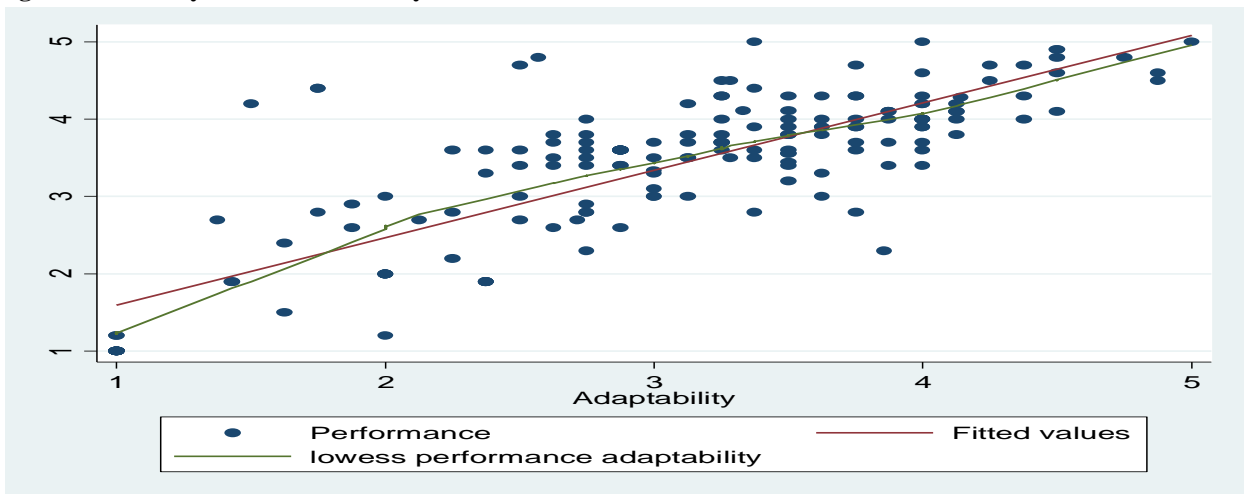


Figure 10 Linearity test for adaptability

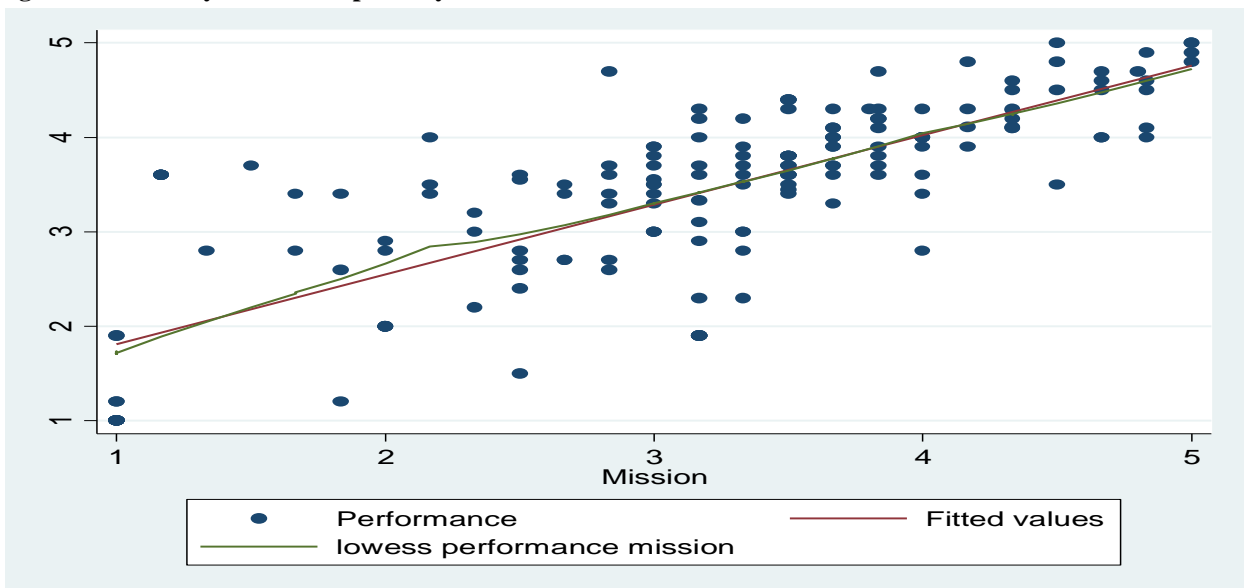


Figure 12 Linearity test for mission

## DECLARATION

**I the undersigned, declare that this thesis is my original work, prepared under the guidance of Tilaye Kassahun (PhD). 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.**

**Meka Fedlu Nuri-SGS/0532/2010A**

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**Name**

**Date and Signature**

**St. Mary's University College, school of graduate studies, Addis Ababa June, 2019**