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#### **BAHIR DAR UNIVERSISTY**

#### **COLLEGE OF BUSINESS AND ECONOMICS**

#### **DEPARTMENT OF MANAGEMENT**

## EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE

The case of Bahir Dar Textile Share Company

By:

**Eden Tilahun** 

(July, 2022)

### THE EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE

The case of Bahir Dar Textile Share Company

By

#### **Eden Tilahun**

A thesis submitted to Bahir Dar University, department of Management in Partial Fulfilment of the Requirements for the Degree of Masters of Arts in Business Administration

Advisor

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[July, 2022]

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#### **Bahir Dar University**

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#### **Approval of Thesis for Defence**

I hereby certify that I have supervised,	, read, and evaluated this	thesis/dissertation titled "the
effects of organizational culture on em	ployee performance" by l	Eden Tilahun prepared under
my guidance. I recommend the thesis/d	issertation be submitted for	or oral defence.
Advisor's name	Signature	Date

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#### Approval of Dissertation/thesis for defence result

As members of the board of examiners, we examined this dissertation/thesis entitled "The effects of organizational culture on employee performance" by Eden Tilahun. We hereby certify that the thesis is accepted for fulfilling the requirements for the award of the degree of "masters of business administration".

Board of Examiners		
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Internal examiner name	Signature	Date
Chair person's name	Signature	Date

#### **Declaration**

This is to certify that the thesis	entitled "the effects of	organizational culture on employee
performance", submitted in parti	al fulfilment of the requ	irements for the degree of Master of
Business Administration in Department	artment of Management,	Bahir Dar University, is a record of
original work carried out by me	and has never been sub-	nitted to this or any other institution
to get any other degree or certific	cates. The assistance and	help I received during the course of
this investigation have been duly	acknowledged.	
Name of the candidate	Date	Place

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#### Acronyms

SPSS Statistical Package for Social Science

MBA Masters of Business Administration

#### Abstract

Understanding the dynamism of organizational culture and its effect on employee performance is very crucial to organizational strategic objective. This study aims to examine the effect of organizational culture on employee performance. The researcher used descriptive and explanatory research design with quantitative approach in order to meet the objective of the study. The target population for this study was 1385 permanent employees of Bahir Dar Textile Share Company, Located in Bahir Dar. Out of 1385 permanent employees, 308 respondents were selected using stratified random sampling technique. The four component of the organizational culture Involvement, Adaptability, Mission and Consistency were visualized based on Denison Model. Structured questionnaire with five point Likert scale were used to collect the data. A total of 272 questionnaires were used for this study and the data were analysed using descriptive and inferential statistics. The data collected were summarized, classified and tabulated and analysed using SPSS version 26. The result of Spearman correlation test shows that there exists a positive relationship between the four organizational dimension variables (i.e. mission, adaptability, involvement and consistency) and employee performance. But the magnitude of the relationship varies from one organizational culture dimensions to the other where, mission has a strong correlation with employee performance, involvement and consistency have moderate correlation with employee performance and finally adaptability has a weak correlation with employee performance. The result of ordinal logistic regression shows that 81.6% of the variance of employee performance can be predicted by the independent variable (i.e. mission, adaptability, involvement and consistency). In addition, the result of ordinal logistic regression shows that mission and involvement have a positive significant effect on employee performance while adaptability and consistency have insignificant effect on employee performance. Organizations should give a strong concern for the practice of organizational culture especially for involvement and mission dimensions of organizational culture.

Key words: - employee performance, organizational culture, consistency, mission, involvement, and adaptability

#### **CHAPTER ONE**

#### 1. INTRODUCTION

This chapter of the study encompasses the background of the study, statement of the problem, objective of the study, research questions and hypothesis, significance of the study with the scope and limitation.

#### 1.1. Background of the study

Organization culture comprises the unwritten customs, behaviours and beliefs that determine the 'rule of the game' for decision making, structure and power. In effect organizational culture dictates the way the organization perform its operation and the organizational survival tactics that facilitate assimilation and personal success (Dave and Jeanne, 2011). Organizational culture is a human resource management concept which used to improve the general culture within the organization (Kumar, 2016). Since culture within an organization is important and playing a large role within the organization, it determines whether the organization is healthy place to work (Manag, 2006).

As one of the key stable factor, culture within an organization is playing a critical role in the organization everyday process (Sun, 2008). In addition, the culture of an organization is very important for the progress of an organization because it influences employee commitment and their retention as well (Salihu, et al., 2016).

Thokozari (2017) argues that organizations with strong organizational culture are more successful than organization with weak culture because of unity among employees as they hold common beliefs and values. He further explains that strong organizational culture means the situations where the employees adjust well, respect the organizational policies, and adheres to the guidelines so employee performance will be high. In contrast, weak organizational culture refers to a culture, a value and belief not strongly and widely shared with in the organization.

In many organizations, organizational culture relates to the behaviour of employees within the same work environment. Parker and Bradley (2000) clarify that the different models of culture coexist in the same organization because a balance between them is regarded as needed. Additionally, organizational culture is unique to each organization and is a complex

integration of values, behaviours and norms that are developed by managers and employees within an organization (Manetje and Martins, 2009).

The organizational culture has developed to provide support to an organization and bring continues improvement (Salihu etal., 2016). Likewise, a strong and healthy organizational culture possesses the organization core values visible in all aspect of its day to day operations. Moreover, strong organizational culture improves employee engagement, organizational and employee performance as well. As the result, organizational culture has varying impact on employee performance and motivation level. Hence, if employees consider themselves as a part of the culture they work harder to achieve the organizational goal. In this regard for high employee performance, organizational culture plays a vital role at a critical factor in every organization (Salihu et al., 2016).

Employee performance is a base and an important building block of an organization performance (Abbas and Yaqob, 2009). Kassahun (2007) confirmed that optimizing individual performance is cornerstone in order to increase organizational performance. Organizational culture can enhance performance in a large scale. The culture of an organization allows the employees to be acquainted with the firms history as well as current methods of operation and this specific direction endows the employees with guidance about expected and accepted future organizational behaviour and norms (Hellriegel and Slocum, 2009). Furthermore, Anozie and Ismail (2016) find out organizational culture has a huge and significant impact on the performance of employees.

As stated by Furnham and Gunter (2003) organizational culture functions as the internal integration and coordination between firm operation and its employee. Internal integration has to do with the societal interaction of new members with the existing one, creating boundaries of the organization feeling of identity among personal and commitment to the organization. A strong organizational culture supports adaptation and develops employee performance by motivating employee towards a shared goal and objective and finally shaping and channelling employee behaviour to that specific direction.

Kandula (2006) confirms that the key to good employee performance is organizational culture. He further affirms that due to difference in organizational culture, same strategies do not yield same results for two organizations in the same industry and in the same location. A positive and strong culture can make an average individual performance and achieve

brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with poor performance. Organizational culture has an active and direct role on employee performance (Ahmed, 2012).

Mission organizational culture dimension gives a clear direction and goals that serve to define an appropriate course of action for the organization and its members which results increase in employee performance (Denison and Neal, 2011). Adaptability dimension of organizational culture is the ability of organization in perceiving and responding to the external environments (Schein, 2010). A positive culture embraces adaptation this in turn strengthens employees' performance by inspiring them and melding their characters towards achieving of organizational corporate objectives (Daft et al., 2010).

Chen and Tjosvold (2006) disclosed that involvement dimension of organizational culture is making employees participate in the decision making process of the organization where they feel that they are given a chance to freely discuss issues and consequently can influence the decision making process in the organization they work for. The general results of involvement are low turnover and increased employee job performance. Consistency emphasizes the positive impact that a strong culture can have on performance of employee by having a shared system of beliefs, values, and symbols that are widely understood by an organization's member (Mousavi, et al., 2015).

Therefore, studies in organizational culture in relation with employee performance will be essential in order to know what goes in organization, how to run the organization, and how to improve the organization (Schein, 2010).

#### 1.2. Statement of the problem

Organizational culture is an important construct that affects both the individual and organizational performance. Many organizations today put more effort only on the intrinsic and extrinsic reward system to enhance employee performance, by given less concern for the organizational culture (Yesil and Kaya, 2012). Moreover, organizational culture at the work place influences the process of strategy implementation and the performance of the organization highly.

Various studies conduct on the relationship between organizational culture and its effect in employee performance in different organization. However their findings are mixed and contradictory. For example a study conducted by Lydiah (2011) shows that there exists a significant and positive relationship between the dimensions of organizational culture which are mission, adaptability, consistency and involvement with employee performance. But Shakil (2012) founds that only consistency and adaptability have a positive effect on the employee performance, the remaining two dimension of organizational culture which are mission and consistency do not have any effect on employee performance.

Joyce (2016) shows in his study that there exists a positive and significant relationship between the four organizational culture dimension and employees performance. However, a study conducted by Rousseaue (2006) founds there is no positive relationship and effect between organizational culture and employee performance.

There is a little association between organizational culture and employee performance (Eisenberger, 2002). However, a study conducted by Mba (2013) and Tekel (2020) argues that there exists a positive significant relationship between the four dimension of organizational culture (consistency, adaptability, mission and involvement) with employee performance.

The above argument of different studies shows inconsistency of finding about the effect of organizational culture on employee performance. So it is still worthy for further studying about the effect of organizational culture on employee performance. In addition, there has been little evidence to have similar studies being conducted in textile factory located in Ethiopian in general and Bahir Dar textile Share Company in particular.

In view of the above research gap, this study is conducted to examine the effect of organizational culture on employee performance in textile factory located in Ethiopia, specifically in Bahir Dar textile Share Company.

#### 1.3. Objectives of the study

#### 1.3.1. General objective of the study

The main objective of the study is to examine the effect of organizational culture on employee performance at Bahir Dar Textile Share Company.

#### 1.3.2. Specific objective of the study

The study will consider the following specific objectives.

To assess the organizational culture (i.e. mission, involvement, adaptability and consistency) practice in in Bahir Dar Textile Share Company.

To assess the level of employee performance in Bahir Dar Textile Share Company.

To explore the relationship between employee performance and organizational culture dimensions (i.e. mission, involvement, adaptability and consistency) in Bahir Dar Textile Share Company.

To evaluate how employee performance is affected by organizational culture (i.e. mission, involvement, adaptability and consistency) in Bahir Dar Textile Share Company.

#### 1.4. Research questions

Based on the problem discussed above, the researcher focuses on the following research questions:

- 1. How is organizational culture (i.e. mission, involvement, consistency and adaptability) practiced in Bahir Dar Textile Share Company?
- 2. What is the level of employee performance in Bahir Dar Textile Share Company?
- 3. What relationship exists between the four dimensions of organizational culture (i.e. mission, involvement, consistency and adaptability) with employee performance?
- 4. How organizational culture (i.e. mission, involvement, consistency and adaptability) affect employee performance in Bahir Dar Textile Share Company?

#### 1.5. Hypothesise of the study

In order to address the research questions and to achieve the objectives of the study, the following hypotheses are developed and tested in the course of the study.

- H1: Organizational mission has a positive significant effect on employee performance.
- H2: Organizational adaptability has a positive significant effect on employee performance.
- H3: Organizational involvement has a positive significant effect on employee performance.
- H4: Organizational consistency has a positive significant effect on employee performance.

#### 1.6. Significance of the study

The result of this research work is believed to have the following importance. The study will benefit Bahir Dar Textile Share Company since the expected research finding will allow them to recognize the effect of organizational culture on employee performance and give the required attention to it. The study allows policy makers, to consider and revise the current culture of Bahir Dar Textile Share Company. Undertaking this research is very crucial for the concerned company to recognize relevant change with regard to culture which in turn affects the company at most. In addition to this; the expected finding of the study will be used as a basis or reference for those researchers who want to conduct further study on similar or related topic. Furthermore, the expected finding will be important for any organization and individual that seeks to understand the effect of organizational culture on employee performance. Lastly, it will be serving as a partial fulfilment of the requirement of Masters of Business Administration for the researcher.

#### 1.7. Scope of the study

The scope of the research is the effect of organizational culture on employee performance. The coverage also bounds geographically with Bahir Dar Textile Share Company. In this context organizational culture includes only four- general dimensions (i.e. mission, adaptability, involvement and consistency) and also limited to employee performance. Descriptive and Explanatory research design were adopted. The study takes only permanent employees of Bahir Dar Textile Share Company as a target population to draw sample from it by using Stratified sampling technique. Both primary and secondary data used to conduct the study. Primary data was collected using structure Questionnaire using five likert scales. Secondary data was collected from company report and books, published articles and unpublished thesis. Spearman correlation and logistic regression used to analysis the collected data because of the data being not normally distributed. The study is conducted within time frame work from May 20 up to July 29 2022.

#### 1.8. Limitation of the study

The findings of this study have to be seen in light of some limitation. From these, having insufficient time to conduct the research is the major one. In addition to having a limited time to conduct the study, difficulty in collecting questionnaire because of huge number of

sample size, and negligence of some respondents to respond properly were also limitations of this study.

#### 1.9. Operational definition of terms

The following are the definitions of key terms that are used in the study.

**Culture**: is a social heritage of a group. It is a pattern of responses discovered, developed, or invented during the group history of handling problems which arises from interaction among its members, and between them and their environment. It determines what is acceptable or unacceptable (Schein, 2011).

**Organization**: It is defined as a social entity where two or more people are working together cooperatively within identifiable boundaries to accomplish a common goal or objective (Mullins, 2004).

**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 (Jones and George, 2008).

**Mission:** is a shared vision of the future that should be pursued by everyone inside the organization. It articulates the vision and strategic direction besides pointing out some essential goals everyone at all levels of the organization should work towards (Denison et al., 2000).

**Adaptability:** relates to listening to external needs, trends and perception that can point to current demand that internal action should address. It requires a customer focuses as well as creativity to adapt and create the necessary change (Denison et al., 2000).

**Involvement:** a sense of ownership and commitment that must be cultivated and as well as a shared responsibility to achieve goals. Empowerment, team orientation, articulation and capacity development are key factors for making employees engaged (Denison et al., 2000).

**Consistency:** relates to management of internal communication, agreement issue, the orchestration of actions according to the mission and shared values and principles. It means integration of organizational system, process and structure that create an internal system of governance supported by everyone (Denison et al., 2000).

**Employee:** is a person hired after an application and interview passed by employer for a specific job. It is a person who works under the employer either full time or part time and in return gets paid for their service (Hellriegel and Slocum, 2009).

**Performance:** refers to the degree of an achievement to which an employee full fills the organizational mission at work place (Cascio, 2014).

**Employee performance:** signifies individuals work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues or employers around (Hellriegel and Slocum, 2009).

#### 1.10. Organization of the study

This study is organized in to five chapters. Chapter one incorporates introduction, background of the study, statement of the problem, research question, objective of the study, hypothesis of the study, scope of the study, limitation of the study, significance, organization of the study and definition of terms. Chapter two; covered review of the literature both theoretical and empirical on the link between organizational culture and employees' performance and conceptual framework of the study is also part of this chapter. Under chapter three, the methodology used in this thesis which includes the research approach as well as describes the data collecting and analysis method used are presented, reliability and validity of the study including ethical consideration are also part of this chapter. Chapter four presents the research finding obtained through the thesis methodology by showing how each of the research question would answer and how these finding together contribute to the main purpose of the study. Chapter five finalise the thesis with summary, conclusion and a set of recommendation derived from the research finding and the conclusion of this work. At the end of the document, reference and a set of appendices that contain the questionnaires of the survey forms used to collect primary data for the study and some result of SPSS are included.

#### **CHAPTER TWO**

#### 2. REVIEW OF RELATED LITERATURE

In this chapter the overall notion of organizational culture and employee performance was presented. Different theories, models and typologies on organizational culture were discussed. Empirical studies related to organizational culture and employee performance also presented so as to use for later analysis. Finally, conceptual frame work of the study presented in this chapter.

#### 2.1. Review of theoretical literature

Several theories have been formulated to show the inherent connection between organizational culture and employee performance. The topic has been studied from a variety of perspectives ranging from disciplines such as anthropology and sociology, to the applied disciplines of organizational behaviour, management science, and organizational communication.

#### 2.1.1. Organizational culture

Various researchers define organizational culture according to their perspective area of study. But a common definition agreed by many researchers was organization culture is a set of values, beliefs, and behaviour pattern that form the core identity of organization and help shaping the employee behaviour (Deal and Kennedy, 1982).

Organizational culture is the organizations orientation towards its employees and customers and includes a written and verbal circulated rule that guides employees behaviours added the aspect of stable beliefs, values and principles developed and shared within the organization (Thokozari, 2017). Organization culture is a culture formed in accordance with organizational goals by sharing the things acquired by learning and comprises all the values, activities, philosophy of an organization (Kim, et al., 2016). Organizational culture is the social glue that bonds people together and makes them feel part of the organization experience (Wambui and Gichanga, 2018). Organizational culture is the norm and values shared by members of an organization that controls the way they interact with one another and stakeholders outside the organization (Stephen, 2016).

#### 2.1.1.1. Importance of organizational culture

Donnel and Boyle (2008) argued that organizational culture can either facilitate or constrain institutional transformation. The culture of an organization is very important for the progress of an organization because it influences employee commitment and their retention (Salihu et al, 2016).

The necessity of paying attention to the organizational culture is to the extent experts believes that if effective and sustainable changes expected should appeared in an organization, the culture of the organization should be important (Karamipour, et al., 2015). In addition understanding organizational culture helps employees and leaders understanding differently within and between organizations (Donnell and Boyle, 2008).

Schein (2011) suggest that organizational culture is more important today than it was in the past in order to improve efficiency, quality, and speed for delivering product and services. Moreover, organizational culture is important in any organization because it is power full and helps organization achieve higher performance. Organizational culture determines a how employee interacts and how these interaction affect performance and satisfaction. Therefore, every organization should develop a culture that should be well understood by its employees (Stephen, 2016).

Generally, organizational culture has much importance for organization. These are; it bounds employees together; it keeps all the employees pulling the same direction; it serves as an incentive to keep going and make stronger effort; and it allows the organization to develop competitive advantage and high staff loyalty.

#### 2.1.1.2. Types of organizational culture

There are several types of organizational culture. The most influential and commonly used are the following;

Clan culture: it attaches great importance to teamwork, participation, consensus, morale, and loyalty. In this culture, success was defined in terms of sensitivity to customers in clan culture oriented organization. In this type of culture members see themselves as a part of one big family who are active and involved (Cameron and Quinn, 2011).

Adhocracy culture: it is an open system and characterized by flexibility and external focuses. In this culture employees are encouraged to take risk, and leaders are seen as innovators or entrepreneurs. In this culture the organization is known by entrepreneurial flexible, innovative, and creative (Cameron and Quinn, 2011).

Hierarchy culture: in this culture the organization is characterized by rigid organizational norm and values and focuses on maintaining the established organizational culture. Hierarchy oriented culture are structured and controlled, with a focuses on efficiency, stability and doing things right (Cameron and Quinn, 2011).

Competitive culture: it refers to a rational culture, which emphasise efficiency and achievement. Employees in this culture are success oriented and they give importance to personal interest rather than organizational goal and emphasise on the concept of planning, performance and efficiency (Cameron and Quinn, 2011).

Generally, each culture type has its own features that organization can choose and use the function effectively. Many organizations are rarely characterized by single organizational type. They tend to develop a dominant organizational culture as they adapt and respond to environmental challenge & changes. An organization which meets all the above four organizational culture type are considered to be balanced able to achieve performance (Cameron and Quinn, 2011).

#### 2.1.1.3. Models of organizational culture

#### 2.1.1.3.1. Deal and Kennedy Model

Dolan and Langham (2012) tried to summarize the model as follows. The model measured organization in respect of feedback or instant response accordingly four classification of organizational culture. These are Tough-Guy Macho Culture, Work Hard / Play Hard Culture, Bet your Company Culture & Process Culture.

Tough-Guy Macho Culture: where by feedback are quick and the rewards are high. This often applies to fast moving financial activities such as brokerage and it is very stressful culture in which to operate.

The Work Hard / Play Hard Culture are characterized by few risks being taken, all with rapid feedback. This is typical in large organizations, which strive for high quality customer service.

Bet your Company Culture in which big stakes decisions are taken, but it may be years before the results are known. Typically, these might involve development or exploration projects, which take years to come to completion, such as oil prospecting or military aviation.

Process Culture which occurs in organizations where there is little or no feedback. People become suspicious with how things are done not with what is to be achieved. This is often associated with bureaucracies.

#### 2.1.1.3.2. Charles Handy Model

The second model that Dolan and Langham (2012) discussed in detail is Charles Handy Model. Organizational structure is the base for this model to classify organizational culture in to four: Power Culture, Role Culture, Task Culture and Person Culture.

A Power Culture in which power concentrates among a few and control radiate from the centre like a web. A Role Culture characterized by people has clearly delegated authorities within a highly defined structure. A Task Culture in which teams are formed to solve particular problems. Power derives from expertise as long as a team requires expertise. A Person Culture exists where all individuals believe themselves superior to the organization.

#### 2.1.1.3.3. Edgar Schein Model

This organizational culture model is described by three cognitive levels of organizational culture. At the first and most cursory level of Schein's model is organizational attributes that can be seen, felt and heard by the uninitiated observer. These includes facilities, offices, furnishings, visible awards and recognition, the way that its members dress, and how each person visibly interacts with each other and with organizational outsiders.

The next level deals with the perceived culture of an organization's members. At this level, company slogans, mission statements and other operational belief are often expressed, and local and personal values are widely expressed within the organization. Finally, the third and deepest level depicts the organization's tacit assumptions. These are the elements of culture

that are unseen and not cognitively identified in everyday interactions between organizational members.

#### **2.1.1.3.4. Denison Model**

Denison (1990) identifies four cultural traits Involvement, Consistency, Adaptability and Mission. These underlying traits are expressed in terms of a set of managerial practices and measured using the twelve indices that make up the model. The four traits of organizational culture in Denison's framework are as follows:

Involvement: Effective organizations empower their people, build their organizations around teams, and develop human capability at all levels. 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.

Consistency: Organizations also tend to be effective because they have strong cultures that are highly consistent, well-coordinated, and well integrated. Consistency is a powerful source of stability and internal integration that results from a common mind-set and a high degree of conformity.

Adaptability: Ironically, organizations that are well integrated are often the most difficult ones to change. Internal integration and external adaptation can often be at odds. Adaptable organizations are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change

Mission: Successful organizations have a clear sense of purpose and direction that defines organizational goals and strategic objectives and expresses a vision of how the organization will look in the future.

#### 2.1.1.4. Functions of Organizational Culture

Organizational culture has many benefits to both organization and employees. Robbins (2012) asserts culture has a boundary-defining role: it creates distinctions between one organization and others. And it conveys a sense of identity for organization members. In addition, culture facilitates commitment to something larger than individual self-interest. It also enhances the stability of the social system by being social glue that helps hold the organization together by providing standards for what employees should say and do.

Furthermore, Kotter (2012) tried to outline what culture does to both employees and organization. First, it gives members an organizational identity sharing norms, values and perceptions gives people a sense of togetherness that helps promote a feeling of common purpose. It facilitates collective commitment. It promotes systems stability. It shapes behaviour by helping members make sense of their surroundings. It helps organizational members stick to conformity and expected mode of behaviour.

#### 2.1.2. Employee Performance

Employee performance is a term typical to the Human Resource field which can refer to the ability of employees to achieve organizational goals more effectively and efficiently. It involves all aspects which directly or indirectly affect and relate to the work of the employees. It is one measurement of work results in determining individual attributes such as ability and experience, organizational supports such as resources and technology and work effort, the point at which individual level of motivation comes directly to be involved. Employee performance can also be seen as an aggregate value to an organization's set of behaviours that an employee contributes both directly and indirectly to organization goals (Robbins, 2012).

Armstrong (2006) explained employees' 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.

Employee performance at the workplace is a major concern for the organizations irrespective of all the factors and conditions and also considered as an integral part of the growth process of an organization. As such, employees are considered very important assets to their organizations (Qureshi, et al., 2006).

#### 2.1.3. The effect of Organizational Culture on Employee Performance

Early studies have indicated that there exists a relationship between organizational culture and employee performance. Organizational culture is inherently connected to organizational practice. Therefore, employee performance is conditional on organizational culture. According to Hellriegel and Slocum (2009), organizational culture can enhance performance in a large scale. According to them, the culture of an organization allows the employees to be

acquainted with both the firm's history as well as current methods of operation and this specific direction endows the employees with guidance about expected and accepted future organizational behaviours and norms.

According to Silverthorne (2004), employees are likely to assess elements of job satisfaction, especially intrinsic elements and more precisely when the work place or organizational culture is harmonious and supportive. In researching various types of organizational culture, he found out that involvement in an organization that had a bureaucratic culture resulted in the lowest levels of job satisfaction and organizational commitment, on the other hand those who practiced innovative cultures and supportive culture had high level of employee satisfaction.

Furthermore, other researchers on the relationship between organizational culture and job satisfaction suggests that a productive working environment promotes the construction of a specific organizational culture and the experience of employees job satisfaction studies have also shown that employees feeling of job satisfaction has also been studied in parallel with a specific dimension of organizational culture. Studies have shown that organizations which are flexible and adopt the participative management type, with emphasis on communication and employees reward, the employee is more likely to be satisfied (McKinnon, 2003).

Strong culture in the organization is very helpful to enhance the performance of the employees that leads to the goal achievement and increases the overall performance of the organization. According to Nelson and Quick (2011), organizational culture performs four functions: gives members a sense of identity, increases their commitment, re enforces organizational values and serves as a control mechanism for shaping behaviour. It is important to note that leaders shape and reinforce culture by what they pay attention to, how they behave, how they allocate rewards and how they hire and fire individuals.

Studies have shown that the relationship between many cultural attributes and employee job performance has not been consistent over time (Denison, 2003). Strong cultures tend to be long-lasting; some can be traced back to company founder's values and assumptions. In contrast, companies have weak culture when the dominant values are short-lived and held mainly by a few people at the top of the organization. Robbins (2012) observed that corporate culture does not pop out of thin air and once it is established, it does not fade away. He further emphasized that the founders of an organization have a major impact on its early

culture because they have a vision of what the organization should be produced behavioural norms that are adopted in solving problems. The organization's internal environment is represented by its culture and is construed by the assumptions and beliefs of the managers and employees.

#### 2.2. Review of empirical literature

Studies have been conducted in relation to organizational culture and employee performance in different organizations throughout in the world.

Study by Anozie and Ismail (2016) which conduct to assess the effect of organizational culture on employees' performance in case of Singapore telecommunication; conducted by descriptive research design using structured questionnaire by using various organizational culture measure including values, symbols, heroes and ritual. Descriptive data analysis was applied for the purpose of the research via SPSS20. The finding shows that organizational culture such as ritual, values and hero's has a huge and significant impact on employees' performance. But shows that symbol has little or no impact on employee performance.

Research conducted by Byrne and Hchwarter (2012) on the factors influencing employees 'belief in the care by their organization in Canada reported that employees' felt that their organization cared about their success and this increases their commitment to the organization, help the organization accomplish its goals and make them to be more loyal to their organizations. Hence, the felt organizational culture is seen in job enrichment, organizational rewards, promotions, appreciation and involvement in policy formulation.

Shakil (2012) studied the impact of organizational culture on management practices in Pakistan with the aim of expanding understanding and testing the relationship between the components of organizational culture and employee performance. Using regression and correlation analysis, the study found out that consistency and adaptability were some of the cultural attributes which significantly influenced management practices.

A study conducted by Ahsanullah, et al., (2020) on the impact of organizational culture on employee performance in case of telecommunication sector located in Afghanistan. The target population was 2000 employees of telecommunication sector of Afghanistan and the researchers select 211 employees randomly. Regression model was used to analysis the data and find relationship between the organizational culture and employee performance. The

finding got from this study shows all the elements of organizational culture influence the employee performance positively and are statistically significant except in the case of managing change.

However, Eisenberger (2002) meta-analysis revealed a small association between organizational culture and employee work performance. Rousseau (2006) studied to overcome some of the limitations in measuring the culture of organization. At the end the results shows that there are no positive correlations between culture and employees performance

Stephen (2016) conducts a study to examine the impact of organizational culture one employee performance on Niger Delta University, Amassoma. To conduct this study the researchers use 120 sample sizes and provide questionnaire to them but only 100 questionnaires were collected back and used for analysis. The collected data was analysed using percentage, table and chi square. The finding of the study shows organizational culture has a positive and significant impact on employees' performance.

Study by Lydiah (2014) which conducted in Mombasa, Kenya, to assess the effect of organizational culture on employee job performance in case of Wartsila Limited private organization in Kenya. Survey research design was adopted with the target population comprising of a stratified census sample of 63 members of the staff from the organization at different level. The data has been collected using questionnaire and analysed using descriptive statistics. The result shows that there exist positive relationship between organizational culture and employee performance.

A research conducted by Joyce (2016) to investigate the influence of organizational culture on employees' job performance in case of commercial bank in Kenya got a result which argues that there exist positive and significant relationship between organizational culture and employees' performance. The research design adopted was descriptive survey design. The target population was 42 commercial banks that found in Nairobi. Using stratified sampling technique 120 samples were chosen.

Mba (2013) investigated the effect of organizational culture on employees' performance in the National Agency for Food and Drugs Administration and Control in Nigeria, and reported that there was a significant relationship between organizational culture and increased employees' performance.

Research conducted by Korir (2013) about the factors determining employee performance in commercial banks in UasinGishu County, Kenya reported that organizational culture as one of the many explanations for human behaviour including job performance. The study also suggested that organizational culture was related to employees 'felt duty of helping the organization but the responsibility was superior among employees who approved the tradition of reciprocity in employee-employer relationship.

Wamalwa's (2011) study on the effect of organizational culture on work outcomes in selected commercial banks in Bungoma County demonstrated the need for financial institutions to support employees. The study also found that employee response to organizational culture depended on the levels of employee commitment, professional needs and attitudes. Furthermore, he recommends and suggests that organization culture prevails and moves in a unified direction only if the management clearly establishes the corporate culture dimensions, explain them to the organizational members vividly, and all employees.

A research conducted by Hana (2019) Adiss Ababa, Ethiopia, to assess the effects of organizational culture on employee job performance the case of Berhan international bank S.C. She investigates the effect of organizational culture on the performance of employees by using Denison model of organizational culture. The employed research design was descriptive research design and quantitative method was used. Samples of 161 employees were used and the collected data was analysed using inferential and descriptive statistics. The result shows that organizational culture has a significant and positive relationship with employee performance.

Asnaku (2020) investigate the impact of organizational culture on employees performance in case of Bahir Dar Ethio telecom branch using Denison model of organizational culture shows that there exist a positive relationship between organizational culture and employees performance. Quantitative research approach has been use. Probability sampling specifically stratified sampling techniques was; finally, by using simple random sampling among 450 total populations 163 sample respondents have been selected. Descriptive and inferential statistical tools have been used to analyse the data.

Woinshet (2020) conduct a study to examine the effect of organizational culture on employee performance in case of International medical crops, Adiss Ababa, Ethiopia. The researcher adopts quantitative research method and explanatory research design to conduct the study.

Using stratified random sampling technique 182 samples were taken. Structure questionnaire were used to undertake the study. Statistical package for social science 20 software was used to analysis the data. Descriptive and regression analysis were used to measure central tendency and identify relation between the study variable respectively. The result shows even if all the four organizational culture (adaptability, mission, consistency and involvement) have a positive relationship with employee performance the extent of the effect varies. Adaptability and consistency have insignificant effect on employee performance but involvement and mission have significant effect on employee performance.

A research conducted by Tkele (2020) to assess employees perception on the effect of organizational culture on employees performance in Ethiopian institute of Agricultural research finding shows that all organizational cultural type have a significant and a positive relationship with employee performance. To conduct this study case study was employed. Data was collected through survey questionnaire and using purposive sampling technique 327 samples was taken from 1850 employees. To analysis the collected data descriptive statics, Pearson correlation, and regression analysis was used.

Finally, Zewdu (2021) assess the effect of organizational culture on employees job performance in Debre Berhan branch commercial bank of Ethiopia; using Denision model of organizational culture shows there exist a positive and significant relationship between the four organizational culture dimension and employees job performance in the workplace. To conduct this study the researcher adopted explanatory research design. Purposive sampling technique and simple random sampling techniques were used to select the study area and sample respondents respectively. Questionnaires were used to collect data. SPSS (version23) were used to analyse the collected data. Pearson correlation and multiple regression analysis were employed to test the developed hypothesis and to examine the relationship exist between the dependent and independent variable

#### 2.3. Conceptual framework

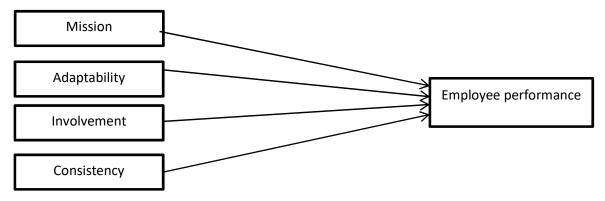
The conceptual frame work of the study is developed using Denison model of organizational culture. The reason behind using this model are; the model and the culture survey are based on long years of research and practice by Denison and Neale; is rooted in a strong research foundation: offers proven reliability and validity: can be applied to a broad spectrum of organizations in a variety of industries globally; the model is a tool which equips decision

maker with first-hand information and option to consider in decision making; the model applies in organization for management of change; it used to test the behaviours of group; it is applicable in all of the hierarchy levels in the organization. Finally, the model has a direct impact on organizational culture.

Figure 2.1. Conceptual framework

Independent variable (dimension of organizational culture)

Dependent variable



Source: Denison (2003) and modified by the researcher

The researcher modifies the conceptual frame work by selecting one of the organizational metrics as dependent variable which is employee performance from the organizational performance metrics used by Denison. Since, Denison (2003) links the organizational culture dimensions to organizational performance metrics (i.e. return on investment, customer satisfaction, innovation, employee performance, and quality and employee satisfaction).

Mission provides purpose and meaning by defining a social role and external goals for the organization. It also gives clear direction and goals that serves to define an appropriate course of action for the organization and its members which result increase in employee performance (Denison and Neale, 2011). Effective organizations have a clear sense of purpose and direction defining goals and strategic objectives and expressing a vision of the future (Mintzberg, 1987)

In order to check the theory, the following hypothesis (1) was tested in this study.

H1: Mission has a positive significant effect on employee performance

A positive culture embraces adaptation and strengthens employees' performance by inspiring them and melding their characters towards achieving of organizational corporate objectives (Daft et al., 2010). Adaptability is the ability of business managers in the organization in perceiving and responding to the external environments (Schein, 2011). In adaptability principle, business managers have the ability to modify the existing organizational culture to accommodate necessary changes. Therefore; the following hypothesis (2) was tested in this study.

H2: Adaptability has a positive significant effect on employee performance.

Chen, et al., (2006) disclosed that involvement is making employees participate in the decision making process of the organization where they feel that they are given a chance to freely discuss issues and consequently can influence the decision making process in the organization they work for. The general result of involvement is low turnover and increased employee job performance. Accordingly, the following hypothesis (3) was tested in this study.

H3. Involvement has a positive significant effect on employee performance.

Consistency implies the extent to which the values, beliefs and standards of behaviour are acquired and shared among employees in an organization (Denison, et al., 2000). According to Mousavi, et al., (2015) consistency emphasizes the positive impact that a "strong culture" can have on performance; arguing that a shared system of beliefs, values, and symbols that are widely understood by an organization's member has a positive effect on their ability to reach consensus and carry out coordinated actions.

Therefore, the following hypothesis (4) was tested in this study.

H4: Consistency has a positive significant effect on employee performance

#### **CHAPTER THREE**

#### 3. RESEARCH METHODOLOGY

#### 3.1. Introduction

Designing the appropriate research methodology is a prerequisite for conducting a good research work. This chapter deals with description of the study area, research design, types and sources of data, study population and sample design, data collection methods, data analysis & presentation, validity and reliability test and ethical consideration. The detail of each issue is presented hereunder.

#### 3.2. Description of the study area

Bahir Dar Textile Share Company was established in 1961 by the Italian government grant to Ethiopia as war compensation. Its head quarter is in Bahir Dar with marketing branches at Adiss Ababa, Ethiopia. It was established first as government owned integrated textile mill. In September 1999 the factory changed from a public enterprise to Share Company. Its mission is to play a leading role in the domestic and export market for textile product. The company currently has 1495 employees (source, human resource department of the Bahir Dar Textile Factory, 2022).

#### 3.3. Research design and approach

#### 3.3.1. Research design

A research design is the 'procedures for collecting, analysing, interpreting and reporting data in research studies' (Creswell and Clark 2007). According to Saunders, et al., (2007), research design is the general plan of how the research questions would be answered.

To conduct this study descriptive and explanatory research design was adopted. According to Saunders, et al., (2007), a descriptive research design is a research design which aims to describe population, situations and phenomena and an explanatory study is a research design that establishes causal relationship between variables. Here is on studying the problem in order to assess the practice of organizational culture and level of employee performance in Bahir Dar Textile Share Company descriptive research design used and to explain the effect of organizational culture on employee performance explanatory research design used.

Cross sectional research design employed to conduct this study, since data was collect at one point in a time to investigate the effect of organizational culture on employee's job performance.

# 3.3.2. Research approach

Based on the purpose and the research question set out to be addressed, the researcher adopts quantitative approach. Using quantitative approach helps the researcher to collect large amount of data and analyse it statistically. In addition since the researcher has clearly defined research questions to which objective answers are sought using quantitative approach is necessary. To gain a precise, reliable and consistent data and to take less time in data analysis by using statistical software the researcher select quantitative research approach.

# 3.4. Data collection design

# 3.4.1. Data type and source

The researcher uses both primary and secondary data to conduct this study. According to Cooper and Schinler (2008), primary data is a data that is collected at first time specifically for the purpose of research project, whereas secondary data refers to data that are collected by someone other than the user and also in order to fully meet the objective of the study needs some interpretation or analysis.

The collected data focused on organizational culture, employee performance and research methodology. The researcher collected primary data from the sample respondents using structured questionnaire. In addition to primary data secondary data was used to conduct this study. These data were gathered from Bahir Dar Textile Share Company formal documents and reports and other related researches both published and unpublished and different books.

### 3.4.2. Data collection method

Primary data was collected directly from the respondents through the use of self-administered questionnaire adopted from Wright (2007) and Denison, et al., (2000), on employee performance and organizational culture respectively. The questionnaire was rated on the five points Likert scale ranging from strongly disagree (1), to strongly agree, (5).

The secondary data was gathered from secondary sources through reviewing both published and unpublished documents such as the factory formal document and reports, books, articles, reports and other publication.

# 3.5. Sampling design

# 3.5.1. Population and target population

There are 1495 total employees in Bahir Dar Textile Share Company. The population of the study was 1495 employees of Bahir Dar Textile Share Company. The Target population was the total permanent employees of the factory which are 1385, from this 502 are females and 883 males, (Bahir Dar Textile Share Company human resource department, 2022).

Table 3.1. Summary of target population

Department	Total number of target population
Human resource management	91
Marketing and selling	78
Production	1134
Purchasing and storing	63
Quality	19
Total	1385

Source: Bahir Dar Textile Share Company human resource department (2022)

# 3.5.2. Sample selection technique

The researcher used stratified random sampling to select sample from the target population. Stratified random sampling allows taking into account the different subgroups of people in the population (such as different divisions & departments) and helps guarantee that the sample accurately represents the population on specific characteristics. The researcher started by dividing the population into departments or strata and in this study cases the criteria of strata identification is departmental units. Then sample is randomly selected from each stratum or department units. Therefore, the target population divided into five sub groups such as; human resource management, marketing and selling, production, purchasing and store and quality departments. These groups can be considered as stratum. Finally lottery random sampling was employed. The number of samples is determined proportionally by

considering the number of employees in each departments of the Bahir Dar Textile Share Company

# 3.5.3. Sample size

The researcher determined the sample size based on the formula of Yamane (1967) which is a simplified formula for calculating the sample size for not very large enough and known population size.

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

Where N= total population

n= sample size

e= level of precision or acceptable sampling error

So, 
$$n = \frac{1385}{(1+1385(.05^2))}$$
$$n = 308$$

Using the total target Population of 1385 and error margin of 0.05, the sample size was calculated. Hence, out of the total target population 1385, a total sample size of 308 numbers of respondents is taken.

Table 3.2. Sample size determination

Department	Total number of target population	Proportion for each department	Sample size
Human resource management	91	7%	22
Marketing and selling	78	6%	18
Production	1134	82%	253
Purchasing and storing	63	4%	12
Quality	19	1%	3
Total	1385	100%	308

Source: Bahir Dar Textile Share Company human resource department (2022).

Table 3.2 summarizes the total target population in each department of respondents and the corresponding sample size taken from each department.

### 3.6. Data analysis methods

The collected data was coded and analysed to ensure accuracy, consistency and completeness. The data were analysed using quantitative data analysis methods. Data from the questionnaires coded and entered into the computer using Statistical Package for Social Science version 26.

Both descriptive and inferential statistics were employed. To analysis the background of the respondent's, to assess the practice of organizational culture and to assess the level of employee performance descriptive analysis was employed by using frequency and cross tabulation. Due to the nature of the data the researcher used Spearman Correlation and Ordinal Logistic regression. Spearman correlation analysis used to determine the correlation exists between the dependent and independent variables. Spearman correlation analysis was used to test the strength of the association at 95% confidence level ( $\alpha = 0.05$ ). Inferential statistics was employed to examine the effect of the independent variable (organizational culture i.e. mission, involvement, consistency and adaptability) on employee's performance using ordinal logistic regression.

The study employed ordinal logistic regression model. The proportional odds model or the cumulative log it model is used. The general specification of the model is presented as follows:

$$\log \left[ \frac{P(Y \ge y_j | x)}{1 - P(Y \ge y_j | x)} \right] = \propto +x_i' \beta, \text{ For } j=1, 2, 3, 4, 5$$

Where P  $(Y \ge y_j)$  is denoted as the cumulative probability of an event  $(Y \ge y_j)$ ;  $\alpha$  is the respective constant term or intercept; and  $\beta$  is the vector of regression coefficient with the dimension of (p by 1) that corresponds to the  $x_i$  covariates.

For this specific study Y is measures employee performance whereas x (vector of covariates) include involvement, consistency, adaptability and mission.

### 3.7. Description of variable

Organizational Culture: is the independent variable for the study. 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 (Jones, 2003). To conduct this study Denison model of organizational culture was adopted by using its four dimensions (adaptability, mission, consistency and involvement). The four basic dimensions (adaptability, mission, consistency and involvement) of organizational culture appeared in this study questionnaire in order to measure the organizational culture of Bahir Dar Textile Share Company. Five – point Likert scale questions ranging from 1= strongly disagree to 5= strongly agree was used.

Employee performance: is the dependent variable for the study. It signifies individuals work achievement after exerting required effort on the job which is associated through getting a meaningful work, engaged profile, and compassionate colleagues or employers around (Hellriegel and Slocum, 2009). To conduct this study employee perception about their performance was used to measure the performance of employees'. The perception of employee on their performance was measured using five –point Likert items ranging from 1= strongly disagree to 5= strongly agree.

# 3.8. Validity and reliability of the study

### 3.8.1. Reliability

The reliability of the questionnaire was evaluated through Cronbach's alpha which measures the internal consistency. The Cronbach's alpha measures internal consistency by establishing if certain item measures the same construct. Alpha Cronbach's was established for every objective in order to determine if each scale (objective) would produce consistent results should the research be done later on.

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. According to George and Marllery (2003), provides the following rule of thumb for the Cronbach's alpha >.9 excellent, >.8 good, >.7 acceptable, >.6 questionable, >.5 poor and <.5 unacceptable. Accordingly, the result of reliability of measurement of dimension of organizational dimension and employee performance were depicted in the table 3.

Table 3.3. Measure of internal consistency - Cronbach's alpha

Measurements	Items	Alphas level	Internal
			consistency
Consistency	9	0.82	Good
Mission	12	0.884	Good
Adaptability	10	0.871	Good
Involvement	9	0.854	Good
Employee performance	9	0.71	Acceptable

Source: Survey data and SPSS result (2022)

As illustrated in table 3.3, all organizational culture dimensions have a good level of internal consistency and employee performance had an acceptable level of internal consistency.

# 3.8.2. Validity

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004). My advisor evaluated and commented on the instrument before it was distributed to the respondents. In addition pilot study was done by the researcher to customize the questionnaire. The pilot test indicates some unclear questions and some technical words to be cleared that were very helpful for the researcher to correct it before the questionnaire distributed.

### 3.9. Ethical consideration

This study consider the following ethical obligations because, science has often been manipulated in unethical ways by people and organizations to advance their private agenda and engaging in activities that are contrary to the norm of scientific conduct so this study is free from this type of issues. This research paper conducted by considering the following principles; voluntary participation and harmlessness, anonymity and confidentiality, disclosure (the researcher provides information about the study to the respondents), finally analysing and reporting principle also satisfies by disclosed the result which is unexpected, even if they cast some doubt on the research design or the finding.

### **CHAPTER FOUR**

### 4. DATA ANALYSIS AND INTERPRITATION

### 4.1. Introduction

Analysis of data is performed to obtain usable and useful information. The analysis, irrespective of whether the data is qualitative or quantitative may describe and summarize the data; identify relationship between variable; compare variables; identify the difference between variables and forecast outcomes. Interpretation means an adequate exposition of the true meaning of the material presented in terms of the purpose of the study being reported and of the chapter and section topic involved (Brown and Forsythe, 1974).

After collection of data the next logical step is to analyse and interpret data with a view to reach at empirical solution to the problem identified. The data analysis for this research is done quantitatively with the help of both descriptive and inferential statistics. The data analysis has sections. The first section is descriptive statistics which summarize the main features of the study variable by using descriptive statistical technique such as mean, frequency and percentage. The next section is the correlation analysis which shows the degree and the direction of association between the study variable using spearman correlation. The last section of this chapter reports ordinal logistic regression output. The statistical package for the social science (SPSS) version 26 is used to facilitate the analysis.

### 4.2. Response rate

Questionnaire was distributed to a total of 308 respondents from which 272 filled in and returned. The remaining 36 respondents were not able to properly fill and return the questionnaire on time. So the response rate is 88.3 %.

Table 4.1. Response Rate

Target	Sample	Total	Questionnaire	Questionnaire	Response
population	size	questionnaire	properly filled	not returned	rate
		distributed	and returned		
1385	308	308	272	36	88.3%

Source: Survey data (2022)

# 4.3. Descriptive analysis on demographic characteristics of respondents

This section presents the result from descriptive analysis. The results presented are about the distribution of respondents' gender, marital status, educational background, working department and length of service. Demographic characteristics were considered important in providing relevant background of the respondents from whom data was generated and had a bearing on the respondents understanding of the relationship between the study variable.

Table 4.2. Descriptive analysis of demographic characteristics of respondents

Description		Frequency	Percentage
Sex	Male	147	54.0
	Female	125	46.0
	Total	272	100
Marital	Single	45	16.5
status	Married	165	60.7
	Divorced	46	16.9
	Widowed	16	5.9
	Total	272	100
Educational	Below diploma	57	21.0
background	Diploma	102	37.5
	Degree	103	37.9
	Masters	10	3.7
	PhD	0	0
	Total	272	100
Working	Human resource management	25	9.2
department	Marketing and selling	17	6.3
	Production	216	79.4
	Purchasing and store	11	4.0
	Quality	3	1.1
	Total	272	100
Years of	Below 2 years	24	8.8
experience	3-5 years	45	16.5
	6-10 years	149	54.8
	Above 10 years	54	19.9
	Total	272	100

Source: Survey data (2022)

As shown in table 4.2, 147 (54 %) of the total respondents are male and the remaining 125 (46.) are female. This implies that majority of the respondents are male.

Table 4.2 also reveals that in terms of marital status 45 (16.5%) of respondents are single, 165 (60.7%) of respondents are married, 46 (16.9%) of respondents are divorced and 16

(5.9%) of respondents are widowed. Therefore, majority of respondents are married. Most of the time married employees express stability and tolerance and have high job performance than others, (Hafeez et al., 2020).

The educational background of the respondents were 57 (21.0%) of them were less than diploma holder, 102 (37.5%) of them were diploma holder, 103 (37.9) of them were degree holder and the remaining 10 (3.7%) of the respondents were master holder. Unfortunately there were no PhD holders with in the respondents. So, majority of the respondents were degree holder. This implies that majority of the respondents would have the ability to easily understand the culture of the company.

As shown in table 4.2, 25 (9.2%) of respondents were work in human resource management department, 17 (6.3%) of respondents in marketing and selling department, 216 (79.4%) of the respondents in production, 11 (4%) in purchasing and store and 3 (1.1%) in quality. The finding shows majority of the respondents work in production department of Bahir Dar Textile Share Company. This is useful for gaining relevant information because the company critical point is located in production department. Since the company is textile factoring organization.

With regard to the length of service, the finding shows 24 (8.8%) of the respondents have below 2 years length of service, 45 (16.5%) of the respondents have 3 to 5 years length of service, 149 (54.8%) of the respondents have 6 to 10 years length of service. Finally, 54 (19.9%) of the respondents have above 10 years length of service. As depicted majority of the respondents have working experience between 6 to 10 years. From this we can conclude that most of the company employees are experienced.

# 4.4. Descriptive analysis on organizational culture dimensions and employee performance

In order to see the general perception of the respondents regarding the organizational culture dimensions, the researcher summarized the cultural dimension using mean and standard deviation. According to Nunnally and Bersteien (1994) the mean score from 1 to 1.8 is considered as a very low, the mean score from 1.8 to 2.6 is considered as low, the mean score from 2.6 up to 3.4 is considered as moderate, the mean score from 3.4 up to 4.2 considered as high and the mean score greater than 4.2 is considered as very high. The higher the mean the

more the respondents agree with the statement and the lower the mean the more the respondents disagree with the statements.

This section discussed on the dimension of organizational culture and employee performance as assessed by the perception of employees of Bahir Dar Textile Share Company. The finding depicted in table 4.3.

Table 4.3. Descriptive statistics of employee performance and organizational culture dimension

Descriptive statistics						
Number of Standard						
Variable	respondent	Mean	Deviation			
Involvement	272	3.129	0.881			
Consistency	272	3.301	0.774			
Adaptability	272	2.332	0.902			
Mission	272	3.078	0.863			
Employee performance	272	3.47	0.851			

Source: survey data (2022)

As depicted in table 4.3, involvement has a moderate mean score (3.129). This mean score shows employee of Bahir Dar Textile Share Company moderately agrees on the existence of the practice of involvement dimension of organizational culture with in their company. The standard deviation of involvement shows by 0.881 depicts the data set are relatively consistent.

Consistency has a moderate mean score of 3.301 and a standard deviation of 0.774 as it shown in table 4.3. The mean score indicates employees of Bahir Dar Textile Share Company moderately agree on the existence of the practice of consistency dimension of organizational culture in their company. The standard deviation shows that the data sets are more consistent than other variables data set.

Adaptability has a low mean score of 2.332 and a standard deviation of 0.902 as it shown in table 4.3. The mean score indicates employees of Bahir Dar Textile Share Company disagree on the existence of the practice of adaptability dimension of organizational culture in their company. The standard deviation shows that the data sets are relatively inconsistent.

Mission has a moderate mean score of 3.078 and a standard deviation of 0.863 as it shown in table 4.3. The mean score indicates employees of Bahir Dar Textile Share Company moderately agree on the existence of the practice of mission dimension of organizational culture in their company. The standard deviation shows that the data sets are relatively consistent.

As depicted in table 4.3, employee performance has a high mean score of 3.47 and a standard deviation of 0.851. The mean score indicates employees of Bahir Dar Textile Share Company have high level of performance practice. The standard deviation shows that the data sets are relatively consistent.

# 4.5. Spearman correlation test between organizational culture and employee performance

Since the data is not normally distributed, the researcher employed non-parametric estimation mechanism. So, Spearman's Rho correlation test is employed as depicted in table 4.5.

Table 4.4. Benchmark for the direction and magnitude of correlation

	Dir	ection	
N <u>o</u> .	Positive	Negative	Magnitude
1	0.00-0.19	-0.000.19	A very weak correlation
2	0.20-0.39	-0.200.39	A weak correlation
3	0.40-0.69	-0.400.69	A moderate correlation
4	0.70-0.89	-0.700.89	A strong correlation
5	0.90-1.00	-0.901.00	A very strong correlation

Source: Fowler, et a l., (2009)

Table 4.5. Non – parametric correlation between organizational culture and employee performance

	Correlations					
		IN	CO	AD	MI	EP
tho	IN	1.000				
Spearman's rho	СО	.609**	1.000			
arms	AD	.395**	.463**	1.000		
Spe	MI	.706**	.599**	.354**	1.000	

	EP	.694**	.633**	.378**	.789**	1.000
**. Correlati	ion is signific	ant at the 0.0	)1 level (2-ta	iled)	N=	272
IN- Involvement, CO- Consistency, AD- Adaptability, MI- Mission and EP –						
Employee po	erformance.					

Source: own survey data (2022)

As presented in table 4.5, there is a positive moderate correlation between involvement and employee performance with a positive P- value which depicted by Sig. (2-tailed) and correlation coefficient of 0.694.

Table 4.5 also shows that there is a positive moderate correlation between consistency and employee performance with a positive P- value which depicted by Sig. (2-tailed) and correlation coefficient of 0.633.

Adaptability and employee performance are found to be weakly but positively correlated. As presented in table 4.5 the correlation coefficient between these two variables is 0.378 and a positive P- value which depicted by Sig. (2-tailed).

Another vital relationship we can infer from table 4.5 is the relationship between organizational mission and employee performance. The spearman correlation coefficient portrays a positive and strong correlation between mission and employee performance which depicted by Sig. (2-tailed) and correlation coefficient of 0.789.

To conclude, the result of correlation test shows that there exists a positive relationship between the four organizational dimension variables and employee performance. However, the strength of correlation varies from one organizational dimension to the other. In this regard, mission has a strong relationship; involvement and consistency component of organizational culture have a moderate relationship, while adaptability has a weak correlation with employee performance.

# 4.6. Ordinal Logistic Regression analysis on the effect of organizational culture on employee performance

The appropriate regression analysis technic that fits the data for this research is Ordinal logistic regression. So, the researcher adopts ordinal logistic regression analysis technique to determine the effect of organizational culture on employee performance. To use ordinal

logistic regression model the data must pass tests such as, model fitting information, Pseudo R-Square, goodness of fit and Omnibus test. These tests are computed as follow;

Table 4.6. Model fitting information

Model Fitting Information				
Model Model Fitting Criteria Likelihood Ratio Tests				
	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	1382.798			
Final	929.375	453.424	64	.000

Source; Survey data (2022)

For model fit the significant value must be less than 0.05 to use ordinal logistic regression. Having a significant value less than 0.05 in the model fitting information test ensures that the analysis performing is correct. As shown in table 4.6, the significant value is 0.000. So, the analysis the researcher performs is correct then the researcher will proceed to the next test which is goodness of fit test.

Table 4.7. Goodness -of- fit

Goodness-of-Fit					
Chi-Square df Sig.					
Pearson	2312.593	3852	1.000		
Deviance 980.740 3852 1.000					
Link function:	Logit.				

Source; survey data (2022)

Non-significant test results are indicators that the model fits with the data. The significant of the Pearson and Deviance must be greater than 0.05 to satisfy this criterion. As shown in table 4.7 the significant value of Pearson and Deviance is 1 this implies the observed data is consistent with the fitted model. Since having a significant value greater than 0.05 of both Pearson and Deviance in goodness of fit test depicts the observed data is consistent with the fitted model.

Table 4.8. Pseudo-R-Square

Pseudo R-Square				
Cox and Snell	.811			
Nagelkerke	.816			
McFadden	.320			

Source: survey data (2022)

R-Square indicates the proportion of the variance in the dependent variable that can be explained by the independent variable. As indicated in table 4.8 R-Square is 81.6, which show that 81.6% of the variance of the employee performance can be predicted by independent variable (involvement, mission, consistency and mission).

Table 4.9. Omnibus Test

Omnibus Test <sup>a</sup>						
Likelihood Ratio Chi-Square	Df	Sig.				
370.278	4	.000				
Dependent Variable: Employee performance						
Model: (Threshold), Involvement, Consistency, Adaptability, Mission						

Source; Survey data (2022)

Omnibus test is a likelihood ratio chi-square test for the current model versus the null model. The significance value less than 0.05 indicates the current model outperforms the null model. As depicted in table 4.9 the significant is 0.000, so the current model outperforms the null model. This criterion also satisfied to use ordinal logistic regression.

After the researcher data passes these testes the researcher uses ordinal logistic regression analysis and determines the effect of organizational culture on employee performance as follow;

**Table 4.10** Parameter estimates

Parameter Estimates										
Parameter	В	Std.	95% Wald		Hypothesis Test			Exp(B)	95%	Wald
		Error	Confidence					Confiden	ce Interval	
			Interval					for E	xp(B)	
			Lower	Upper	Wald	Df	Sig.		Lower	Upper
					Chi-					
					Square					
Involvement	1.940	.5393	.883	2.997	12.943	1	.000	6.960	2.419	20.029
Consistency	.602	.7261	821	2.025	.687	1	.407	1.826	.440	7.576
Adaptability	468	.3912	-1.235	.299	1.431	1	.232	.626	.291	1.348
Mission	4.195	.4532	3.307	5.083	85.676	1	.000	66.361	27.298	161.324
(Scale)	1 <sup>a</sup>									

Dependent Variable: Employee Performance

Model: (Threshold), Involvement, Consistency, Adaptability, Mission

a. Fixed at the displayed value.

Source: Survey data (2022)

As shown in table 4.10, involvement was a significant positive predictor of employee performance by having greater than one estimate of 6.960 and a 0.000 significant value.

The odd ratio 6.960 indicates the odd being in a higher level on EP increase by a factor of 6.960 for every one unit increase in involvement.

This implies involvement has a positive significant effect on employee performance. The finding is consistent with the study of Ahsanhllah et al., (2020), Stephen (2016), Liydah (2014), Joyce (2016), Mba et al., (2013), Hana (2019), Asnaku (2020), Tekle (2020) and Zewdu (2020) which indicates organizational culture in general and involvement in specific is a significant positive predictor of employee performance. In addition a study conducted by Woinshet (2020) shows a finding that involvement is a positive indicator of employee performance. However, the finding contradict with research finding of Shakil (2012) which argues involvement dimension of organizational factor is not a significant predictor of employee performance. Eisenberger (2002) and Rousseau(2006) finding also contradict with the researcher finding, since Eisenberger (2002) and Rousseau(2006) argues that organizational culture in general and involvement in specific do not have a positive effect on employee performance.

Even if, consistency has estimate of 1.826 which is greater than one as depicted in table 4.10, it is not a significant predictor of employee performance because consistency have a significant value of 0.407 which is greater than 0.05.

The odd ratio indicates the odd being in a higher level on employee performance increase by a factor of 1.826 for every one unit increase in consistency.

Consistency has insignificant effect on employee performance by having 0.407 significance value. This finding is consistent with a study conducted by Woinshet (2020), in her study she argues that consistency is not a significant predictor of employee performance. Eisenberger (2002) and Rousseau (2006) finding is also consistent with the researchers finding because both Eisenberger (2002) and Rousseau (2006) finding shows organizational culture in general and consistency in specific is not a significant predictor of employee performance. However, this finding contradict with the result of research conducted by Shakil (2012), Ahsanhllah et al., (2020), Stephen (2016), Liydah (2014), Joyce (2016), Mba et al., (2013), Hana (2019), Asnaku (2020), Tekle (2020) and Zewdu (2020) which indicates organizational culture in

general and consistency in specific is a significant positive predictor of employee performance.

Adaptability was not a significant predictor of employee performance by having less than one estimate which is 0.626 and significant value of 0.232 as shown in table 4.10.

The odd ratio indicates the odd being in a higher level on employee performance decrease by a factor of 0.626 for every one unit increase in adaptability.

This implies that adaptability has insignificant effect on employee performance. This finding is consistent with the finding of Woinshet (2020) which states adaptability is not a positive predictor of employee performance. Moreover, the finding of Eisenberger (2002) and Rousseau (2006) study have consistent finding with the researcher finding. Eisenberger (2002) and Rousseau (2006) argue that organizational culture in general and adaptability in specific is not a positive predictor of employee performance. However, the finding contradict with the result of research conducted by Shakil (2012), Ahsanhllah et al., (2020), Stephen (2016), Liydah (2014), Joyce (2016), Mba et al., (2013), Hana (2019), Asnaku (2020), Tekle (2020) and Zewdu (2020) which indicates organizational culture in general and adaptability in specific is a significant positive predictor of employee performance.

Finally, mission was a significant positive predictor of employee performance by having 66.361 estimate and P-value of 0.000 as shown in table 4.10.

The odd ratio indicates the odd being in a higher level on employee performance increase by a factor of 66.361 for every one unit increase in mission.

This implies that mission has a positive significant effect on employee performance. This finding is consistent with the finding of Shakil (2012), Ahsanhllah et al., (2020), Stephen (2016), Liydah (2014), Joyce (2016), Mba et al., (2013), Hana (2019), Asnaku (2020), Tekle (2020) and Zewdu (2020) ) which indicates organizational culture in general and mission in specific is a significant positive predictor of employee performance. In addition the finding of Woinshet (2020) is consistent with this finding since the finding of her research depicts mission is a positive predictor of employee performance. However, this finding is inconsistent with the finding of Shakil (2012) which indicates mission is not a positive predictor of employee performance. In addition the finding of Eisenberger (2002) and

Rousseau (2006) contradict with this finding since they argue that organizational culture in general and specifically mission is not a positive predictor of employee performance.

# 4.7. Hypothesis testing

The developed hypothesis is tested using estimates or beta and P-value taken from table 4.10 (parameter estimates).

Table 4.11 Analysis of Hypothesis

	Beta	Significan	
Hypothesis	Coefficient	t(P<0.05)	Decision
H1: organizational mission has a positive significant	66.361	0.000	Accept
effect on employee performance			
H2: organizational adaptability has a positive	0.626	0.232	Reject
significant effect on employee performance			
H3: organizational involvement has a positive	6.960	0.000	Accept
significant effect on employee performance			
H4: organizational consistency has a positive	1.826	0.407	Reject
significant effect on employee performance			

Source: survey data (2022)

H1: organizational mission has a positive significant effect on employee performance.

The result of ordinal logistic regression as presented in table 4.10, revealed that mission has a positive significant effect on employee performance with beta value of 66.361 and P- value of 0.000. Since mission has a significant P- value and beta value greater than one the researcher accept the hypothesis.

Therefore, H1 is accepted.

H2: organizational adaptability has a positive significant effect on employee performance.

The result of ordinal logistic regression shows, adaptability has a P-value of 0.232 and beta value less than one which is 0.626 as depicted in table 4.10. As a result of having a P- value of 0.232, adaptability has insignificant contribution to employee performance. So, by having insignificant P- value and beta value less than one, adaptability has insignificant effect on employee performance.

Therefore H2 is rejected.

H3: organizational involvement has a positive significant effect on employee performance.

The obtained result from ordinal logistic regression shows there is a positive significant effect of involvement on employee performance (P-value = 0.000 and  $\beta$ - value= 6.960) as shown in table 4.10. 0.000 P-value indicates involvement has a significant effect on employee performance.

Therefore, H3 is accepted.

H4: organizational consistency has a positive significant effect on employee performance.

The obtained result from ordinal logistic regression shows there is insignificant effect of consistency on employee performance ( $\beta$ -value= 1.826 and P- value= 0.407). A 0.407 P- value indicates consistency has insignificant effect on employee performance.

Therefore, H4 is rejected.

### **CHAPTER FIVE**

### 5. SUMMARY, CONCLUSION AND RECOMMENDATION

### 5.1. Introduction

This chapter commences on the summary of the result of the study, conclusion driven from the result obtained and recommendation for the company and further research are provided.

### 5.2. Summary

The major objective of this study was to examine the effect of organizational culture on employee performance in Bahir Dar Textile Share Company. To carry out this study descriptive statistics, Spearman correlation and ordinal logistic regression were employed using IBM SPSS version 26. To address the basic and specific objective the research data were collected from Bahir Dar Textile Share Company permanent employee. This section summarized the core points and major findings which were obtained from the data analysis of survey questionnaire. 308 permanent employees were taken for the sample test and distributed a questionnaire in which only 272 returned for valid enters.

After conducting different investigation on the variables of the study, the study comes up with the following major finding;

Involvement has a moderate mean score of 3.129 with standard deviation of 0.881. The mean score shows employee of Bahir Dar Textile Share Company moderately agrees on the existence of the practice of involvement dimension of organizational culture with in their company. The standard deviation depicts the data set are relatively consistent.

Consistency has a moderate mean score of 3.301 and a standard deviation of 0.774. This indicates employees of Bahir Dar Textile Share Company moderately agree on the existence of the practice of consistency dimension of organizational culture in their company. The standard deviation shows that the data sets are more consistent than other variables data set.

Adaptability has a low mean score of 2.332 and a standard deviation of 0.902. The mean score indicates employees of Bahir Dar Textile Share Company disagree on the existence of the practice of adaptability dimension of organizational culture in their company. The standard deviation shows that the data sets are relatively inconsistent.

Mission has a moderate mean score of 3.078 and a standard deviation of 0.863. The mean score indicates employees of Bahir Dar Textile Share Company moderately agree on the existence of the practice of mission dimension of organizational culture in their company. The standard deviation shows that the data sets are relatively consistent.

Employee performance has a high mean score of 3.47 and a standard deviation of 0.851. The mean score indicates employees of Bahir Dar Textile Share Company have high level of performance practice with in the company. The standard deviation shows that the data sets are relatively consistent.

Spearman coefficient implied that there is significant positive relationship between employee performance and the entire four organizational dimensions. Moreover, mission had a strong positive relationship with employee performance. Involvement and consistency have moderate positive relationship with employee performance. But adaptability had a weak positive relationship with employee performance.

The result of ordinal logistic regression reveals that R-square of 81.6 indicates 81.6% of the variation of employee performance can be predicted by the independent variable (organizational culture). This implies the remaining 18.4% of the variation of employees' performance can be explained by other variables.

Finally, the ordinal logistic regression shows, mission and involvement have a positive significant effect on employee performance with a beta value of 66.361 and 6.960 respectively and both have a P-value of 0.000. However, adaptability and consistency have insignificant effect on employee performance by having a beta value of 0.626 and 1.826 respectively and P-value of 0.232 for adaptability and 0.407 for consistency.

### 5.3. Conclusion

This study was initiated to examine the effect of organizational culture on employee performance in Bahir Dar Textile Share Company. The study found that the level of employee performance in Bahir Dar Textile Share Company has a mean score of 3.47. This indicates a high mean score which refers employees of the company has a high performance level with in the company. The mean scores of involvement, consistency and mission dimensions of organizational culture are moderate by having a mean score between 2.6 and 3.39. This result shows the company practices the three organizational dimensions (i.e. involvement, mission and consistency) moderately. But the mean score of adaptability was

2.332 which are low. This depicts the practice of adaptability organizational culture dimension is low in the company.

The study also found that mission is the most contributing organizational culture dimension in the prediction of employee performance than the remaining three dimensions of organizational culture. Involvement is the second dimension which has the most contribution to employee performance. Consistency has a moderate contribution to employee performance but adaptability has a less contribution to employee performance.

There is a positive and strong relationship between mission and employee performance by having a positive P-value and correlation coefficient of 0.378. Involvement and consistency have a positive and moderate relationship with employee performance by having 0.694 and 0.633 correlated coefficient respectively and positive P-value. Finally, adaptability has a weak but positive relationship with employee performance by having a positive P-value and 0.378 correlated coefficient.

Finally, the study finding shows involvement and mission have a positive significant effect on employee performance by having 0.000 significance value. However, consistency and adaptability have insignificant effect on employee performance by having significance value greater than 0.05.

### 5.4. Recommendation

# 5.4.1. Recommendation for Bahir Dar Textile Share Company

Based on the research finding and conclusion made, the researcher came up with some important recommendations which would help Bahir Dar Textile Share Company on effectively managing organizational culture that significantly contribute to the improvement of employees' performance. The recommendations given are the following;

✓ The management of the Bahir Dar Textile Share Company should give a great concern for involvement. Involving and participating employees in the decision making process and in the continual assessment of skill development. Since involvement has a bearing contribution for improving the performance of employee of the company. Involvement of employees to the company results development of skill required to perform their work properly, delegation of authority and help decision to be made at the right time with the right information and by the right person. So the

- company should give strong emphasise to develop the culture of involvement to increase the performance of employees.
- ✓ The organization should continue to communicate the company vision, mission, direction and goals to make employees feel that they are part of the company and strive to improve their performance. The more employees identify mission of the company, the more they become high performance employee. So to be successful the company should have a clear sense of purpose and direction that defines the factory goals and strategic objectives and should have a vision that shows how the company will look like in the future. Since it significantly contributes to employees' performance of the company.
- ✓ The company should improve its consistency culture by exerting core values that form the overall dominant culture shared by the majority of the members of the company. If this adhered, the different function and department of the organization will be able to work together to achieve company goal. The organization should have a highly consistent value, system and process to create leverage in the workplace since consistency is the moderately predict the performance of employees'
- ✓ The company should deeply understand and react to changes that happen with in the market place and business environment. The company should also encourage and reward innovation and risk taking adaptability strategy to enhance employee confidence and to make the company proactive for change.

### **5.4.2.** Recommendation for further studies

The following are some of recommendation for further studies:

- ✓ As it is stated in the first chapter of this study, the study focuses on the effect of organizational culture on employee performance confined with only one Company. So, the researcher recommends future research to widen the scope by taking more than one factory to get a more reliable generalization.
- ✓ Even if there are various models that explain organizational culture, the researcher selects Denison model of organizational culture for this research. The researcher suggests future research to try other models to bring in-depth understanding and outcome.
- ✓ The researcher recommends a researcher who wants to conduct a study on similar issue to use employee performance appraisal result than employee perception and

- thinking to avoid biases that emanates from variation in perception of performance among respondents.
- ✓ It is also advisable to consider mediating and moderating variable. Mediating variable which explains the process through which organizational culture and employee performance related. Moderating variable which affect the strength and the direction of the relationship exist between organizational culture and employee performance.
- ✓ As it is observed from the result of this research report, 81.6 % of the variation of employee performance were predicted by the independent variable of the study which is organizational culture. This implies that there exists 18.4 % of variation which would be explained by other variable. So, the future researchers should look for those contributing factors and explore their relationship with employee performance.

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# Appendixes I

Bahir Dar University

College of business and economics

Department of management

Masters of Business Administration

### Survey questionnaire

The questionnaire here under is with the intention of collecting relevant information on the effect of organizational culture on employee performance of Bahir Dar textile Share Company. The information collected will be used to prepare a thesis paper for the partial fulfilment of Masters of Business Administration. So, your genuine and timely response is vital in conducting this research. The information you provided will be used as main input for this study and will be kept confidential. Thank you in advance for your kind cooperation by devoting your valuable time in filling the questionnaire.

Part I: Information about Demographic Data

Please put (x) mark in the box that best describes you

1. Sex: Male Female
2. Marital Status: Single Married Divorced Widowed
3. Educational Background: Below Diploma Diploma Degree
Masters Ph. D
4. Working Department: human resource management marketing &selling
production purchasing and store quality
5. Years of experience: Below2 years 3 - 5 years 6- 10 years
Above 10 years

Part II: question related to organizational culture and Employee performance

The following question mainly focuses on assessing key dimension of the culture at your organization. So you are requested to indicate your perception using the following Five point Likert scale.

# 1. Strongly disagree 2. Disagree 3. Neither agree nor Disagree 4. Agree 5. Strongly agree

		1	2	3	4	5
N <u>o</u>	Involvement; the aligned and engagement of employees					
	with the company					
1	Decisions are usually made at the level where the best					
	information is available.					
2	Information is widely shared so that everyone can get the					
	information he or she needs when it's needed					
3	Everyone believes that he or she can have a positive					
	impact.					
4	Cooperation across different parts of the organization is					
	actively encouraged.					
5	People work like they are part of a team.					
6	Work is organized so that each person can see the					
	relationship between his or her job and the goals of the					
	organization.					
7	Authority is delegated so that people can act on their own.					
8	The capabilities of people are viewed as an important					
	source of competitive advantage.					
9	There is continuous investment in the skills of employees.					
Cons	sistency; the value, system and process to create leverage in t	he v	vork <sub>]</sub>	place	;	
10	There is an ethical code that guides our behaviour					
11	When people ignore our core values, they are held					
	accountable.					
12	When disagreements occur, we work hard to achieve					
	"win-win" solutions.					
		1			1	1

14	There is a clearly defined culture.				
15	Our approach to doing business is very consistent				
16	There is good alignment of goals across levels.				
17	It is easy to coordinate projects across different parts of				
	the organization				
18	People from different parts of the organization share a				
	common perspective				
Ada	ptability; responding to the market place and external environ	men	t		
19	The way things are done is easy to change.				
20	We respond well to changes in the business environment.				
21	Different parts of the organization often cooperate to				
	create change.				
22	New and improved ways to do work are continually				
	adopted				
24	We encourage direct contact with customers by our people				
25	All members have a deep understanding of customer				
	wants and needs				
26	Customer input directly influences our decisions.				
27	We view failure as an opportunity for learning.				
28	Learning is an important objective in our day-to-day work.				
29	Innovation are encouraged and rewarded.				
Miss	sion core purpose of the Bahir Dar Textile share Company				
30	There is a long-term direction.				
31	There is a clear strategy for the future				
32	There is a clear mission that gives meaning and direction				
	to our work.				
33	Our strategy leads other organizations to change the way				
	they compete in the industry.				
34	There is widespread agreement about goals of the				
	company.				
35	We continuously track our progress against our stated				
	goals.				
36	The leadership has clearly stated the objectives we are				
			<u> </u>	<u> </u>	

	trying to meet.			
37	Leaders set goals that are ambitious,			
38	We have a shared vision of what the organization will be			
	like in the future.			
39	We are able to meet short-term demands without			
	compromising our long-term vision.			
40	Our vision creates motivation for our employees.			
41	Leaders have a long-term viewpoint.			

Source; Denison, et al., (2000)

Emp	ployee performance	1	2	3	4	5
42	I express an underlying concern for doing things better, for					
	improving situations.					
43	On the job, I exhibit zeal about the job and a consequent					
	willingness to work hard.					
44	On the job, I always get things done on time.					
45	My superior is never disappointed in the quality of work					
	that I produce.					
46	My work habits are exemplary for others.					
47	I exhibit an ability to see the whole, parts and relations and					
	use this to set priorities, plan, anticipate and evaluate.					
48	On the job, I exhibit a willingness to go beyond what the					
	job requires and act before being asked.					
49	I get along well with my co-workers.					
	I continue to be productive even when my supervisor is out					
50	of the workplace for an extended period of time.					

Source: Wright (2007).

**Appendix II** 

Descriptive Analysis of Involvement – organizational cultural dimension

Description Description	N	Mean	S.D
Decision are made at level where the best information is	272	2.35	1.171
available			
Information is widely shared so that everyone can get the	272	2.61	1.049
information he or she need when it is needed			
Everyone believes that he or she can have positive impact	272	4.24	.563
Cooperation across different parts of the organization is	272	4.29	.523
actively encouraged			
People work like they are part of the team	272	4.25	.482
Work is organized so that each person can see the relationship	272	2.27	1.148
between his or her job and the goal of the organization			
Authority is delegated so that people can act on their own	272	2.30.	1.164
The capability of people are viewed as an important source of	272	3.52	.718
competitive advantage			
There is continues investment in the skill of employees	272	2.33	1.11.
Involvement		3.129	0.881

Source; Survey data (2022)

Descriptive analysis of consistency- organizational culture dimension

Description	N	Mean	S.D
There is an ethical code that guides our behaviour	27	4.28	.498
When people ignore our core values, they are held accountable	272	4.23	.638
When disagreement occurs we work hard to achieve win win solution	272	3.25	.675
It is easy to reach consensus even on difficult issues	272	2.78	.897
There is clearly defined culture	272	4.03	.705
Our approach to doing business is very consistent	272	4.26	.466
There is good alignment of goals across levels	272	2.08	.987
It is easy to coordinate projects across different part of the organization	272	2.03	.721

People from different part of the organization share a	272	2.77	1.383
common perspective			
Consistency		3.301	.774

Source; Survey data (2022)

Descriptive analysis of adaptability - organizational culture dimension

Description	N	Mean	S.D
The way things are done is easy to change	272	2.14	.963
We respond well to changes in the business environment	272	2.26	1.175
Different parts of the organization often cooperate to create change	272	2.03	.756
New and improved way to do work are continually adopted	272	1.98	.905
We encourage direct contact with customer by our people	272	3.28	.794
All members have a deep understanding of customer wants and needs	272	2.09	1.052
Customer input directly influence's our decision	272	1.97	.572
We view failure as an opportunity for learning	272	2.00	.903
Learning is an important objective in our day to day work	272	3.46	.837
Innovation are encouraged and rewarded	272	2.11	1.059
Adaptability		2.332	0.902

Source; survey data (2022)

Descriptive analysis on mission -organizational cultural dimension

Description	N	Mean	S.D
There is long term direction	272	3.39	.518
There is clear strategy for the future	272	3.25	.711
There is clear mission that gives meaning and direction to our work	272	3.25	.650
Our strategy leads other organization to change the way they compete in the industry	272	3.01	.455
There is a wide spread agreement about goals of the company	272	2.26	1.165
We continuously track our progress against our stated goal	272	2.81	1.346
The leadership has clearly stated the objectives we are trying to meet	272	2.80	1.322
Leaders set goals that are ambitious	272	2.55	1.139

We have a shared vision of what the organization will be like in the	272	2.66	1.158
future			
We are able to meet short- term demands without compromising our	272	3.14	.619
long term vision			
Our vision creates motivation for our employees	272	3.52	.792
Leaders have a long term view point		4.30	.483
Mission		3.078	0.863

Source; Survey data (2022)

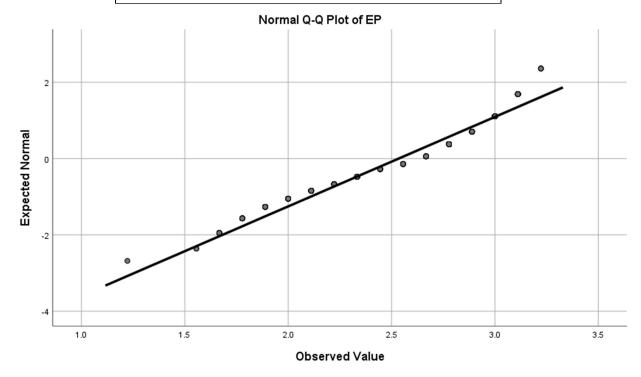
# Descriptive analysis on employee performance

Description	N	Mean	S.D
I express an underlying concern for doing things better, for improving situations.	272	4.26	0.486
On the job, I exhibit zeal about the job and a consequent willingness to work hard	272	4.28	0.520
On the job, I always get things done on time	272	4.04	0.877
My superior is never disappointed in the quality of work that I produce	272	2.23	1.081
My work habits are exemplary for others		3.53	0.723
I exhibit an ability to see the whole, parts and relations and use this to set priorities, plan, anticipate and evaluate		2.80	1.322
On the job, I exhibit a willingness to go beyond what the job requires and act before being asked	272	2.27	1.076
I get along well with my co workers	272	4.23	0.536
I continue to be productive even when my supervisor is out of the work place for an extended period of time		3.59	1.041
Employee performance		3.47	0.851

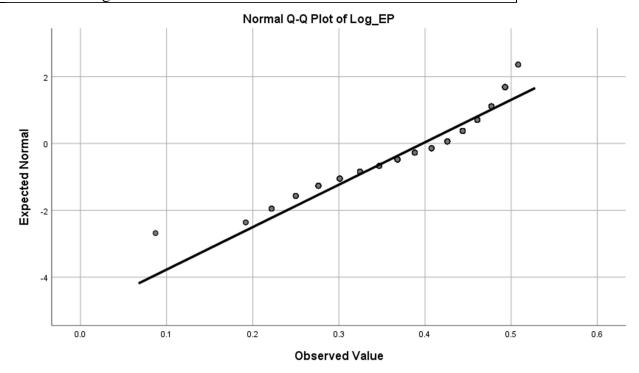
Source; Survey data (2022)

**Appendixes III** 

	Shapiro-Wilk		
	Statistic	Df	Sig.
Involvement	.735	272	.000
Consistency	.903	272	.000
Adaptability	.743	272	.000
Mission	.832	272	.000
Employee performance	.944	272	.000



Tests of Normality				
	Kolmogorov-Smirnov <sup>a</sup>			
	Statistic	Df	Sig.	
Log_Involvement	.316	272	.000	
Log_ Consistency	.221	272	.000	
Log_ Adaptability	.329	272	.000	
Log_ Mission	.279	272	.000	
Log_Employee performance	.176	272	.000	
a. Lilliefors Significance Correct	tion			



Test of Parallel Lines <sup>a</sup>				
Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Null Hypothesis	1012.521			
General	685.731 <sup>b</sup>	326.790°	60	.000