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St. Mary's University, Ethiopia

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND
EMPLOYEES COMITTMENT: THE CASE OF EQUATORIAL BUSINESS
GROUP**

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

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DECLARATION

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

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Name   Signature

St. Mary's University, Addis Ababa   **May, 2017**

ENDORSMENT

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

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Advisor   Signature

St. Mary's University, Addis Ababa   **May, 2017**

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Abbreviations

EBG   Equatorial Business Group

SD   Standard Deviation

EVB & ELVB   Equatorial Volvo Business and Equatorial Light Vehicles

EEB   Equatorial Energy Business

EPB   Equatorial Pharmaceuticals Business

EETB   Equatorial Elevator and Telecom Business

HR & SGS   Human Resource and Social and General Service

FN   Finance

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Abstract

The purpose of the study is to assess the relationship between organizational culture and employee commitment at equatorial business group (EBG). The study employed explanatory research design and quantitative research approach. Simple random sampling method was used to select the sample size of 197 numbers from each department of the 385 population. Standard close ended questioners extracted from Allen and Meyer's standard questioner known as organizational commitment questionnaire (OCQ) and Organizational Culture Assessment Instrument (OCAI) which is developed by Kim Cameron and Robert Quinn were used as a data collection instrument. The correlation analysis was used to determine the relationship between organizational culture and organizational commitment. Based on the data analysis the following outcomes were proved: Employees are not pleasant about the existing hierarchal culture; they prefer it to be clan next to adhocracy culture. The findings also indicate that there is both negative and positive relationship between organizational culture and organizational commitment. Therefore, the outcome of the research suggests that organizational culture is the most important element in controlling the direction of the organizational commitment.

CHAPTER ONE

INTRODUCTION

1.1. BACK GROUND OF THE STUDY

Culture, at any organization, is a very governing force, which is consciously and deliberately civilized and is passed on to the arriving employees. It affects all the aspects of a company's business. An organization's culture is the systematic way employees, leaders, and work groups behave and interact with each other. Company culture is collectively composed of values, beliefs, norms, language, symbols, and habits.

Knowing and understanding your company's culture (or another company's culture) can be quite useful. A fit between your personality and your company's culture is of critical importance to both your happiness and your success. If you don't feel like you are welcome and you belong, it will impact your professional relationships and drive and desire to excel.

Culture is not something that an organization has; culture is what the organization is, it is the very string that holds the organization together. Organizational culture is one of the significant factors of employee satisfaction. Successful managers need to have an influence on employees and then organizational culture combines the values and attitudes of employees in the company (Weihrich & Koontz, 1998). Managers need to understand the implications of diversity and the necessary skills to be successful in work and to be able to decide on a reasonable and sensitive cultural level (Javidan & House, 2001).Without exception, the dominance and coherence of culture proved to be an essential quality of the excellent organization. Moreover the stronger the culture, the more it was directed to the marketplace, the less need was there for policy manuals, organization charts, detailed procedures or rules. In these companies, people way down the line knows what they are supposed to do in most situations because the handful of guiding values is crystal clear (Peters and Waterman, 1999).Therefore, Organizational culture is pervasive and powerful. For business, it is either a force for change or a definite barrier to it. For employees, it is either the glue that bonds people to an organization or what drives them away.

Commitment is an engagement or obligation that limits freedom of action, a willingness to give your time and energy to something that you believe in. Organizational commitment is the bond employees experience with in their organization. Employees who are committed to their organization generally feel a connection with their organization, feel that they fit in and, feel they understand the goals of the organization. The level of the employees' commitment to their organization is an important factor in determining the overall employees' job performance.

According to Allen and Meyer, commitment refers to a psychological state that binds the individual to the organization i.e. makes turnover less likely (Allen and Meyer: 1990) sited in (Tekele & Solomon, 2016). Turnover rate in today's organization is high. One way to address the issue of turnover is to determine what will affect the level of commitment (Tat and Rasli, 2012). Organizational commitment, turnover intention and job satisfaction are the most investigated trendy subjects in the research of job relevant behaviors (Yücel, 2012).

Business leaders have led through the centuries by understanding employee psychology, employee emotions, and employee expectations, and by providing to employee needs in a manner that resulted in a win-win situation for both employer and employee. This situation guaranteed organizational commitment of the employee and in turn helped the organization realize its goals however; organizational commitment cannot stand alone without preparing a good work environment.

The culture of an organization is very important for the progress of an organization because it impacts on employee commitment and their retention as well. If the culture of an organization is flexible it will provide such working environment to employees in which they may work easily and independently without feeling any load. Every organization wants employee commitment because it is very important for an organizational effectiveness. If the employees understand the organizational culture properly so that there may be improvement in their performance the reason is that the employee's performance is the base of an organization.

Despites of many researchers have studied their relationship between organizational culture and organizational commitment they provide no such reasonable relationship between organizational culture and employee commitment, the various studies based on empirical evidence have come

as opposing results about their relationship. So there is further need to research to cover this gap mostly researches have been conducted in developed countries.

Therefore, the purpose of this study is to assess if there is any relationship between organizational culture and organizational commitment at Equatorial Business Group Plc (EBG).

Equatorial Business Group is a private limited company established in April 1993 in Addis Ababa, Ethiopia. EBG's business started with the import and distribution of electronic goods with an initial share capital of birr 5 million. Currently EBG is engaged in four lines of business. The four business lines are automotive, energy, pharmaceuticals & medical supplies and Elevator & telecom businesses. It operates with a capital currently standing at Birr 360 million and an annual sales turnover of an average Birr 665 million. It has branch offices in Hawassa, Bahir Dar, Dire Dawa and Jimma cities. EBG currently has workforce of over 455, excluding temporary employees, working together to achieve one organizational objective by providing sales and after-sales service focusing on customers' satisfaction. Ensuring continuous and desirable work outcomes of employees lead to positive impact on organizational commitment of EBG employees.

This study attempts to look and determine the existing as well as the expected culture. The study further engages to disclose the level of employee commitment that is common within this particular organization.

1.2. STATEMENT OF THE PROBLEM

It is very necessary for an organization to establish an organizational culture to maintain its position in market. The organizational culture must be developed which may provide support to an organization and bring continuous improvement. The culture of an organization is very important for the progress of an organization because it impacts on employee commitment and their retention as well.

Several organizations in the world have faced one form of failure and success over the past years due to cultural effects, mismanagement, ethical codes among others. Organizational culture is frequently said to be responsible for all manner of organizational ills and, on occasions, credited with creating positive qualities. A better understanding of the concept would allow people in

organizations to solve problems and improve employee performance (Weerarathna, 2014) because the success or failure of any organization depends up on the culture it creates, adapts and transfers to the newly coming employees.

Commitment implies an intention to persist in a course of action. Therefore, organizations often try to nurture commitment in their employees to achieve stability and reduce costly turnover. It is commonly believed that committed employees will also work harder and be more likely to "go the extra mile" to achieve organizational objectives. Research has consistently demonstrated that commitment does indeed contribute to a reduction in turnover (Tett & Meyer, 1993; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Organizational commitment of employees may be increased by changing the organizational culture in the direction of culture fit (Meyer, 2010) which implies that organizational structure plays a very important role in organizational commitment (Bin, Ahmed, Shafi, and Shaheen, 2011).

If employees are not shaped and engraved to the organization's culture, their organizational commitment will diminish. One of the dimensions of employees' commitment is how much employees feel the need to stay at their organization (Allen & Meyer, 1990).There are indications that employees of EBG are not committed to the organization (as per preliminary research). This can be proved by the recent high labor turnover as per the human resource report for the year ended 2016 and the company is also experiencing the decline in profit and loss of company's major customers which is stated on the profit lose statement of the company's annual report for the year 2016, are said to be linked with the lack of employee's commitment to the organization. The rationale behind their lack of organizational commitment is not known for sure yet since no such research was conducted in the past. Therefore, this research will help to fill this gap of where the organizations culture stands with respect to the employees' commitment, by understanding the relationship between organizational culture and organizational level of commitment at Equatorial Business Group Plc.

1.3. RESEARCH QUESTIONS

Accordingly, the research questions for this study are;

- ❖ What is the dominant culture of the organization among characteristics/dimensions of organizational culture?
- ❖ What is the level of employees' commitment at Equatorial Business Group?

❖ Is organizational culture related to employee commitment?

1.4. OBJECTIVES OF THE STUDY

1.4.1 General Objective

The general objective of this study is to identify the relationship between organizational culture and employees' commitment at Equatorial Business Group Plc.

1.4.2. Specific Objective

The study aims to:

❖ Identify the existing and preferred culture of the organization.

❖ Determine the existing level of organizational commitment.

❖ Determine the direction and magnitude of the relationship between organizational culture and employee commitment.

1.5. SCOPE OF THE STUDY

The study is conducted on Equatorial Business Group with special focus on the organizational culture and organizational commitment. The items regarding commitment are extracted from (Meyer & Allen, 1990) standard questioner known as organizational commitment questionnaire (OCQ) consisting three dimensions: Affective, Continuance and Normative commitment. Organizational culture is measured through Organizational Culture Assessment Instrument (OCAI) which is developed by (Kim Cameron and Robert Quinn, 1999) consisting of four types of organizational culture namely; Clan Culture, Adhocracy Culture, Hierarchy Culture and Market Culture. These two questioners are applied since they are reliability is tested on other studies. Five point Likert Scale from 1 – 5 degree of agreement was used to measure the responses.

Equatorial Business Group Plc. has four branch offices beside the head office. Data was collected and interpreted only from the head office since branch offices are located across different parts of Ethiopia; it is difficult to conduct the research at this limited time and budget. Moreover, more than 90% the employees are working in the head office. Attention will be given to permanent employees at all level.

1.6. LIMITATION OF THE STUDY

Organizational culture and employee commitment advance over time through the growth phases of an organization life cycle; it is also dependent on external factors such as employee market, economic circumstances, and economic well-being of the organization.

Another limitation is that only the four dimensions of organizational culture and some demographic variables of employee commitment were measured, there are likely to be other previous circumstances that might also be important. This obvious deviation affected the outcome of the research.

1.7. SIGNIFICANCE OF THE STUDY

The only thing of real importance that leaders do is to create and manage culture. If you do not manage culture, it manages you, and you may not even be aware of the extent to which this is happening (Schein, 2013). It is a fact that organizational culture is the greatest asset of a company. Therefore, the research is expected to contribute in the following areas.

- ❖ It will determine the existing as well as the preferred culture of the organization so that it will help managers to manage the culture.
- ❖ Looking at options and making recommendations for managers on how to influence on raising the level of employees commitment by modifying the culture type.
- ❖ It can be used as a reference and initiation for further studies in the area.

1.8. ORGANIZATION OF THE STUDY

This study is presented in five chapters. The first chapter, the background to the study, problem statement, and objectives, and research questions, scope of the study, limitation of the study and significance of the study is presented. The second chapter presents a review of literature relevant to the study. The third chapter discusses the research methodology and design, the use of the survey method and data collection instruments used in the study. The forth chapter presents an analysis of the data and discussion of the findings in this study. The last chapter presents the conclusion and makes recommendations arising from analysis of results.

CHAPTER TWO

LITRATURE REVIEW OF RELATED

2.1. INTRODUCTION

The main purpose of this literature review is to perceive the sights and diverse theories of different authors regarding organizational culture and employee commitment and the relationship between these two broad variables i.e. organizational culture and employee commitment. First, it will discuss about organizational culture, then about organizational commitment and finally, it will see if there is any relationship amongst the two variables which is found by different researchers.

2.2. ORGANIZATIONAL CULTURE

The term culture refers to the shared patterns of behaviors and interactions. Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. The notion of 'culture' is often associated with exotic, distant peoples and places, with myths, rites, foreign languages and practices. Researchers have observed that within our own society, organization members similarly engage in rituals, pass along corporate myths and stories, and use mysterious language, and that these informal practices may foster or hold back management's goal for the organization (Baker, 1980).

Individuals perceive the culture of the organization based on what they hear, see or feel within the organization. And even though individuals may have different backgrounds or may work at different levels in the organization, they tend to describe an organization's culture in similar terms. That is the shared aspect of culture.

Organizational culture is a descriptive term it describes rather than evaluates. An organization's current customs, traditions and general way of doing things are largely due to what it has done before and the degree of success it has had with those attempts. The original source of an

organization's culture usually reflects the vision, mission and values of the organization's founder(s).

2.2.1. Functions of Organizational Culture

The main function of organizational culture is to define the way of doing things in order to give meaning to organizational life (Arnold, 2005). Organizational culture also determines organizational behavior, by identifying principal goals; work methods; how members should interact and address each other; and how to conduct personal relationships (Harrison, 1993) states the following functions of organizational culture:

❖ **Conflict reduction**: A common culture promotes consistency of perception, problem definition, evaluation of issues and opinions, and preferences for action.

❖ **Coordination and control**: Largely because culture promotes consistency of outlook it also facilitates organizational processes of coordination and control.

❖ **Reduction of uncertainty**: Adopting of the cultural mind frame is an anxiety reducing device which simplifies the world of work, makes choices easier and rational action seem possible.

❖ **Motivation**: An appropriate and cohesive culture can offer employees a focus of identification and loyalty, foster beliefs and values that encourage employees to perform.

❖ **Competitive advantage**: Strong culture improves the organization's chances of being successful in the marketplace.

2.2.2. Strong vs. Weak Organizational Cultures

Organizational culture can be either weak or strong, in a strong culture; the organization's core values are held strongly and shared widely. Strong organizational cultures have a great influence on the behavior of organizational members (Martins & Martins, 2003). A weak culture, on the other hand, means the opposite of a strong culture, in other words, organizational members do not subscribe to the shared beliefs, values and norms (O'Reilly, 1991). Organizational members in a weak culture find it difficult to identify with the organization's core values and goals (Wilson, 1992). As a result components or different departments within such an organization uphold different beliefs that do not necessarily address the core goals of the organization.

2.2.3. Dimensions of Culture

Even though culture may not be immediately observable, identifying a set of values that might be used to describe an organization's culture helps us identify, measure, and manage culture more effectively. For this purpose, several researchers have proposed various culture dimensions.

I.   The Four Dimensions of Organizational Culture

1. Clan Culture

Type of Culture very pleasant place to work, where people share a lot of personal information, much like an extended family. The leaders or heads of the organization are seen as mentors and perhaps even parent figures. The organization is held together by loyalty or tradition. Commitment is high. The organization emphasizes the long-term benefit of human resources development and attaches great importance to cohesion and morale. Success is defined in terms of sensitivity to customers and concern for people. The organization places a premium on teamwork, participation, and consensus (Zain, 2009).It is a family-like or tribe-like type of corporate environment that emphasizes consensus and commonality of goals and values. Clan cultures are the most collaborative and the least competitive of the four main corporate culture models.

2. Adhocracy Culture

Type of culture a dynamic, entrepreneurial, and creative place to work. People stick out their necks and take risks. The leaders are considered innovators and risk takers. The glue that holds the organization together is commitment to experimentation and innovation. The emphasis is on being on the leading edge. The organization's long term emphasis is on growth and acquiring new resources. Success means gaining unique and new products or services. Being a product or service leader is important. The organization encourages individual initiative and freedom (Zainet, 2009).Therefore it is a flexible, adaptable and informal form of organization that is defined by a lack of formal structure. It operates in an opposite fashion to a bureaucracy.

3. Market Culture

Culture type a result-oriented organization whose major concern is getting the job done. People are competitive and goal-oriented. The leaders are hard drivers, producers, and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning. Reputation and success are common concerns. The long-term focus is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard-driving competitiveness (Zain, 2009).

It is a relative term to describe: The overarching culture of a business relating to the attention it focuses on markets/customers. The skills used to create value for customers. The level of belief and the ultimate purpose of the business are to create superior customer value and profitably (Zain, 2009).

4. Hierarchy Culture

It is an organizational model based on clearly defined corporate levels and structures. Hierarchy is a type of organizational structure in which items are ranked according to levels of importance. Avery formalized and structured place to work. Procedures govern what people do. The leaders pride themselves on being good coordinators and organizers who are efficiency minded. Maintaining a smooth-running organization is most critical. Formal rules and policies hold the organization together. The long-term concern is stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling and low cost. The management of employees is concerned with secure employment and predictability (Zain, 2009).

II. The Seven Dimensions of Culture

One typology that has received a lot of research attention is the organizational culture profile in which culture is represented by seven distinct values (Chatman & John,1991).These include innovation and risk taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness and stability, each of these characteristics exists on a continuum from low to high.

1. Innovative Culture

It is a degree in which employees are encouraged to be innovative and to take risks. If the culture of the organization is innovative and risk taking then employees will be more encouraged towards their work. According to the OCP framework, companies that have innovative cultures are flexible and adaptable, and experiment with new ideas. These companies are characterized by a flat hierarchy in which titles and other status distinctions tend to be downplayed (Deutsch man, 2004).

2. Aggressive Culture

The degree to which employees of organization is aggressive and competitive rather than co-operative. In this case mostly employees compete with each other for rewards and there is no unity among them to work for achievements of organizational goals. Companies with aggressive cultures value competitiveness and outperforming competitors: By emphasizing this, they may fall short in the area of corporate social responsibility (Greene, Reinhardt & Lowry, 2004).

3. Output Oriented Culture

The OCP framework describes outcome-oriented cultures as those that emphasize achievement, results, and action as important values (Copeland, 2004). Research indicates that organizations that have a performance-oriented culture tend to outperform companies that are lacking such a culture (Nohria, & Roberson, 2003). At the same time, some outcome-oriented companies may have such a high drive for outcomes and measurable performance objectives that they may suffer negative consequences. Companies over rewarding employee performance experienced well-publicized business and ethical failures. When performance pressures lead to a culture where unethical behaviors become the norm, individuals see their peers as rivals and short-term results are rewarded; the resulting unhealthy work environment serves as a liability (Probst & Raisch, 2005).

4. Stable Culture

These organizations aim to coordinate and align individual effort for greatest levels of efficiency, are predictable, rule-oriented, and bureaucratic. When the environment is stable and certain,

these cultures may help the organization to be effective by providing stable and constant levels of output (Westrum, 2004). These cultures prevent quick action, and as a result may be a misfit to a changing and dynamic environment. Public sector institutions may be viewed as stable cultures. In the private sector, company with centralized decision making and rule orientation that suffered as a result of the culture-environment mismatch (Thompson, 2006). Its bureaucratic culture is blamed for killing good ideas in early stages and preventing the company from innovating (Boyle, 2004).

5. People Oriented Culture

Value fairness, supportiveness, and respect for individual rights. These organizations truly live the mantra that "people are their greatest asset." In addition to having fair procedures and management styles, these companies create an atmosphere where work is fun and employees do not feel required to choose between work and other aspects of their lives. In these organizations, there is a greater emphasis on and expectation of treating people with respect and dignity (Erdogan & Kraimer, 2006).

6. Team Oriented Culture

Degree to which the teams form to all works and to perform the work of the organization because through the team the goals can be achieved successfully rather than working as an individually. Companies with team-oriented cultures are collaborative and emphasize cooperation among employees (Bolino & Turnley, 2003). Members tend to have more positive relationships with their coworkers and particularly with their managers (Erdogan & Kraimer, 2006).

7. Detail Oriented Culture

The degree to which employees is expected to exhibit precision, analysis, and attention to detail. Organizational culture based on employee's culture, and culture developed by the employees of organization. Organizations with detail-oriented cultures are characterized in the OCP framework as emphasizing precision and paying attention to details. Such a culture gives a competitive advantage to companies in the hospitality industry by helping them differentiate themselves from others (Fitch, 2004).

III. The Five Dimensions of Culture

1. Power Distance

The power distance dimension is a literal measurement of the layers of management between an individual employee and the highest level of management. An individual contributor who reports to a manager who reports to a director who reports to a vice president who reports to a CEO has a power distance dimension of three, because there are three layers of management between the individual contributor and the CEO. The higher the power distance dimension, the less likely the employee is to feel that his contribution matters to the company. An organization may flatten its organizational structure to help employees feel connected to senior leadership (Hofstede, 1990).

2. Individualism

The individualism dimension measures not only the degree to which an employee maintains her unique attributes, but also the degree to which she becomes integrated into the collective group. An individualist employee has loose ties to others in the organization. She looks out for herself and perhaps for others in her small work group. A collectivist employee fully integrates herself into the organization and demonstrates loyalty to the extended corporate "family." In turn, she expects others in the organization to support her (Hofstede,1990).

3. Masculinity

The masculinity dimension measures the organization's personality against masculine and feminine stereotypes. A company with a masculine culture operates assertively and competitively, and a company with a feminine culture comes across as more modest and caring. Employees tend to model their behavior after their companies' leaders. If the leadership team is competitive, employees may be encouraged to compete with one another or to beat out the company's competitors. If leaders are caring, employees are more likely to behave with tolerance and compassion (Hofstede, 1990).

4. Uncertainty Avoidance

Hofstede's uncertainty avoidance dimension measures employees' comfort with unstructured environments, unknown situations where surprising events may occur. In a business that lends itself to structure, such as a factory, the culture calls for rules that establish structure to promote

safety and efficiency. In a creative environment, such as a design house, the culture encourages flexibility and problem-solving. Employees may not feel comfortable with either extreme, and an employee who likes to plan every minute of her day will quickly get frustrated in an organization with a low uncertainty avoidance dimension (Hofstede, 1990).

5. Long-Term Orientation

The long-term orientation dimension is associated with eastern culture and dates to the time of the Chinese leader Confucius. It measures long-term values, such as perseverance and thrift, against short-term values such as respect for tradition, fulfillment of social obligations and avoiding personal embarrassment. Employees with a high measure of long-term orientation respond well to a hierarchy-based organizational structure where leaders are highly respected. Employers with a low measure of long-term orientation demonstrate personal stability and observe customs such as reciprocating favors and gifts from others (Hofstede, 1990).

2.3. ORGANIZATIONAL COMMITMENT

Organization commitment refers to the employee's emotional attachment to, identification with, and involvement in the organization. In essence, measuring organizational commitment is an assessment of the congruence between an individual's own values and beliefs and those of the organization (Swailes, 2002). Organizational commitment is characterized as employees' willingness to contribute to organizational goals. When employees are sure that they will grow Commitment refers to an individual's attraction and attachment to the work and the organization. It refers to the socio-psychological bonding of an individual to his group or organization, its goals and values or to his occupation and profession (Tekele & Solomon, 2016).

Employee commitment is most important component to the organizations as well to the managers of the organizations. Employee commitment is about an employee's loyalty to the organization, the willingness to exert effort on behalf of the organization, the degree of goal and value congruency between the employee and the organization, and the employee's desire to remain employed by the organization (Bateman and Strasser, 1984).

Like it is hard to comprehensively define commitment as such, the same difficulty is for organizational commitment. However, it has been possible to find common factors to various definitions. Common to all of these conceptualizations is a connection with turnover, "employees who are strongly committed are those who are least likely to leave the organization" (Allen & Meyer, 1990).

2.3.1. Source of Commitment

Sources of organizational commitment may vary from person to person. Employee's initial commitment to an organization is determined largely by their individual characteristics (e.g. personality and attitudes) and how well their early job experiences match their expectations (Hellriegel, 2001).

Organizational commitment continues to be influenced by job experiences, with many of the same factors that lead to job satisfaction also contributing to organizational commitment or lack of commitment: pay, relationships with supervisors and coworkers, working conditions, and opportunities for advancement. Over time, organizational commitment tends to become stronger because individuals develop deeper ties with the organization and their co-workers as they spend more time with them; seniority often brings advantages that tend to develop more positive attitudes; and opportunities in the job market may decrease with age, causing workers to become more strongly attached to their current job (Hellriegel, 2001).

Employees today are increasingly self-assured and aware of their value to employers. They would consciously choose to work for those companies that meet their workplace expectations. Organizations that demonstrate their commitment to employees will attract and retain their desired workforce and will ultimately win the battle for the workforce share (Madigan, 1999).

While money certainly plays a part in building employee loyalty, it's clearly not enough in today's work environment. Compensation is important, but most employees consider it a right an exchange for the work one does. People want to feel that what they do, make a difference and money alone does not do this, personal recognition does (Nelson, 1999).

2.3.2. Models of Organizational Commitment

I. O'Reilly and Chatman's Model

O'Reilly and Chatman see organizational commitment as a psychological attachment to an organization. It reflects the degree to which employee internalizes or adopts the characteristics or perspectives of the organization. Commitment can be formed by three independent mechanisms; compliance, identification and internalization (O'Reilly & Chatman, 1986).

1. Compliance

It is shallowest of them all and is connected to rewards. Person adopts certain attitudes and behaviors in order to gain specific awards.

2. Identification

It is step further into deeper commitment. Employee feels proud to be part of that specific organization and thus accepts and respects its' values and accomplishments. He or she wants to establish or maintain good relationship with that specific group.

3. Internalization

It is that he or she does not adapt those values as his or her own. Therefore, internalization occurs finally when there is value congruence between the person and the organization. Employee accepts organization's values because those are very similar to his or her own.

II. Allen and Meyer's Model of Commitment

It has been the leading approach in studying organizational commitment for more than 20 years (Cohen, 2007). Lately, it has been the most widely accepted conceptualization of organizational commitment (Herrbach, 2006). It sees commitment as having three separable forms: affective commitment, continuance commitment and normative commitment (Allen & Meyer, 1990).

1. Affective commitment

It is employees' emotional attachment to organization, identification with organization and involvement in organization. Employees, who have strong affective commitment, stay in the organization because they want to. Therefore, this form of commitment is based on desire. However, there has not been a uniform conclusion on what are the mechanisms involved creating

it, but Meyer and Herskovits propose that any variable that will increase the probability of the following three matters will help individual to become affectively committed (Meyer and Herskovits, 2001).

❖ An individual becomes involved, meaning motivated by his or her own will or absorbed in the flow, in a course of action.

❖ An individual recognizes the value or relevance of the entity or the course of action to him or herself.

❖ Association with the entity or a course of action will shape an individual's identity

2. Continuance commitment

It is commitment based on the costs that would occur if the person left the organization. Therefore, people having high continuance commitment stay in the organization because they need to. In other words, it would cost too much to leave. This would be the case. (Allen & Meyer, 1990 ; Meyer & Herskovits, 2001; Garcia- Gabrera & Garcia-Soto, 2012).

3. Normative commitment

This refers to person's feelings of obligation to stay within the organization. In other words, employees remain in the organization because they ought to do so. It is proposed that normative commitment is influenced by person's experiences both before and after entering the organization. This means that not only organizational socialization but also socialization that occurs in the families and society at large also affects how employee's normative commitment develops (Allen & Meyer, 1990; Markovits, Boer & van Dick, 2013).

Table 2.1.Summary of Allen and Mayer's type of commitment

S/No.	Types of commitment	Reasons for committing
1	Affective commitment	Desire, feeling of belonging
2	Continuance commitment	Lack of alternatives, consequences of leaving
3	Normative commitment	Moral obligations

III. Cohen's Model of Commitment

Regardless of similarities in the name with previously introduced Allen and Meyer's model, this one sees commitment in a different way. One of the biggest differences is that this model includes timeframe. It makes distinction between organizational commitment that develops before entering the organization and commitment developed after the entry. The other two dimensions are bases of commitment, whether it is instrumental or psychological attachment (Cohen, 2007).

1. Instrumental commitment

Is the attachment based on more tangible exchange relationship, like rewards and salary (Cohen, 2007).

2. Psychological attachment

Psychological attachment is perceptions of justice, perceptions of organizational support and transformational leadership (Cohen, 2007).

2.4 Relationship between organizational culture and organizational commitment

The implicit link between organizational culture and organizational commitment has long been recognized in both mainstream management literature. The relationship between the leadership and organizational commitment moderated by the organization culture (Li Yueh Chen, 2004).It has been observed that organizational culture can help raise the commitment levels of the employees.

Many researchers have supported the significance of culture for organizational commitment. A bureaucratic working environment often results in negative employee commitment, whereas, a supportive working environment results in greater employee commitment and involvement (Brewer, 1993).
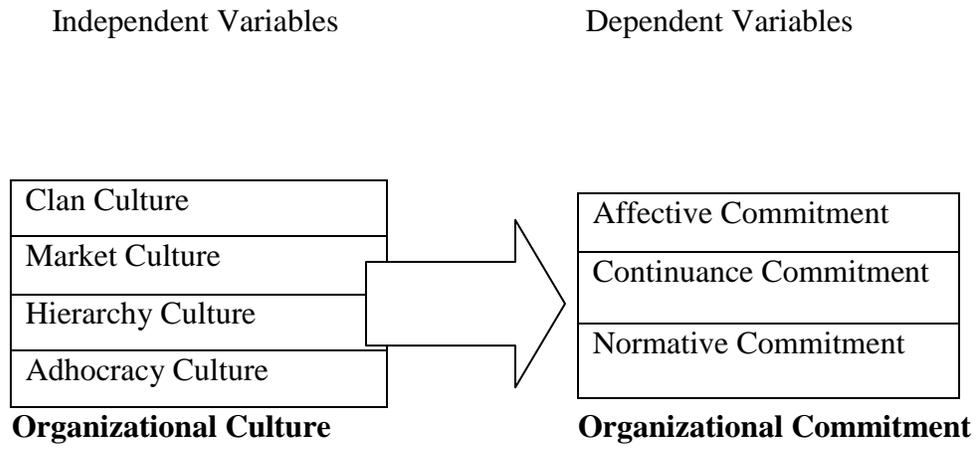
And other studies do indicate that employees' commitment to the values and goals of an organization, teamwork and socialization are of utmost important (Deshpaude and Farley, 1999). They strained that the issue of how the commitment of employees to their jobs are sustained depend on the existing culture in an organization.

Managers always expect their employee to be committed for the organization with or without creating a culture which allows the employee to achieve organizational targets. Commitment is the bond employees experience with their organization. In general, employees who are committed to their organization commonly feel a connection with their organization, feel that they fit in and, feel they understand the goals of the organization. Which implies culture plays a very vital role on the commitment of the existing as well as the newly coming employees of an organization.

At the same time, there are researches that prove that culture alone do not have a strong significant effect on the employee commitment levels (Williams, Rondeau, and Francescutti, 2007), but with the help of other factors like leadership, wellbeing, support mechanisms, human resource practices etc., culture can help raise the commitment levels of the employees (Steyrer , Schiffinger, and Lang, 2008).

Though we cannot draw a clear picture to present these relationships between the organizational culture and organizational commitment, they are usually interplayed together. In a study of Hong Kong and Australian managers, found a positive effect of corporate culture on organizational commitment. Hodge, Anthony and Gales, Greenberg and Baron state that culture plays several important roles within an organization, such as, that it provides a sense of identity; generates organizational commitment, as well as commitment to the organization's mission; and clarifies and reinforces standards of behavior. Greenberg and Baron further state that if organizations serve these three important roles, then it will be clear that culture is an important force that influences employee attitudes and behaviors within organizations. This will result in the employees being more committed to their organization, and therefore they will deliver higher standards of service (Greenberg and Baron, 2003).

Figure 2.1.Conceptual framework

Independent Variables   Dependent Variables

Clan Culture
Market Culture
Hierarchy Culture
Adhocracy Culture

Organizational Culture

Affective Commitment
Continuance Commitment
Normative Commitment

Organizational Commitment

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research Design and Approach

Explanatory Research Design was adopted which can help the researcher to achieve the objectives sated because; the primary purpose of Explanatory Research is to explain why events occur to build, elaborate, extend or test theory; it tries to explain why a particular social phenomenon occurs (C.R. Kothari, 2004).

Quantitative Research Approach emphasize objective measurements and the statistical, mathematical, or numerical analysis of data collected through questionnaires, and surveys, or by manipulating pre-existing statistical data using computational techniques. Therefore, in this research applying quantitative research approach is reliable and appropriate to reach the stated objectives accurately.

3.2. Data Collection Instruments

The two most commonly used primary data collection methods are the questionnaire and the interview. Both questionnaire and interviews have distinct features that have a bearing on the correct and appropriate use of specific data collection purposes (Saunders, Lewis and Thorn hill, 2009). The primary data was collected using structured close ended questioners namely "Organizational Culture Assessment Instrument'' and "Organizational Commitment Scale" which is developed by Kim Cameron & Robert Quinn, 1999 and Meyer & Allen 1990 respectively, with five point Likert Scale degree from 1 - 5 of agreement with each statement. The questioners was also used to collect demographic data about gender, age, number of years worked in EBG and other relevant information for the study.

The questioner was using English as a medium of communication because translation may affect the direction of the central concept of the authors. Distribution and collection of the questioner was taken two weeks. The researcher performed data entry parallel with the data collection process.

3.3. Population and Sampling Techniques

The researcher's population is composed of employees from different department of EBG. The target population of the study consists of 385 employees of Equatorial Business Group. The population excludes employees who are working at security and driving since their education background were below grade 10 and by assuming that they will not clearly understand the questioner.

Samplings is process of choosing a smaller and more manageable number of people to take part in the research process and generalize the results to the whole of the research population (Catherine, 2002).The researcher selected sample size of 197 from the total businesses lines of the organization, i.e. Automotive, Energy, Pharmaceuticals, Elevator& telecom, Human Resource and Finance using the Taro Yamane's formula for a finite population standard with 95% confidence level of interval (0.05 margin of error).Thus, the size of sample from different department was proportional to the size of the strata or department.

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

Where:

   n = total number of sample size needed

   e = margin of error (Tolerable error)

   N = Total number of population

$$n = \frac{385}{1+385(0.05)^2}$$

$$n = 196.18 \approx \underline{197}$$

Table 3.1.Summary of sample size from each department

S/no.	Department	N	n
1	EVB & ELVB	142	73
2	EEB	82	42
3	EPB	48	25
4	EETB	71	36
5	HR & SGS	25	13
6	FN	17	8
Total		**385**	**197**

3.4. Measurement

A research uses two separate questioners tagged "Organizational Culture Assessment Instrument" and" Organizational Commitment Scale" for the generation of primary data, which consist of two sections: OCAI measures the four dimensions of organizational culture while OCS, measures the three components of employees' organizational commitment, which is originally developed by (Kim Cameron & Robert Quinn, 1999) and (Meyer & Allen, 1990) respectively. The instruments are self-explanatory and were completed individually by respondents. Supervision is not necessary, a covering letter was attached to the questionnaire, explaining the aim of the study, reassuring respondents of the confidentiality of responses and giving instructions for completing the questionnaire. A questionnaire on biographical information was included, containing questions on the variables of age, gender, marital status years of service and highest qualification. The OCQ and OCS were distributed to all respondents in the sample.

A concept which can take on different quantitative values is called a variable. If one variable depends upon or is a consequence of the other variable, it is termed as a dependent variable, and the variable that is predecessor to the dependent variable is termed as an independent variable. In this study Organizational Culture is served as independent variables. The subscales for these variables are found in the OCAQ namely; Clan Culture, Adhocracy Culture, Hierarchy Culture and Market Culture. Alternatively, Employee Commitment is the dependent variables**.** The

subscales for these variables which are found in the Employee Commitment Questioner those are affective, continuance, and normative commitment scale of the OCQ.

3.5. Reliability and Validity

The researcher sent the questionnaire covering letter to all the participants in advance to address any queries they have in understanding the questions. This method helps get an accurate output, in addition to the selected research approach (Quantitative) which gives standard output to be interpretation.

3.6. Data Analysis

The data was analyzed through Quantitative approach with mean, standard deviation, percentage and figures to elaborate the demographic background of respondents and to investigate the existing organizational culture, level of organizational commitment; the Persona Correlation Coefficient was applied to the questioner to determine whether there is any significant relationship between organizational culture and employees' commitment.

The Data obtained through questionnaire was calculated through Statistical Package for Social Science (SPSS) software IBM version 23 then; the data was grouped into tables, figures and graphs to be analysis, summaries and recommend.

3.7 Ethical Considerations

Confidentiality and privacy are some of the most corner stone of field research activities in order to get relevant and appropriate data. The researcher assured the purpose of the research paper and confidentiality of any information gathered on the introductory part of the research Questioner.

CHAPTER FOUR

RESULT PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. INTRODUCTION

The purpose of this chapter is to summarize the collected data and the statistical treatment, and mechanics, which were described in chapter three, will be applied to the data, and the results obtained in this chapter. According to the population taken to calculate the sample size the total number of samples needed to represent the whole population was 197 but, out of this sample size 9 questioners were excluded due to 2 incomplete responses and 7 of them were not returned. Therefore, the response rate was 94.9%.

Descriptive statistics such as figures, frequencies and percentages for definite variables, means and standard deviations are presented. The Persona's correlation coefficient (r) technique was applied to investigate the relationship between the two variables, organizational culture and employee commitment.

4.2. Demographic Background of Respondents

Figure 4.1.The Age range of respondents
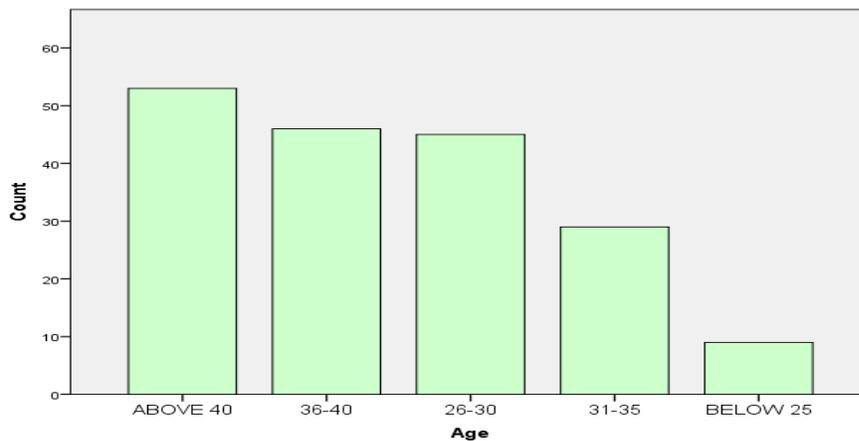
Source; Survey data, 2017

The above diagram represents demographic background of respondents. The research categorizes age group of respondents in to five on the questionnaire to ease the analysis. Accordingly, out of 188 respondents who answered the questionnaires, only 9 respondents were under 25 years of age which consists the list percentage in the respondents age which is 4.79% and 45 respondents are between the ages of 26 – 30 they make up about 23.94% of the total respondents.15.43% of the respondents. 15.43% of the respondents are between the age of 31 -35. Between the ages of 36– 40 respondents make up 24.47% of the total number of respondents. The remaining respondents are above 40 years around 28.19% which is the highest percentage of all.6 respondents omit mentioning their age group.

Table 4.1.Sex of respondents

Sex		Frequency	Percent
	Male	93	49.47
	Female	91	48.40
	Total	184	97.87
Missing	System	4	2.13
Total		**188**	**100.00**

Source; Survey data, 2017

As illustrated in the above table 4.1.Out of the total respondents 49.47% were male and the remaining 48.4% were female. 4 respondents omit to mention their sex group which makes 2.13% of the total respondents. From these we can observe that the sex mixes of respondents are equivalent which implies a balanced selection of respondents.

Figure 4.2.Academic Qualification of respondents
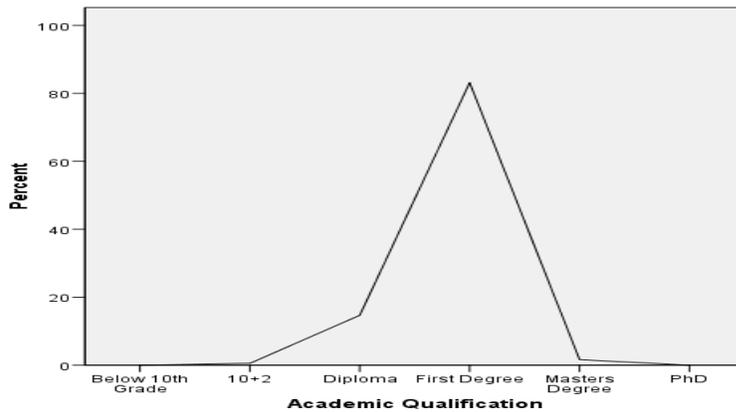
Source; Survey data, 2017

In attempt to ascertain the educational qualification of the respondents, respondents were required to provide their educational qualification. The qualifications were classified in to six categories as shown in the diagram 4.2. i.e. 1 (0.53%) respondent is 10+2 and 27 (14.36%) are diploma holders and the majority of the respondents consisting 153 (81.38%) are degree holders and the remaining 3 (1.6%) respondents have post graduate degree. 4 (2.13%) of the respondents omit to specify their educational level qualification.

Table 4.2.Marital Status of respondents

Marital Status		Frequency	Percent
	Married	121	64.36
	Single	63	33.51
	Total	184	97.87
Missing	System	4	2.13
Total		**188**	**100.00**

Source; Survey data, 2017

The respondents were also asked to provide their marital status. Accordingly 121 respondents state that they are married and the remaining 67 employees describe that they are single except 4 employees who omitted their marital status as illustrated in the table above.

Figure 4.2.Respondents year of Service
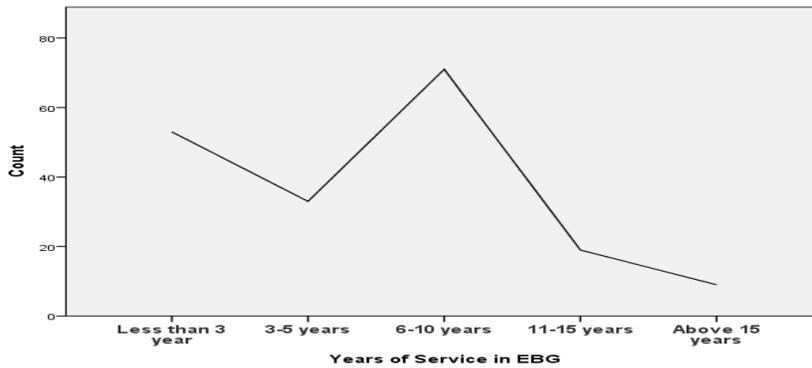
Source; Survey data, 2017

Data gathered through questioner regarding how long the respondents serve the organization as shown in the above chart; 53 (28.19%) of the respondents serves less than 3 years. 33 (17.55%) of the respondent have serves the organization between the years 3 – 5. 71 (37.77%) of the respondent haves served the organization 6 – 10 years which is the highest percentage off all. 19 (10.11%) of the respondent serves the organization between 11 – 15 years. The remaining 9 respondent serves the organization more than 15 years. 3 respondents omit to state their year of service at the organization. Most of the respondents served an average year of service at the organization.

4.3. DESCRIPTIVE STATISTICS

Illustration is done using Mean score and Standard Deviation (SD) with total number of respondents of the existing organizational culture at the selected organization. The minimum mean score is 1 and the maximum mean score is 5. Thus mean score indicates the average result of respondents in each of the existing culture and commitment of the organization (EBG).

The participant were asked to indicate the extent to which they agree with each statements ranging from strongly disagree, disagree, neutral, agree and strongly agree points of five alternatives that correspond to the four culture types, I.e. clan culture, Adhocracy culture, Market culture and Hierarch culture and the three commitment type according to the present organization.

4.3.1. ORGANIZATIONAL CULTURE

Respondents judge the four dimensions of their organizational culture using the following defining elements: Dominant Characteristics, Organizational Leadership, Management of Employees, Organizational Glue, Strategic emphases and Criteria of success.

Table 4.3. Adhocracy Culture

Descriptive Statistics	Mean	Std. Dev.
The organization is a very dynamic entrepreneurial place. People are willing to stick their necks out and take risks.	1.89	1.09
The leadership in the organization is generally considered to exemplify entrepreneurship, innovating, or risk taking.	2.43	1.51
The management style in the organization is characterized by individual risk-taking, innovation, freedom, and uniqueness.	1.76	0.70
The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.	2.37	0.97
The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.	2.38	1.46
The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator	2.98	1.32
Total of Adhocracy	2.30	0.80

Source; Survey data, 2017

As indicated in the table the maximum mean score of respondents is 2.98 with SD of 1.32 and the minimum mean score is 1.76 and SD 0.70 which states that Adhocracy Culture is the least dominant characteristics of the organization with average mean score of 2.3 and SD of 0.80.

To be Innovator, entrepreneur, visionary leaders' are less likely found in such type of this organization. Value driver's are other than Innovative outputs, transformation and ability.

Theory for Effectiveness like: innovativeness, vision and new resources produce effectiveness, and Quality Strategies are not well encouraged.

As we can see from the table below the maximum mean score of respondents 3.17 with SD 1.40 and the minimum mean score of 1.77 and SD 0.89, with average mean score of 2.35 and SD 0.55 states that Clan Culture is the second least dominant culture type of the organization. Leaders give less attention to facilitate, mentor, build team. Values are driven by other factors other than commitment, communication and development.

Table 4.4.Clan Culture

Descriptive Statistics	M	SD
The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.	2.21	1.09
The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.	3.17	1.40
The management style in the organization is characterized by teamwork, consensus, and participation.	2.10	0.96
The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.	1.90	1.01
The organization emphasizes human development. High trust, openness, and participation persist.	2.91	1.35
The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.	1.77	0.89
Total of Clan Culture	2.32	0.55

Source; Survey data, 2017

Market culture is find to be the second most dominant organizational culture type with lowest mean score 1.96 and SD 0.99 and outmost mean score 3.96 and SD1.26,Average mean score of 2.57 and SD 0.49One can tell from this the Leader tend to be hard driver, competitor, producer. Also there is a slight value driver of market share, goal achievement and profitability.

Table 4.5.Market Culture

Descriptive Statistics	Mean	Std. Dev.
The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.	2.01	1.21
The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.	2.03	1.06
The management style in the organization is characterized by hard driving competitiveness, high demands, and achievement.	1.96	0.99
The glue that holds the organization together is the emphasis on achievement and goal accomplishment. Aggressiveness and winning are common themes.	2.27	1.27
The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.	3.12	1.51
The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.	3.96	1.26
Total of Market Culture	2.57	0.49

Source; Survey data, 2017

Table 4.6.Hierarchy Culture

Descriptive Statistics	Mean	Std. Dev.
The organization is a very controlled and structured place. Formal procedures generally govern what people do.	3.94	1.21
The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency	3.03	1.19
The management style in the organization is characterized by security of employment, conformity, predictability, and stability in r/ships.	3.85	0.96
The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.	4.01	1.10
The organization emphasizes permanence and stability. Efficiency, control and smooth operations are important.	4.08	1.27
The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling and low-cost production are critical.	4.05	0.92
Total of Hierarchy Culture	3.87	0.37

Source; Survey data, 2017

Majorities of the respondents agreed on the hierarchy culture with highest mean score 4.05 and SD 0.92 and minimum mean score 3.03 and SD 1.19. The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.

The strategic emphasis of the organization stresses on permanence and stability. Efficiency, control and smooth operations are important, which is suitable on the hierarchy culture type with Average Mean score 3.87 and SD 0.37.

From the above findings we can generalize that the hierarchy culture is the dominant culture type that scored the largest mean in all the six dimensions of the organization (EBG). Procedures govern what people do. The leaders pride themselves on being good coordinators and organizers

who are efficiency minded. Maintaining a smooth-running organization is most critical. Formal rules and policies hold the organization together. The long-term concern is stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling and low cost. The management of employees is concerned with secure employment and predictability.

4.3.2. EMPLOYEES COMMITMENT

Employees Commitment can be seen from three dimensions i.e. Affective Commitment, Normative commitment and Continuance commitment. Respondents were asked to indicate the extents to which they agree with each statement.

Table 4.7.Affective Commitment

Descriptive Statistics	Mean	Std. Dev.
I would be very happy to spend the rest of my career with this organization.	2.11	1.07
I really feel as if this organization's problems are my own.	1.90	1.12
I do not feel a strong sense of "belonging" to my organization. (R)	3.96	1.10
I do not feel "emotionally attached" to this organization. (R)	3.65	1.32
I do not feel like "part of the family" at my organization. (R)	3.98	1.08
This organization has a great deal of personal meaning for me.	2.67	1.42
Total of Affective Commitment	3.07	0.35

Source; Survey data, 2017

As illustrated in the table above affective commitment is found to be the most influential organizational commitment with lowest mean score 1.9 and SD 1.12 and outmost mean score

3.96 and SD1.32, Average mean score of 3.07 and SD 0.35. From the three reverse keyed questions with higher mean can clarify that the respondents don't have a satisfying perception with respect to affective commitment to their organization. Employees have a weak belief to accept the organization's goals and values; a willingness to exert considerable effort on behalf of the organization; and a weak desire to maintain membership in the organization.

Table 4.8.Continuance Commitment

Descriptive Statistics	Mean	Std. Dev.
Right now, staying with my organization is a matter of necessity as much as desire.	3.18	1.37
It would be very hard for me to leave my organization right now, even if I wanted to.	2.17	1.13
Too much of my life would be disrupted if I decided I wanted to leave my organization now.	2.97	1.30
I feel that I have too few options to consider leaving this organization.	2.28	1.22
If I had not already put so much of myself into this organization, I might consider working elsewhere.	1.83	0.88
One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.	3.74	1.40
Total of Continuance Commitment	2.82	1.03

Source; Survey data, 2017

As indicated in the table the maximum mean score of respondents 3.74 with SD 1.37 and the minimum mean score of 1.83 and SD 0.88 states that continuance commitment is the second most following type of organizational commitment of the organization with average mean score of 2.82 and SD of 1.03, staying with the organization is a matter of necessity as much as desire. To be Innovator, entrepreneur, visionary leaders' are less likely found in such type of this organization. Value drivers are other than Innovative outputs, transformation and ability.

Theory for Effectiveness like: innovativeness, vision and new resources produce effectiveness, and Quality Strategies: i.e. surprise and delight, creating new standards, anticipating needs, continuous improvement, finding creative solutions are not well encouraged.

Normative commitment refers to employees' perceptions of their obligation to their organization, and it is found to be the least most influential commitment type among the other two commitment types with an average mean and SD scores of 2.33 and 0.59 respectively.

Table 4.9.Normative Commitment

Descriptive Statistics	Mean	Std. Dev.
I do not feel any obligation to remain with my current employer.(R)	4.36	0.72
Even if it were to my advantage, I do not feel it would be right to leave my organization now.	1.90	1.04
I would feel guilty if I left my organization now.	1.65	0.69
This organization deserves my loyalty.	1.72	0.88
I would not leave my organization right now because I have a sense of obligation to the people in it.	2.54	1.41
I owe a great deal to my organization.	1.81	0.98
Total of Normative Commitment	2.33	0.59

Source; Survey data, 2017

From the above findings we can conclude that the most preferred organizational commitment of EBG is affective commitment. They prefer an employee's positive emotional attachment to the organization. Meyer and Allen pegged affective commitment as the "desire" component of organizational commitment. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. (Meyer and Allen, 1990).

4.4. CORRELATION ANALYSIS

The Persona's correlation coefficient (r) is a technique for investigating the relationship between two variables, in this case Organizational Culture and Organizational Commitment. Pearson's correlation coefficient (r) can only take one values from -1 to +1. The sign out the front indicates whether there is a positive correlation i.e. as one variable increases, so does the other or a negative correlation i.e. as one variable increases, the other decreases. A perfect correlation of 1 or -1 indicates that the value of one variable can be determined exactly by knowing the value on the other variable. A scatter plot of this relationship would show a straight line. On the other hand, a correlation of 0 indicates no relationship between the two variables. A scatter plot would show a circle of points, with no pattern evident (Pallant, 2011).

The other method used in correlation analysis was statistical significance. The level of statistical significance does not indicate how strongly the two variables are associated, but instead it indicated it indicates how much confidence we should have in the size of the result obtained. The significance of r is strongly influenced by the size of the sample. In a small sample i.e. n= 30, we may have moderate correlation that do not reach statistical significance of the tradition p< 0.05 level. In large samples m= 100+, however, very small correlations e.g. r = 0.2 may reach statistical significance (Pallant, 2011).

Table 4.10.Correlations of Organizational Culture and Employees Commitment

Com. Culture	Affective Commitment	Continuance Commitment	Normative Commitment
Clan Culture	0.39^{**}	0.57**	0.58**
Adhocracy Culture	0.64^{**}	0.82**	0.72^{**}
Market Culture	0.31^{**}	0.38**	0.41^{**}
Hierarchy Culture	(0.11)	(0.41)**	(0.51)**

**. Correlation is significant at the 0.01 level (1-tailed).
Source; Survey data, 2017

The following guidelines are used on the strength of the relationship of variables: small r= 0.10 to 0.29, medium r =0.30 to 0.49 and large r= 0.50 to 1.0. These guidelines apply whether or not there is a negative sign out the front of your r value. This guideline was used in this research to decide the strength of the relationship of the two variables (Cohen, 1988).

4.4.1. Organizational culture and Affective commitment

As shown in the table 4.8, above existing clan culture has a medium and positive relationship with affective commitment with r value of 0.39**. It has statistically significant relationship because r value falls within the significance level. Existing adhocracy culture and affective commitment has a strong positive relationship with r value of 0.64** and statistically significant relationship.

The correlation between existing market culture and affective commitment has a statistically significant relationship with medium and positive r value 0.31**.

Since r value is -0.11 the relationship is not significant i.e. there is large enough possibility to be unlikely to have occurred therefore, hierarchy culture has inverse and weak relationship with affective commitment.

4.4.2. Organizational culture and continuance commitment

Table 4.8 illustrates that the existing clan culture and continuance commitment has a strong and statistically significant relationship with r value of 0.57**. Existing adhocracy culture has the strong, statistically significant and positive correlation with continuance commitment with r value 0.82**.

On the other hand, the existing market and hierarchy culture is 0.38** and -0.41** small positive and negative r value respectively with a statistically a significant relationship in both cases.

4.4.3. Organizational culture and normative commitment

Finally the table analysis that: existing clan and adhocracy culture has a strong, positive and statistically significant relationship with normative commitment with r value 0.58** and 0.72** respectively.

Existing market culture has a medium and positive r value of 0.41** with statistically significant relationship. Since r value is negative there is an inversely strong and statistically significant relationship with normative commitment with r value -0.51**.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. SUMMARY

The organization's most dominant culture is Hierarchy. It's a type of culture were procedures govern what people do. Maintaining a smooth-running organization is most critical. The long-term concern is stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling and low cost. The management of employees is concerned with secure employment and predictability (Zain , 2009).

Adhocracy culture is the most preferred culture of the organization with positive, strong as well as statistically significant correlation with organizational commitment, it's a kind of culture where dynamic, entrepreneurial, and creative place to work. The leaders are considered innovators and risk takers. The glue that holds the organization together is commitment to experimentation and innovation. The organization's long term emphasis is on growth and acquiring new resources. The organization encourages individual initiative and freedom (Zain, 2009). Therefore it is a flexible, adaptable and informal form of organization that is defined by a lack of formal structure. It operates in an opposite fashion to a bureaucracy (Hierarchy).

From the whole correlated variables the researcher originates the level of organizational commitment as follows;

❖ There is a very strong and positive correlation between continuance commitment and normative commitment with clan culture with a statistically significant relationship in both cases.

❖ Organizational commitment has positive and strong correlation with adhocracy culture type and statistically significant relationship in all types of organizational commitment.

❖ Organizational commitment has positive and medium correlation with market culture type also statistically significant relationship in all cases.

❖ Organizational commitment has a negative as well as both weak and strong correlation with hierarchy culture type.

The research determined that Organizational culture and organizational commitment have a significant relationship. But their relation is both positive and negative which is a nonzero correlation between organizational culture and organizational commitment.

5.2. CONCLUSION

The empirical study focused on the relationship between organizational commitment and organizational culture. The rationale for this focus was to identify organizational members' perceptions of the existing and preferred organizational culture, in order to determine the relationship between organizational culture and employees' level of organizational commitment at Equatorial Business Group Plc.

Organizational culture influences organizational commitment directly or indirectly through values and beliefs enacted in organizational policies and practices (Black, 1999).This influence occurs when organizational members find organizational values and beliefs to be either congruent or incongruent with their personal values and beliefs (Meyer & Allen, 1997). This theoretical bond between organizational culture and organizational commitment suggests that organizational commitment is an outcome of organizational culture.

The empirical research shows that respondents are more affectively committed to the organization when the existing culture is perceived to be not governing. Affective commitment is also high when the existing culture is perceived as least dominant. The results further indicate that affective commitment is high when respondents perceive the preferred culture as dominant and the existing culture as least dominant. The correlation analysis indicates a strong relationship between affective commitment and the preferred adhocracy culture.

It arises from this study that organizational culture is key to understanding and manipulating organizational commitment at EBG. In fact, Organizational culture is central to any activity in the organization (Singh, 2007). The current research also has clear theoretical and practical implications for understanding the dynamics of organizational commitment.

From the outcomes we can conclude that employees of the organization are not pleasant about the existing dominant organizational culture which is hierarchy. Adhocracy culture and clan culture types are more able to bring in organizational commitment than market culture.

5.3. RECOMMENDATIONS

Despite the limitations of the present study it is one of the attempts to empirically investigate relationship between organizational culture and organizational commitment in Equatorial Business Group plc. Based on the findings, the following recommendations are forwards:

❖ It is suggested that leaders of EBG should pay more consideration to develop more awareness to the existing and preferred organizational culture in order to build its level of commitment.

❖ Organizational commitment of employees may be increased by changing the organizational culture in the direction of culture fit (Meyer, 2010) which implies that organizational culture plays a very important role in organizational commitment.

❖ Because there is a significant relationship between organizational culture and organizational commitment, the organization should attempt to modify its dominant hierarchy organizational culture to adhocracy and clan culture since both culture types has been found to have a significant positive relationship with level of employee commitment.

❖ The recent high labor turnover the organization is experiencing and the decline in profit and loss of company's major customers can be solved by building a better understanding of the concept of culture and the organizational commitment which allow managers in organizations to solve problems and improve employee performance. If employees are not shaped and engraved to the organization's culture, their organizational commitment will diminish. One of the dimensions of employees' commitment is how much employees feel the need to stay at their organization (Allen & Meyer, 1990). Therefore, organizations often try to foster commitment in their employees to achieve stability and reduce costly turnover. Research has consistently demonstrated that commitment does indeed contribute to a reduction in turnover (Tett& Meyer, 1993; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002).

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Annex: Questionnaire

<center>

Saint Mary's University

School of Graduate Studies

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Dear Respondents, my name is Ruth Aregu; I am carrying out a research project at Equatorial Business Group Plc in partial fulfillment of the requirements for the award of Master's degree in Business Administration. The study is entitled: **The relationship between Organizational Culture & Employees Commitment in the case of Equatorial Business Group.** The response have an add value for the successful completion of this research. The information will be used for academic purpose only. Therefore, please take some minutes of your precious time to fill this questioner and return it as soon as possible. Sincerely, Ruth Aregu
0912 462 470

SECTION A: DEMOGRAPHIC FACTORS

1. Your age;

a) Below 25 years € b) 26-30 € c) 31-35 € d) 36-40 € e) above 40 €

2. Sex; a) Male € b) Female €

3. Marital Status; a) Married € b) Single €

4. Academic qualification;

a) below 10th grade € b) 10+2 € c) Diploma € d) First Degree €

e) Master's Degree € f) PhD €

5. Year of Service in EBG;

a) Less than 3 year € b) 3-5 years € c) 6-10 years € d) 11-15 years   €

e) Above 15 years €

Please indicate the extent to which you agree with each statement below by putting a "√"mark in the appropriate column in the table below against each of the response scales. If you have any queries don't hesitate to ask.

SD = Strongly Disagree ; D = Disagree; N= Neutral ; A = Agree; SA = Strongly Agree

SECTION B: ORGANIZATIONAL CULTUR FACTORS

S/N	Statement	SD	D	N	A	SA
1	The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.					
2	The organization is a very dynamic entrepreneurial place. People are willing to stick their necks out and take risks.					
3	The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.					
4	The organization is a very controlled and structured place. Formal procedures generally govern what people do.					
5	The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.					
6	The leadership in the organization is generally considered to exemplify entrepreneurship, innovating, or risk taking.					
7	The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.					
8	The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.					
9	The management style in the organization is characterized by teamwork, consensus, and participation.					
10	The management style in the organization is characterized by individual risk-taking, innovation, freedom, and uniqueness.					
11	The management style in the organization is characterized by hard driving competitiveness, high demands, and achievement.					

S/N	Statement	SD	D	N	A	SA
12	The management style in the organization is characterized by security of employment, conformity, predictability, and stability in r/ships.					
13	The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.					
14	The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.					
15	The glue that holds the organization together is the emphasis on achievement and goal accomplishment. Aggressiveness and winning are common themes.					
16	The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.					
17	The organization emphasizes human development. High trust, openness, and participation persist.					
18	The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.					
19	The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.					
20	The organization emphasizes permanence and stability. Efficiency, control and smooth operations are important.					
21	The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.					
22	The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator.					
23	The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.					
24	The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling and low-cost production are critical.					

SECTION C:ORGANIZATIONAL COMMITMENT FACTORS

S/N	Statement	SD	D	N	A	SA
1	I would be very happy to spend the rest of my career with this organization.					

S/N	Statement	SD	D	N	A	SA
2	I really feel as if this organization's problems are my own.					
3	I do not feel a strong sense of "belonging" to my organization. (R)					
4	I do not feel "emotionally attached" to this organization. (R)					
5	I do not feel like "part of the family" at my organization. (R)					
6	This organization has a great deal of personal meaning for me.					
7	Right now, staying with my organization is a matter of necessity as much as desire.					
8	It would be very hard for me to leave my organization right now, even if I wanted to.					
9	Too much of my life would be disrupted if I decided I wanted to leave my organization now.					
10	I feel that I have too few options to consider leaving this organization.					
11	If I had not already put so much of myself into this organization, I might consider working elsewhere.					
12	One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.					
13	I do not feel any obligation to remain with my current employer.(R)					
14	Even if it were to my advantage, I do not feel it would be right to leave my organization now.					
15	I would feel guilty if I left my organization now.					
16	This organization deserves my loyalty.					
17	I would not leave my organization right now because I have a sense of obligation to the people in it.					
18	I owe a great deal to my organization.					

Thank You for your co-operation!