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

THE EFFECT OF ORGANIZATIONAL CULTURE ON
ORGANIZATIONAL EFFECTIVENESS: THE CASE OF COMMERCIAL
BANK OF ETHIOPIA

BY

SHEMSU MOHAMMED AWOLE
ID SGS/0305/2008A

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DECLARATION

I declare that this thesis is my original work and prepared under the guidance of **Temesgen Belayeneh (PhD)** All the sources of material used for this thesis have been duly acknowledged. I further confirm that this thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of awarding any degree.

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ENDORSEMENT

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

Temesgen Belayeneh (PhD)

Advisor	**Signature & Date**

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In the Name of Allah, Most Gracious, Most Merciful
First and foremost, I would like to thank Allah S.W.T. for granting me the strength, courage, patience

and inspirations in completing this work. Alhamdulillah!!

My sincerely gratitude goes to my supervisor Temesgen Belayeneh (PhD) for his time,

Counsel and incredible contribution to the success of this work.

Acronyms

CEO : Chief Executive Officer
CBE : Commercial Bank of Ethiopia
HRM: Human Resource Management
OC: Organizational Culture
OE: Organizational Effectiveness
SPSS20: Statistical Package for Social Science

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Abstract

Even though there is an assumption that organizational culture is one variable which can affect an organization's function but there are few studies explicitly discuss the effect it has on organizational effectiveness. The main purpose of this study was to examine four traits of organizational culture; involvement, consistency, adaptability and mission and how they affect organizational effectiveness More than the other dimensions, Consistency has the highest impact on organizational effectiveness. i.e. Consistency has 37.8% of contribution on Organizational Effectiveness of in the case of Commercial Bank of Ethiopia (CBE). For the study the researcher deployed explanatory research design and non probability convenience sampling method. The data had been gathered through structured questionnaire from 125 current employees of CBE and an in-depth interview with managers in CBE. The collected data were analyzed using statistical package for social science (SPSS) version 20. Descriptive statistics/frequency distribution and tables were used. This study takes place through two methods; the qualitative provided an explanatory analysis of management perception on the overall effect of organizational culture on CBE's organizational effectiveness. And the quantitative study results show the predictive value of on the four indicators of organizational effectiveness of CBE especially on employee satisfaction and organizational commitment. The research also shows that if employees are committed and share the same norms and values as per the organization, it could increase the effectiveness towards achieving the organizational goals. The study suggested that an emphasis should be given on CBE's involvement, adaptability and consistency practices in order to enhance the effectiveness of employees' satisfaction and commitment and customers' satisfaction.

Keywords: organizational culture, effectiveness

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Effectiveness of an organization cannot be achieved without effective management of human resource. Human resource management is essential to manage employees effectively in order to help the organization achieve competitive advantage. The achievement of goal for any organization largely depends on the knowledge, skill, ability, commitment, wisdom, and attitude of the human resource (Mathis and Jackson, 2010).

According to Xiaoxia and Bing, (2013), Organizational culture has been considered as one of important core competencies of an organization. The individuals, groups and the organization as a whole are running under its culture although it is almost intangible. Extensive research has shown that such human resource practices can make a significant impact on firm's effectiveness. HRM strategies aim to support programs for improving organizational effectiveness by developing policies in such areas as knowledge management, talent management and generally creating 'a great place to work'. The ability of an organization to use its human capital as a core competency depends in part on the organizational culture that is operating. It is sure that there are many factors increasing the level of effectiveness of an organization and as a different aspect, organizational culture can be one factor.

According to Gjuraj, (2013) culture itself is a product of a group of people living at the same place and having shared attitudes, values, beliefs, assumptions, and behavior. People who belong to a certain culture have similar norms, history, religion, values and artifacts which distinguish them from others. It is deep in that it guides individual actions even to the extent that members are not even aware they are influenced by it.

Organizational culture refers to a system of shared meaning held by members that distinguish the organization from other organizations and the set of key values, assumptions, beliefs, understandings, and norms that members of an organization share. (Robbins &judge, 2007)

The Effectiveness of organizations in achieving goals at the organizational level is called Organizational Effectiveness. The organizational effectiveness is also defined as the extent to which an organization fulfils the objectives. The topic of organizational effectiveness emphasized process control, information management and goal setting. (Aktas, Cicek and Kiyak, 2011).

One of the most important reasons that explain the interest in organizational culture is the assumption that certain organizational cultures lead to an increase in organizational effectiveness. According to Peters and Waterman (1982) successful organizations possess certain cultural traits of excellence. Ouchi (2001) showed a positive relationship between organizational culture and effectiveness.

Even though the literature on organizational culture and its relationship with organizational effectiveness is rich and diverse, there are very few empirical studies that actually examined the nature of this relationship in most of Ethiopian governmental organizations. For this reason, this study examined, based on empirical research, the link between culture and organizational effectiveness specifically in Commercial Bank of Ethiopia (CBE).

1.2 Statement of the Problem

Organizational researchers as Ouchi (1980) have examined organizational culture as a source of competitive advantage but explicit theories that do exist have not been developed and applied in local organizations like CBE.

Numbers of studies have been conducted between organizational culture and major organizational ideas and activities like creativity and innovation(Martins and Terblanche, 2003), productivity and quality(Mathew,2007) and knowledge transfer (Lucas,2006). But with standing organizational effectiveness, only few studies have been conducted. Overall effectiveness is affected by organizational cultural dimensions and this attracted considerable attention for the study. In spite of the above these few researches confirmed that organizational culture is able to

influence the thoughts and feelings, interactions and organizational effectiveness (Saed and Hassan,2000). These implies that organizational culture differ in their level of effectiveness, too. Thus this indicates that there should be thorough study conducted on such area to decrease gaps created within the same case.

According to Andish, Yousefipour, Shahasavaripour and Ghorbanipour (2013), the ability of a particular culture to provide a positive response to organizational changes is one of the factors that organizational culture can be predicted with related to organizational culture. The management in CBE revealed that there is high employee resistance with regard to organizational change, and this motivated the researcher to investigate which cultural variable results this negative impact to organizational effectiveness.

Employee involvement and participation can improve the quality of a decision (Bratton and Gold, 1999).Effective communication is the lifeblood of a successful organization and it reinforces the organization's vision, connects employees to the business, fosters process improvement, facilitates change, and drives business results by changing employee behavior (Aydin and Ceylan, 2009). Historically, CBE's decision making has been very centralized with little empowerment. This pattern is primarily influencing employees to be highly resistant for change. This implies that there is high knowledge gap to exist in employees towards their company's opportunities and problems. Although recent studies conducted in CBE, proves that the degree of turnover within the organization is high for the reason of high degradation of employee's commitment. And according to Brattons and Gold's statement above, the researcher tends to asses CBE's culture on the relationship with employees. Relating CBE and its settings stated above provided the main motivation for this study. The main focus was how to fill the gaps observed more closely with their cultural setting in order to enhance the overall organizational effectiveness. These cultural settings provided the main motivation for this study. The main focus was how to relate this organization more closely with their cultural settings in order to enhance the overall organizational effectiveness.

1.3 Research questions

Little is known about the nature and uniqueness of the CBE 'culture' and its effect on organizational effectiveness. In view of these limitations, there is an attempt in this study to provide answers to the following research questions:

1. What is the level of organizational effectiveness in CBE?
2. What relationship has exists among organizational culture dimensions and organizational effectiveness?
3. Which cultural variables have more effect on organizational effectiveness?
4. How to improve the organizational effectiveness through organizational culture.

1.4 Objectives of the study

In line with the above introduction the following are general and specific objectives:

1.4.1 General objectives

The main aim of this study was to determine the relationship between organizational effectiveness and organizational cultures then investigate to which extent the culture of CBE affects its overall organizational effectiveness.

1.4.2 Specific objectives

The study specifically attempt to:

1. evaluate the level of organizational effectiveness in CBE
2. determine the relationship between organizational culture and organizational effectiveness
3. investigate the effect of organizational culture on organizational effectiveness
4. examine how to improve the organizational effectiveness through organizational culture

1.6   Significance of the study

The study mainly focused on studying the relationship between organizational culture and organizational effectiveness and the effect that organizational culture has on effectiveness of Commercial Bank of Ethiopia. Therefore, this research investigated how organizational effectiveness can be reflected through organizational culture. The main beneficiary of this study is CBE, then the managers and employees, stakeholders under it. Managers can reveal answers for practical problems pertaining to organizational culture and effectiveness so that the bank can re-examine current gaps regarding organizational culture in order to enhance the overall effectiveness of the bank. Employees also can be benefited by this study because safe cultural environment can be developed through this study, if used and applied properly in CBE and keep up their motivation in order to perform their jobs successfully. This research also serves as a reference for researchers who are interested to conduct a research on the topic and is helpful for others to conduct such practical researches.

1.7   Scope of the study

To make the study manageable the study seeks to explain the relationship between the two variables i.e. organizational culture and organizational effectiveness. The study examines the above variables from the establishment of CBE. The study was only carried out on 16 grade 4 branches under SAAD.

1.8   Limitation of the Study

Since organizational culture is a complex phenomenon ranging from underlying beliefs and assumptions to visible structures and practices, it was questionable that whether organizational culture can actually be measured in a comparative sense. Research on the link between organizational culture and effectiveness is also limited by lack of agreement about appropriate measures of effectiveness. In addition to this:

- Difficulty in collecting questioners on time,
- Confidentiality of in formations that can be major input for the research

- Negligence of some respondents, to respond to the questioner openly and timely, lack of sufficient time and finance to conduct the study were also among the various problems encountered by the researcher during the study.

1.8 Operational definitions

- **Culture:** is the set of key values, assumptions, beliefs, understandings, and norms that peoples within the same location.

- **Organizational culture:** refers to a system of shared meaning held by members that distinguishes the organization from other organizations.

- **Organizational effectiveness:** the degree to which an organization achieves its goals and fulfills their objective.

- **Impact:** the extent to which one variable affects the other one.

1.9 Organization of the study

This research paper is consisted of five chapters. The first chapter deals with background of the study, background of the company ,statement of the problem , research questions, objective of the study , significant of the study, scope of the study and organization of the study. The second chapter presents the review of related literatures. The third chapter is all about research design and methodology of the study conducted. Results and discussion are described under chapter four. Finally the chapter is about summary of major findings, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

It is sure that there may be many factors increasing the level of effectiveness in organizations. As a different aspect, this study analyzed the organizational effectiveness from the standpoint of organizational culture. Organizational development has certain factors that improve sustainability on basis of effectiveness. The improvement in productivity leads to employee commitment as norms, values and objectives helps in improving culture of an organization. The system of organization was based upon effective establishment of culture that keep learning environment strong. The performance of employees improves by establishment of strong culture of an organization.

The employee performance would be considered as backbone organization as it leads to its development effectively. The loyalty of employee relies upon knowledge and awareness of culture that improves behavior of organization (Brooks, 2006) Organization culture have first time been identified by Administrative Science quarterly (Pettigrew, 1979). The value and norms of employee's basis, upon management identification that help in improving employees' performance. The awareness of quality helpsin improving organizational and employee development.

Organizational culture of the organization plays a major role, is compatible with the surrounding circumstances, encourage staff to achieve goals. The organization provides unity legitimacy and acceptability in society and the environment is preserved. (Payambarzadeh, 2009) Thinking and behavior of the staff of an organization dominated by the culture of the organization, leading are or at least are influenced by culture. (Hofstede, 2001).Peters and Waterman argue that one of the salient traits of highly successful organizations that are culturally advanced and highly capable .Organizational culture, management style and processes are closely linked. Impressions and ideas of management are given the weather and the organization they represent the rhythm of operations influence on the decision-making process. Enthusiasm arouse to action and culture, the desire to stimulate the creation of a full-scale effort to be personable and future prospects,

such vision that ensures the achievement of organizational goals and hence is subject to the ability, behavior and values of individuals. (Mohanty, 2011).

2.1 Theoretical Literature

2.1.1 Organizational Effectiveness

The organizational effectiveness is defined as the extent to which an organization fulfills the objectives (The topic of organizational effectiveness emphasized process control, information management and foal setting (Denison, Haaland and Goelzer, 2004). Handna and Adas (1996) identified fourteen organizational effectiveness variables into the four general categories for analyzing the organizational characteristics.

In additional to the roles of leaders, the managerial leadership skills possessed by those involved in the culture change process also have an important relationship to personal and organizational effectiveness.

The criteria of effectiveness most highly valued in a hierarchy culture are efficiency, timeliness, smooth functioning, and predictability. The dominant operational theory that drives organizational success is that control fosters efficiency (elimination of waste and redundancy) and therefore, effectiveness. Hierarchy organizations like internal revenue service for example are judged to be effective only if they achieve these dominant characteristics.

The criteria of effectiveness most highly valued in a market culture are achieving goals, outpacing the competition, increasing market share, and acquiring premium levels of financial return. The dominant operational theory that drives organizational success is that competition increasing market share and acquiring premium levels of financial return. The dominant operational theory that drives organizational success is that competition creates an impetus for higher levels of productivity and therefore, higher levels of effectiveness.

In a clan culture, the criteria of effectiveness most highly valued include cohesion, high levels of employee morale and satisfaction, human resource development, and teamwork. The operational theory that dominates this culture type is that involvement and participation of employees fosters empowerment and commitment. Committed satisfied employees produce effectiveness.

Finally the adhocracy most highly values new products creative solutions to problems cutting edge ideas and growth in new markets as the dominant effectiveness criteria. The underlying operational theory is that innovation and new ideas create new markets, new customers, and new opportunities. These outcomes comprise the basic indicators of effective performance.

Steers and Zammuto (1982) described the measurement of effectiveness was the most issue in organizational culture theory. The ultimate purpose of strategic management is to help organizations increase performance through improved effectiveness, efficiency and flexibility. They utilized the planning and goal setting, flexibility and adaptation, information management, communication, readiness evaluations by external entity and stability concepts of organizational effectiveness for consultation management. It included the rules and regulation, sensitivity contributing to the environment, transformation and planning variables. The process control, information management and goal setting importance are emphasized on organizational effectiveness.

2.1.2 Organizational Culture

Culture can be defined as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems any group with a stable membership and a history of shared learning will have developed some level of culture, but a group that has had either considerable turnover of members and leaders or a history lacking in any kind of challenging events may well lack any shared assumptions. Not every collection of people develops a culture; in fact, we tend to use the term *group* rather than, say, crowd or collection of people only when there has been enough of a shared history for some degree of culture formation to have taken place.

Once a set of shared assumptions has come to be taken for granted, it determines much of the group's behavior, and the rules and norms are taught to newcomers in a socialization process that is itself a reflection of culture (Schein, 2004).

Organizational culture is the basic pattern of shared assumptions, values, and beliefs considered to be the correct way of thinking about and acting on problems and opportunities facing the organization. It defines what is important and unimportant in the company.(Mcshane, 2000).

(Schien, 2004)   In his book with the title " organizational culture and leadership" defined Culture as both a dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behavior, and a set of structures, routines, rules, and norms that guide and constrain behavior. When one brings culture to the level of the organization and even down to groups within the organization, one can see clearly how culture is created, embedded, evolved, and ultimately manipulated, and, at the same time, how culture constrains, stabilizes, and provides structure and meaning to the group members.

Also he has stated that being able to perceive and decipher the cultural forces that operate in groups ,organizations, and occupations. Once we learn to see the world through cultural lenses, all kinds of things begin to make senses that initially were mysterious, frustrating, or seemingly stupid. Researchers have supported some of these views by reporting findings that cultural "strength" or certain kinds of cultures correlate with economic performance (Denison, 1990; Kotter and Heskett, 1992; Sorensen, 2002).

2.1.3 Theories of Organizational Culture

Cultural anthropologists have proposed diverse and complex theories of culture that may be characterized by their particular assumptions, slants and emphases.

Schein's Theory of organizational culture

According to Schein's (1981, 1985, and 1992) theory, organizational culture is defined as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as a correct way to perceive, think and feel in relation to those problems (Schein, 1992). According the Schein, organizational culture is the learned result of group experiences, and it is to a large extent unconscious (Schein 1992). Schein considers culture to be a three-layer phenomenon.

The first level of culture consists of visible organizational processes and various artifacts. For example, dress codes and the general tidiness of the workplace are artifacts' that tell something about the organization's culture. The first level, according to Schein, is difficult to interpret, however, because it represents the most superficial cultural phenomena, i.e. only reflections of

the true corporate culture. For example, behavior .which is a cultural artifact is also influenced by countless factors other than a company's culture (Schein 1992).

The second cultural level in the Schein model consists of the organization's espoused values. These are apparent in, for example, the organization's official objectives, declared norms and operating philosophy. Espoused values, however, do not always reflect a company's everyday operations. Most important in terms of operations is the culture's deepest level, namely its underlying assumptions (Schein 1985, 1992).

Denison's Framework of Organizational Culture

Following Schien (1984) at the core of Denison's modelare the underlying beliefs and assumptions that represent thedeepest levels of organizational culture. These fundamentalassumptions provide the foundation from which (1) Moresurface-level cultural components such as values andobservable artifacts – symbols, heroes, rituals, etc. – arederived, and (2) behavior and action spring (Denison,2000).

In Denison's model comparisons of organizations based on relatively more ''surface-level'' values and their manifest practices are made. Such values are deemed both more accessible than the assumptions and more reliable than the artifacts (Denison, 2000 in Yilmaz, 2008). Denison's organizational culture model is based on four cultural traits involvement, consistency, adaptability, and mission that have been shown in the literature to have an influence on organizational performance (Denison, 1990; Denison &Mishra, 1995)

Theories about the unity of culture have been undermined by showing that various subcultures are evident in organizations.

Tharp's theory of Organizational culture

Tharp (2009) has noted some common features among the definitions that have been given to organizational culture through the years. First of all, they all include the concept of sharing; indicating that organizational culture is only developed within groups (even small ones). Secondly, organizational culture is considered to be a social construction, related to each organizations and employees' location, history, working environment and specific events. Finally, many definitions imply that organizational culture is multidimensional and multileveled and includes many cognitive and symbolic strata.

What is more, Schein (1984) has distinguished is that three locations where an organizational culture is likely to be found:

1) Observable artifacts: They refer to an organization's specific attitudes, beliefs and behaviors and may include its location and architecture, technologies and products, mission statement and values, individual style (e.g. dress code of employees), language and jargon, practices and stories, and even the employees' sense of humor, taboos, or special rituals and ceremonies.

2)Espoused values: They are vindicated by the organization's superiors and may or may not be reflected in the employee's actual behavior. An organization's leadership should have significant influential skills, in order to make such values acceptable by employees. These values allow organizational members to interpret signals, events and issues that guide behavior.

3) Basic underlying assumptions: they refer to interpretative personal schemes used for perceiving situations, creating the basis for collective action. They develop over time, while members of a group create strategies to face problems and pass them along incoming members. Should superiors of an organization succeed in passing their schemes and values to the employees, those values may become so ingrained and taken-for-granted that employees act in certain ways unconsciously, while they experience the feeling of security and the sense of belonging.

Despite the variety of definitions and models suggested for the content and types of organizational culture, similar descriptions and characteristics can be found. In general, it can be said that organizational culture is defined in terms of employees and superiors, products, processes and leadership's espoused values (Belias, D. &Koustelios, A.,2013).

2.1.4 The Assumptions of the Three Organizational Subcultures

1. Operator Culture (organization based)

   - The action of any organization is ultimately the action of people (operators)
   - The success of the enterprise therefore depends on people's knowledge, skill, and commitment
   - The knowledge and skill required are local and based on the organization's "core technology" No matter how carefully engineered the production process is or how carefully rules and routines are specified, operators will have to deal with unpredictable contingencies

Therefore, operators have to have the capacity to learn and to deal with surprises because most operations involve interdependencies between separate elements of the process, operators must be able to operate as a collaborative team in which openness and mutual trust are highly valued

2. . The Engineering Culture (global community)

   - Nature can and should be mastered: "That which is possible should be done"

   - Operations should be based on science and available technology

   - The most fun is solving puzzles and overcoming problems

   - Products and outcomes should be useful and be improvements

   - Solutions should be oriented toward elegance, simplicity, and precision:"Keep it neat and simple"

   - The ideal world is one of elegant machines and processes working in perfect precision and harmony without human intervention

   - People are the problem—they make mistakes and hence should be designed out of the system wherever possible

3. The Executive Culture (global community)

   - Without financial survival and growth there are no returns to shareholders or to society

   - The economic environment is perpetually competitive and potentially hostile: "In a war one cannot trust anyone"

   - Therefore, the CEO must be the "lone hero," isolated and alone, yet appearing to be omniscient and in total control, and feeling indispensable One cannot get reliable data from below because subordinates will tell one what they think one wants to hear; therefore, as CEO one must trust one's own judgment more and more (i.e., lack of accurate feedback increases the sense of one's own rightness and omniscience)

   - Organization and management are intrinsically hierarchical; the hierarchy is the measure of status and success and the primary means of maintaining control

   - Because the organization is very large it becomes depersonalized and abstract, and, therefore, has to be run by rules, routines (systems), and rituals ("machine bureaucracy")

   - The well-oiled machine organization does not need whole people, only the activities that are contracted for.

2.1.5 Types of organizational culture

Fig: 2.1: The competing values frame work(Cameron and Quinn, 2006, pp 49)

This framework refers to whether an organization has a predominant internal or external focus and whether it strives for flexibility and individuality or stability and control. The framework is also based on six organizational culture dimensions and four dominant culture types (i.e., Clan, Adhocracy, Market, and Hierarchy). The implications of each culture type are summarized as follows.

The Clan Culture:

The clan culture is full of shared values and common goals, an atmosphere of collectivity and mutual help, and an emphasis on empowerment and employee evolvement. A kind of organizational culture where the sense of "family" is strongly exists. Teamwork is emphasized and leader's role is as a mentor. The organization's focus is to maintain its stability. Loyalty, cohesiveness and participation are highly regarded in setting the criteria of success.

The Adhocracy Culture:

The adhocracy culture is like a temporary institution, which is dismissed whenever the organizational tasks are ended, and reloaded rapidly whenever new tasks emerge.

Adhocracy is an organizational culture which gives a lot more opportunity for individuals to develop in their own way, as long as they are consistent with the organization goals. Leaders are characterized as entrepreneurs who are driven by innovation and findings of new ideas.

Organization's focus is to gain opportunity as much as it can be from the external environment

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Individuals will be considered a succeeded persons if they can create and develop new ideas and innovations.

The Market Culture:

The market culture focuses on the transactions with the environment outside the organization instead of on the internal management. The organizational goal is to earn profits through market competition. Market culture is a type of culture which stresses on the effectiveness on goal achieving. Competition is a common condition among individuals in order to develop them, which cause less flexibility in personal relationship. Criteria of success are based upon target achievements by individuals, which usually conducted from activities that connect the organization with its market or stakeholders (external parties).

The Hierarchy Culture:

The hierarchy culture has a clear organizational structure, standardized rules and procedures, strict control, and well defined responsibilities. This culture can be simply identified through the domination of rule, system and procedure. Stability inside the organization is a prime orientation which should be maintained through a set of fixed and tight rules. Criteria of success are based on how far the individuals can do their tasks correctly based on the procedure and in the same time able to maintain the stability in the system (*Esra ,2011).*

2.2 Empirical review

2.2.1 Organizational culture

It has been defined as patterns of shared values and beliefs over time which produces behavioral norms that are adopted in solving problems (Schein 1990). The organization's internal environment is represented by its culture and is constructed by assumptions, values, attitudes, and behaviors of its members is a valuable source of firm's competitive advantage (Hall 1993; Petraf 1993) since it shapes organizational procedures, unifies organizational capabilities into a cohesive whole, provides solutions to the problems faced by the organization, and thereby, hindering or facilitating the organization's achievement of its goals (Yilmaz, 2008). Organizational culture as "shared philosophy, ideology, value, assumption, beliefs, hope,

behavior and norms that bound the organization together". Robbins mentioned it as "Common perceptions which are held by the members of an organization; a system of common meaning", while George & Jones mentioned it as "Informal design of values, norms that control the way people and groups within the organization interact trough each other's and with parties outside the organization".

According to (Kalyani, 2011), the characteristics that capture the essence of innovative culture include: openness, collaboration, trust, authenticity, proactive, autonomy, confrontation, and experimentation. While Quinn and Spreitzer (2001) formerly identified four types of corporate culture: group, development, hierarchical, and rational culture.

OC is about the norms, values and beliefs that employees share in an organization. In cognitive terms, OC is often broadly defined as the shared values, beliefs, ideologies, and norms held by organizational members that influence their behavior (Schein, 1992).

2.2.2 Types of Organizational Culture

According to Sinnha(2000), Organizational culture can vary in a number of ways. It is these variances that differentiate one organization from the others. Some of the bases of the differentiation are presented below:

1. **Strong vs. weak culture:** Organizational culture can be labeled as strong or weak based on sharedness of the core values among organizational members and the degree of commitment the members have to these core values. The higher the sharedness and commitment, the stronger the culture increases the possibility of behavior consistency amongst its members, while a weak culture opens avenues for each one of the members showing concerns unique to them.

2. **Soft vs. hard culture:** Soft work culture can emerge in an organization where the organization pursues multiple and conflicting goals. In a soft culture the employees choose to pursue a few objectives which serve personal or sectional interests. A typical example of soft culture can be found in a number of public sector organizations in India where the management feels constrained to take action against employees to maintain high productivity. The culture is welfare oriented; people are held accountable for their mistakes but are not rewarded for good

performance. Consequently, the employees consider work to be less important than personal and social obligations. Sinha (1990) has presented a case study of a public sector fertilizer company which was established in an industrially backward rural area to promote employment generation and industrial activity. Under pressure from local communities and the government, the company succumbed to overstaffing, converting mechanized operations into manual operations, payment of overtime, and poor discipline. This resulted in huge financial losses (up to 60 percent of the capital) to the company.

3. **Formal vs. informal culture:** The work culture of an organization, to a large extent, is influenced by the formal components of organizational culture. Roles, responsibilities, accountability, rules and regulations are components of formal culture. They set the expectations that the organization has from every member and indicates the consequences if these expectations are not fulfilled.

2.2.3 Four cultural traits of effective organizations

Involvement: Effective organizations empower their people, build their organizations around teams, and develop human capability at all level. Executives, managers, and employees are committed to their work and feel that they *own* a piece of the organization (Becker,

1964; Lawler, 1996; Likert, 1961).

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.(Fey, April 2000).

Consistency: Organizations also tend to be effective because they have "strong "cultures that are highly consistent, well coordinated, and well integrated. Behavior is rooted in a set of core values, and leaders and followers are skilled at reaching agreement even when there are diverse points of view. This type of consistency is a powerful source of stability and internal integration that results from a common mindset and a high degree of conformity.

This perspective, in its popular version, emphasizes the positive impact that a "strong culture" can have on effectiveness; arguing that a shared system of beliefs, values, and symbols, which are widely understood by an organization's members, has a positive impact on their ability to reach consensus and carry out coordinated actions. The fundamental concept is that implicit control systems, based upon internalized values, are a more effective means of achieving

coordination than external control systems which rely on explicit rules and regulations (Weick, 1987).

A number of authors (Frost; Martin, Louis, Lundberg and Moore, 1985) have stressed this theme, and have emphasized the importance of shared beliefs and values to organizational effectiveness. They argue that shared meaning has a positive impact because an organization's members all work from a common framework of values and beliefs which forms the basis by which they communicate. The power of this means of control is particularly apparent when organizational members encounter an unfamiliar situation:

By stressing a few general value-based principles upon which actions can be grounded, individuals are better able to react in a predictable way to an unpredictable environment.

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 .They are continuously changing the system so that they are improving the organizations' collective abilities to provide value for their customers.

Schein (1985) discusses the relationship between culture and adaptation, and emphasizes that a culture usually consists of the collective behavioral responses that have proven to be adaptive in the past for a particular social organization.

When confronted with a new situation, an organization first "tries" the learned collective responses which are already a part of its repertoire. When new situations are unlike old, the capacity to unlearn the old code and create a new one becomes a central part of the adaptation process. Asserts that an organization must hold a system of norms and beliefs which support the capacity of an organization to receive, interpret, and translate signals from its environment into internal behavioral changes that increase its chances for survival, growth and development. Theorists, using the language of general systems theory, have discussed the concept of morphogenesis, or the capacity of a system to acquire an increasingly complex adaptive structure. Such concepts can readily be used to describe the means by which an organization continuously alters its internal structure and processes in a manner that increases chances for survival.

In practical terms, the absence of adaptability is well known and easy to identify; it is rigid bureaucratization, which derives from, and inevitably supports a system of values and beliefs oriented toward stability (Denison and Mishra, 1989).

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 willlook in the future. When an organization's underlying mission changes, changes also occur in other aspects of the organization's culture (Fey, 2000).

Mission is also the importance of a mission, or a shared definition of the purpose and direction of an organization and its members. Although few authors have written directly on the topic (Torbert, 1987) most have agreed that a sense of mission provides two major influences on an organization's functioning: First, a mission provides purpose and meaning, and a host of non-economic reasons why the work of an organization is important. Second, a sense of mission provides clear direction and goals which serve to define the appropriate course of action for the organization and its members. Both of these factors grow out of and support the key values of the organization.

A mission provides purpose and meaning by defining a social role for an institution and defining the importance of individual roles with respect to the institutional role.

Through this process, behavior is given intrinsic, or even spiritual meaning that transcends functionally defined bureaucratic roles. This process of internalization and identification contributes both to short and long term commitment and leads to effective performance. A mission presents a set of goals that reach far beyond the short-term planning of most corporations. Particularly in successful corporations whose age is measured in decades rather than years, a shared sense of the broad long-term goals of the firm is implicit and helps to structure behavior (Denison and Mishra, 1989).

2.2.4 Measuring the Organizational Effectiveness

Effectiveness of the organizations is measured by the congruence between the goals of the organization and the observed outcome. Measurement is important in deciding the degree of this congruence between the goals and the outcomes.

The effectiveness is measured as how well it works and achieves to its intended results. Thus, this will help the organization to assess itself how nearer it has approached for the perfection

The participants who are in relationship with the organization such as employees, customers or shareholders play the main role for the organizational effectiveness. Therefore, it will not be wrong to assume the organizational effectiveness as related with the 'supplying the customer and employee satisfaction', 'increase of the productivity', and 'profit for the organization'. In consideration of these descriptions organizational effectiveness is explained in terms of four indicators; customer orientation, employee satisfaction, organizational commitment and financial and growth performance. (Aydin and Ceylan, 2009)

First Indicator: Customer Orientation

Customer orientation can be explained as; scanning of the environment to gather information about customers and competitors, dissemination of this information to all of the members of the organization for maximum utilization and converting this information as new (value-added)actions to offer to the marketplace. The other definition for market orientation which has been stated is that; it is the implementation of marketing activities designed to satisfy customer needs better than competitors. (ErdilS.andErdil O., 2003)

Second Indicator: EmployeeSatisfaction

Utilizing from the employees is important for the effectiveness of the firms. This contributes to have competitive advantage; and mostly, human resource management (HRM) deals with this subject in the organizations. There is the 'employee concept' in the center of HRM.

That is why; the satisfaction of the employees takes an added importance. Employees are more loyal and productive when they are satisfied (Hunter and Tityen, 1997). And these satisfied employees affect the customer satisfaction as well as organizational productivity (Potterfield, 1999).

To investigate what the employees are satisfied by and measuring the employee satisfaction in the workplace is critical to the success and increases the profitability of the organization

Hence, these statements point out that employee satisfaction may be selected as another indicator of organizational effectiveness (Kelley, 2005).

Third Indicator: Organizational Commitment

It is widely accepted that organizational commitment is the psychological strength of the linkage ofa member to his organization in the literature.

The employees who feel more sense of organizational commitment exert extra effort for the organizational tasks. Furthermore, organizational structures need rules and the individuals should obey them. Whenever these rules bore the members, the high strength of organizational commitment may be a facilitative factor (Meyer and Allen, 1991)

Therefore, the organizational commitment can be measured as the other indicator for effectiveness in our research model.

Fourth Indicator: Financial and Growth Performance

The financial performance is the measure of a firm's financial health and the growth performance is related with the increase in the volume of sales, number of employees and new products compared to previous periods

The financial and growth performance is a concrete indicator, which informs about the strength of a firm. Return on equity, return on assets, net profit margin from main activities, revenue from new products, overall business performance, average annual growth in sales, amount of new product, relative growth in market share, average annual growth in the number of employee, growth in the number of new customers, overall competitive position and general profitability are the items.

The measurement of organizational effectiveness is a very important step in the development of an organization (Handa and Adas, (1996). Therefore this study measured the above indicators of organizational effectiveness in CBE.

2.3. CONCEPTUAL FRAMEWORK

Conceptual frameworks of the study have independent variables which are organizational culture and dependent variable organizational effectiveness.

According to (Denison, 1995) independent variable organizational culture there has dimensions: Involvement: which refers to empowering employees, build their organizations around teams, and develop human capability at all level.

Consistency: refers to cultures that are highly consistent, well coordinated, and well integrated

Adaptability: culture of organizations that are driven by their customers, take risks and learn from their mistakes, and have capability and experience at creating change

Mission assessment: Intrinsic or even spiritual meaning that transcends functionally defined bureaucratic roles.

According to Aydin and Ceylan,(2009) mentioned in their study that organizational effectiveness is measured in terms of four indicators; customer orientation, employee satisfaction, organizational commitment and financial and growth performance, which can be explained as:

Customer Orientation: scanning of the environment to gather information about customers and competitors, dissemination of this information to all of the members of the organization for maximum utilization and converting of information.

Employee Satisfaction: Employees being more loyal and productive.

Organizational Commitment: the psychological strength of the linkage of members to their organization.

Financial and Growth Performance: the measure of a firm's financial health and the growth performance is related with the increase in the volume of sales, number of employees and new products compared to previous periods.

Figure 2.2 Conceptual framework organizational culture and organizational effectiveness

Organizational Culture

- **Involvement**
- **Consistency**
- **Adaptability**
- **Mission**

Organizational Effectiveness

- Customer orientation
- Organizational commitment
- Employee satisfaction
- Financial and growth performance
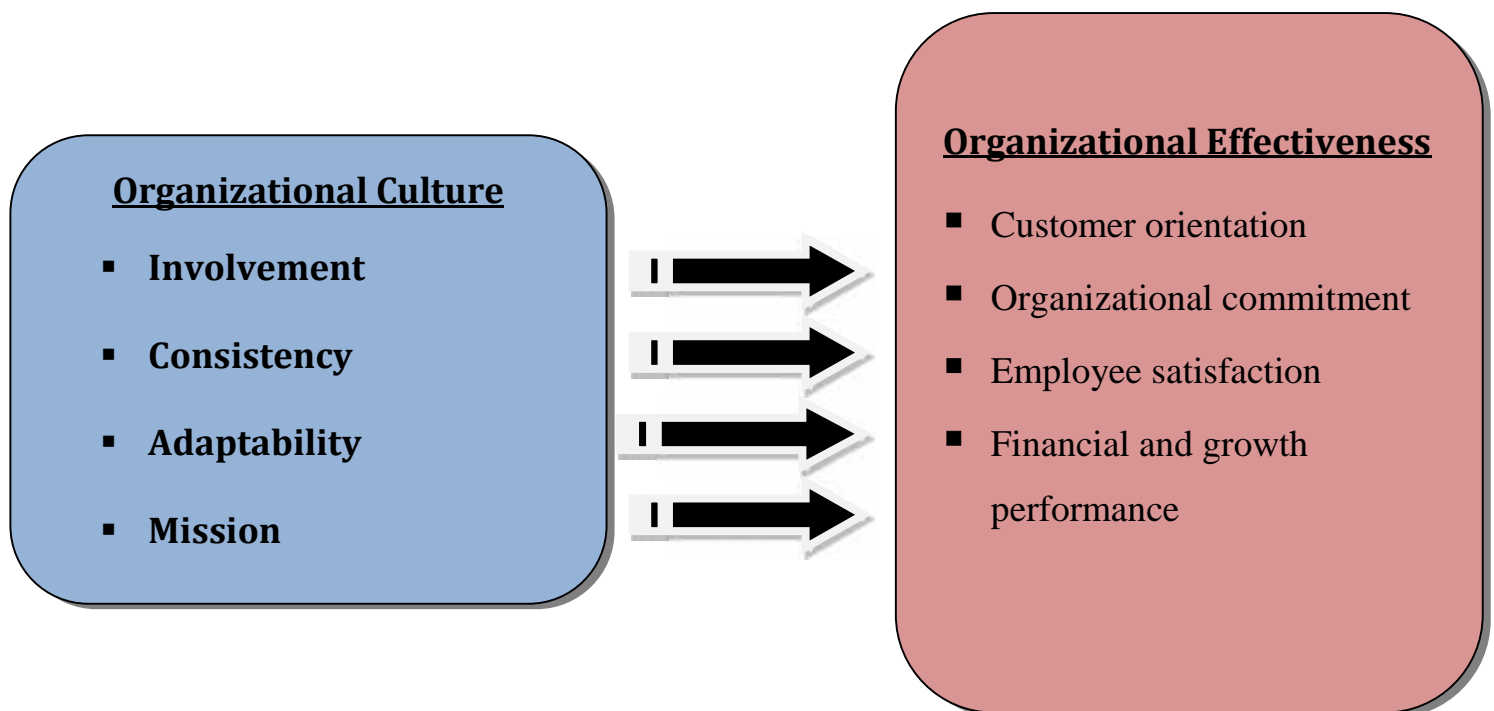
Source: Adopted from literature

2.4 HYPOTHESES

H1.There is positive relationship between involvement and organizational effectiveness

   There is negative relationship between involvement and organizational effectiveness

H2.There is positive relationship between consistency and organizational effectiveness

   There is negative relationship between consistency and organizational effectiveness

H3.There is positive relationship between adaptability and organizational effectiveness

   There is negative relationship between adaptability and organizational effectiveness

H4.There is positive relationship between mission and organizational effectiveness

   There is negative relationship between mission and organizational effectiveness

CHAPTER THREE

RESEARCH METHODOLOGY

3.1   Research design

Research design addresses important issues relating to a research project such as purpose of study, location of study, type of investigation, extent of researcher interference, time horizon and the unit of analysis (Sekaran&Bougie, 2010).

As Saunders, Lewis and Thronhill (2009), explained studies are classified by three according to their purpose i.e. exploratory study, descriptive study and explanatory study. Among these, the research used explanatory design because it emphasizes on discovering relationship between organizational culture and organizational effectiveness.

Certain research problems call for combining both quantitative and qualitative methodologies. Researcher might adopt therefore, mixed methods approach where both quantitative and qualitative data collection techniques and analytical procedures are used in same research design (Saunders, Lewis, and Thornhill, 2009). For the reason of explaining and predicting the phenomena on larger sample size this research adopts quantitative approach and in order to acquire an in depth understanding of facts and reasons of the occurrence, it adopts qualitative approach. Therefore the research used mixed method approaches.

3.2   Population and Sample Design

According to Hair et al. (2010), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. The target population of this study is employees and management staff with in 16 grade 4 branches' under SAAD. According to data gathered from SAAD HR department there are 1052 staffs under these 16 branches.

According to Alreck& Settle (2005) the choice of sample size is normally made after considering statistical precision, practical issues and availability of resources. on the other hand, Tabachnick&Fidell (2001) noted that samples are selected on a random basis and those samples

are considered as representative of the population. This study uses non probability convenience sampling method.

A different sampling paradigm by Lowler (1984) noted that there is no a single precise way for tht determination of sample size hence there are a number of inadequacy for deciding on sample size. Malhotra& Peterson (2006) stated that, the larger the sampling size of a research, the more accurate the data generated, so therefore the researcher used the larger number of sample representative.

Table 3.1 Sample Determination

Population Size	Sample Size		
	Low	Medium	High
51-91	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-150000	200	500	800

Source: **NareshMalhotra** *(2007) Marketing research an applied approach, Butterworth Heinemann;Oxford,England*

Table 1.2Ssample size determination for each branch

Name of branch	Population	Proportional sample size	Sample size for each stratum
SENGATERA	75	75/1052=0.071	0.071*125=8.875(9)
AU	36	36/1052=0.034	0.034*125=4.27 (4)
BISHOFTU	49	49/1052=0.046	0.046*125=5.86(6)

FINFINE	102	102/1052=0.096	0.096*125=12.11(12)
GOFA SEFER	96	96/1052=0.091	0.091*125=11.4(12)
KIRKOS	80	80/1052=0.076	0.076*125=9.5(10)
LIDETA	62	62/1052=0.058	0.058*125=7.36(7)
MNASE LEMMA	46	46/1052=0.043	0.043*125=5.46(5)
MEKANNISA	31	31/1052=0.029	0.029*125=3.68(4)
NIFASSILK	121	121/1052=0.115	0.115*125=14.37(14)
MEXICO	42	42/1052=0.039	0.039*125=4.99(5)
SALOGORA	35	35/1052=0.033	0.033*125=4.15(4)
SARBET	54	54/1052=0.051	0.051*125=6.41(7)
AKAKI	66	66/1052=0.062	0.062*125=7.84(8)
TEMENJA YAZ	96	96/1052=0.091	0.091*125=11.40(12)
YOSEPH	61	61/1052=0.057	0.057*125=7.24(7)
Total	**1052**		**125**

Source: CBE HR database of employees

In addition to the above ,non probability convenience sampling was employed in order to collect qualitative data from the management staff of the organization based on their appropriateness to the study and to gather deep and elaborated information.

3.3 Data types and sources

a) Primary data

Primary data was collected from interviews with managers and through questionnaires distributed to employees of CBE.

b) Secondary data

Secondary data was obtained by analyzing the data obtained from different secondary sources of documents about CBE. *i.e.* document of the organization under study, internet and the organization's website, etc…

This study chooses all these materials because these data are available and contain adequate information about the study area.

3.4 Data collection method

Moreover the data collection modes are different for different researches. Some researchers require observation; others may rely on surveys, or secondary data (Zikmund, 2000). The Data collection was occurred after the confirmation of the sampling criteria. Questionnaires were personally for employees to complete. Questionnaires are preferred in order to decrease the tendency of dissemblance of information from the respondents and to collect significant data. Even though the questionnaires provided good qualitative support but numbers may go through the extent that the researcher expects. An interview was employed to the managers of selected branches which helped to point out some of the underlying dynamics that helped the researcher get further explanation in deep. Most of the interview questions were constructed as open ended questions.

3.5 Validity and Reliability of the research instrument

The validity and reliability of the data were checked carefully. Validity and reliability of scores on instruments, additional standards for making knowledge claims, lead to meaningful interpretations of data.

3.5.1 Validity

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004).In this study, content validity is applied by consulting the Advisor and experts. In order to improve the instruments, these experts and the research advisor looked at every question in the questionnaire and forward comments to ascertain that the questions answer research objectives.

3.5.2 Reliability

Reliability of measuring instrument is its ability to produce consistency measurement each time when we administer an instrument to the same population and contain similar results then we say that the instrument is reliable (Kumar, 2005) For this study, internal consistence reliability is determined by Cronbach's alpha. It is useful in assessing the consistence of the results across items within a test. It represents number between 0 and 1. Zikmund et al. (2010) stated that scales with coefficient Cronbach's alpha greater than 0.7 considered as adequate to determine reliability.For this particular study, the questionnaires Likert scale items reliability was checked by

Cronbach's - alpha coefficient with the help of SPSS software and as shown below in table 3.3

Table 3.3 **Reliability Statistics**

Cronbach's Alpha	N of Items
.920	41

Cronbach's alpha coefficients should fall within a range of 0.70 to 1.00. (Sun, Chou, Stacy, Ma, Unger and Gallaher, 2007) and as shown in the table the result has fall in between.

3.6 Measurement

This stream of research has developed a validated method of measurement based on four cultural traits of effectiveness of an organization derived from Dension and Mishra(1995).Four basic dimensions or conceptual domains appear to be in this study's questionnaire in order to measure the organizational culture of CBE .First, involvement referring employee's capability, ownership, responsibility. Second consistency was measured in order to examine whether the CBE has strong and cohesive internal culture. Third is another significant component which is Adaptability that reflects the focus of the organizations ability to adapt quickly with the external environment. Mission is forth dimension that defines long term direction of the organization.

Each of the four traits above was further divided to three indexes .Five point Likert scale questions ranging from **I-V**(strongly disagree to strongly agree).

Organizational Effectiveness was measured using five point Likert items, ranging from 1=Very Poor to 5=Excellent. These items were included customer orientation, employee satisfaction, organizational commitment, financial and growth performance. These four specific effectiveness measures shall yield one factor solution Aydin and Ceylan(2009).

3.7 Data analysis Method

Once the study collected all the possible and relevant information through the methods that discussed above, it was start to analyze and interpret the data. SPSS version 20 was used to analyze the data obtain from primary sources. Specifically, Pearson Coefficient of Correlation was used as a measure of finding correlation between the two variables. Linear Regression modelwas conducted in this study in order to predict the value of dependent variable (organizational effectiveness) based on the value of independent variable (organizational culture).

3.8. Ethical Considerations

Ethical consideration is among the main consideration of research. Before the data collection process all the necessary information about the study like who is conducting the study and for what purpose is the study conducted and other necessary information that respondents like to know were provided to all respondent so that it can help them to decide whether to participate or not in this study. Consequences and there were not harm as a result of their participation or non-participation in the study. They were guaranteed for the anonymity and confidentiality of their response.

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter is consisted of three subsections; descriptive, correlation and regression analysis. The first subsection i.e. descriptive analysis presents the data collected through questionnaires and interviews using tables' graphs and charts. The researcher has also analyzed and interpreted the data collected. And in the second subsection i.e. correlation analysis measured the degree to which the two variables are related. The last subsection regression analysis determines what statistical impact does organizational culture has on organizational effectiveness.

The data collected through questionnaires and interviews are presented in this section using tables' graphs and charts.

4.1 Response Rate

As stated in chapter three i.e. research methodology, 125 questionnaires were to be distributed. The researcher chose to distribute 130 questionnaires in order to decrease the gap because of unreturned questionnaires. This helped the researcher to collect the exact number of the expected sample to be distributed and collected from the employees of CBE at branches. Out of the total 130 questionnaires, 125 were fully filled and returned which makes the response rate to be 100%. And also researcher selected five of the management staffs purposively based on their relation to the topic. The researcher has presented the response of the managers with questions asked. Data was collected and analyzed in order to explain the effect of the organizational culture on organizational effectiveness.

4.2 Personal Background of Respondents

Table:4.2 Background of Respondents

Demographic data		Frequency	Percent	Validity percent	Cumulative percent
Gender	Male	68	54.4	54.4	54.4
	Female	57	45.6	45.6	100.0
	Total	125	100.0	100.0	
Age	18-30	71	56.8	56.8	56.8
	31-40	26	20.8	20.8	77.6
	41-50	16	12.8	12.8	90.4
	Above 50	12	9.6	9.6	100.0
	Total	125	100.0	100.0	
Educational level	Diploma	17	13.6	13.6	13.6
	Bachelor degree	89	71.2	71.2	84.8
	Masters degree	18	14.4	14.4	99.2
	PHD	1	.8	.8	100.0
	Total	125	100.0	100.0	

Source: own survey, 2016

As shown in the above table 4.2 the gender distribution of respondents indicates 54.4% were males were as the 45.6% were females which imply both males and females participated in CBE almost equally. And it implies that female employees in CBE participate in responsibilities as equal as males.

Out of the total respondents, 56.8% of them are between the ages 18-30, 20.8% of the respondents are found between the ages 31-40, 12.8% of the respondents are 41-50 and the rest 9.6% are above the age of 50. This indicates that most employees found in CBE are young employees and young employees need safe working condition, challenging works and are also sensitive to security of employment, recognition and participation.

Table 4.2 shows only 13.6% of the respondents have a diploma; 71.2% of the respondents have bachelor (1st) degree and 14.4% of the respondents have master's degree and 0.8% percent is PhD holder. Based on this the above data it's possible to say that most employees in CBE are 1st degree holders which means most employees in CBE are well educated and have better knowledge and expectation.

As to the tenure of the respondents in CBE, out of the total 33.6% have served in the organization less than two year,31.2% of the respondents served between 2-5 years , frequency percentage of respondents who have served between 5-7 years is 20%.The rest 15.2% worked at CBE for 8 years. This entails that most employees have few years of work experience which is considered to be experienced employees are turning off the organization. Although in the interview section implied highly trained and experienced employees are quitting their jobs because of unsafe work environment. Therefore the organization's effectiveness can be highly affected.

4.3. Descriptive analysis

The descriptive analysis is to summarize the data to be more manageable without losing any important information therefore making it easier to have a better understanding on variables. (Field, 2009). Descriptive analysis of data through tables, graphs and charts and its interpretations are followed below:

4.3.1 The level of Organizational Effectiveness in CBE

Table 4.3: Customer orientation

Questions	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Marketing activities in order to satisfy customer needs	Very poor	9	7.2	7.2	7.2
	Poor	69	55.2	55.2	62.4
	Good	39	31.2	31.2	93.6
	Very good	6	4.8	4.8	98.4
	Excellent	2	1.6	1.6	100.0
	Total	125	100.0	100.0	
Scanning of the environment and dissemination of	Very poor	7	5.6	5.6	5.6
	Poor	76	60.8	60.8	66.4

information to all members of the organization	Good	29	23.2	23.2	89.6
	Very good	11	8.8	8.8	98.4
	Excellent	2	1.6	1.6	100.0
	Total	125	100.0	100.0	
The degree to which customers information both collected and been applied	Very poor	9	7.2	7.2	7.2
	Poor	63	50.4	50.4	57.6
	Good	41	32.8	32.8	90.4
	Very good	10	8.0	8.0	98.4
	Excellent	2	1.6	1.6	100.0
	Total	125	100.0	100.0	
The use of information to forecast future demand	Very poor	13	10.4	10.4	10.4
	Poor	66	52.8	52.8	63.2
	Good	31	24.8	24.8	88.0
	Very good	12	9.6	9.6	97.6
	Excellent	3	2.4	2.4	100.0
	Total	125	100.0	100.0	

Source: Own questionnaire survey, 2016

Customer orientation is one of the terms which indicate organizational effectiveness. This term in CBE has been measured by the organization members in the above table. And out of the total 125 respondents, 55.2% and 7.2% stated there is respectively poor and very poor marketing activities in order to satisfy customer needs. 31.2% suggest it's good. 4.8% and 1.6% ranked as very good and excellent respectively. This entails that CBE effectiveness is poor in marketing activities and such development programs.

The second item in the above table 4.3, 66.4% felt there is poor scanning of environment and dissemination of information then 23.2% felt good and 8.8% says its good and 1.6% feels it's excellent which means the employees are not aware of opportunities and problems in the organization.

The degree to which customers information both collected and been applied is ranked as;7.2% very poor,50.4% poor, 32.8% very good and 8.0% of them very good. This implies that there is lack of communication between customers and the organization.

10.4% of the respondents believes very poor and 52.8% believes there is poor use of information to forecast future demand. 24.8% of the respondents agree it is good. 9.6% of them very good and 2.4% excellent which entail less predictability of CBE.

The interview implied Customer care is very weak at the end of months or year because the employees are not able to control the number of customer by the time given, the number of

customers become uncontrollable during these periods. Not only the number of customers is abusing customer care but also employees' motivation for customer care is very law.

And similarly the respondents admitted the weakness of management in characterizing the demand of the environment even though there have been studies conducted about customer orientation because of poor implementation customer needs could not be satisfied as planned. Therefore it can be observed direct negative effect on the effectiveness of satisfying customers.

Table 4.4 Employee satisfaction

Questions	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
The degree to which the human resource strategy focus on developing skills	Very poor	16	12.8	12.8	12.8
	Poor	44	35.2	35.2	48.0
	Good	14	11.2	11.2	59.2
	Very good	48	38.4	38.4	97.6
	Excellent	3	2.4	2.4	100.0
	Total	125	100.0	100.0	
Ensuring motivation and commitment in CBE	Very poor	62	49.6	49.6	49.6
	Poor	40	32.0	32.0	81.6
	Good	14	11.2	11.2	92.8
	Very good	8	6.4	6.4	99.2
	Excellent	1	.8	.8	100.0
	Total	125	100.0	100.0	
The management effort in order to supply employees expectation	Very poor	26	20.8	20.8	20.8
	Poor	77	61.6	61.6	82.4
	Good	22	17.6	17.6	100.0
	Very good	-	-	-	-
	Excellent	-	-	-	-
	Total	125	100.0	100.0	
General emotional state of employees regarding with motivation	Very poor	46	36.8	36.8	36.8
	Poor	43	34.4	34.4	71.2
	Good	27	21.6	21.6	92.8
	Very good	9	7.2	7.2	100.0
	Excellent	-	-	-	-
	Total	125	100.0	100.0	
Employees willingness to contribute to the organization's success	Very poor	42	33.6	33.6	33.6
	Poor	32	25.6	25.6	59.2
	Good	37	29.6	29.6	29.6
	Very good	14	11.2	11.2	100.0
	Excellent	-	-	-	-
	Total	125	100.0	100.0	
Effective consumption of time by employees in CBE	Very poor	51	40.8	40.8	40.8
	Poor	46	36.8	36.8	77.6
	Good	24	19.2	19.2	96.8
	Very good	4	3.2	3.2	100.0
	Excellent	-	-	-	-
	Total	125	100.0	100.0	

Source: Own questionnaire survey (2016)

In this session, how CBE is creating a pleasurable or positive emotional state. The first item was to rate the degree in which 's human resource strategy focus on developing skills and the 48.0% respondents agreed on there is focus on developing skills. 11.2% of them felt it is good, 6.4% of them very good and 0.8 excellent. The positive feeling of respondents is dominated by the negative response. Therefore it shows that there is a gap in working on employee motivation and commitment in CBE.

The management effort in order to supply employee's expectation was appreciated collectively. No respondent appreciated the management effort in order to supply employee's expectation. Only 22% of the respondents felt it is good but the majority 82.4% felt it is poor collectively. This implies there is lack of effort on employee's expectation.

General emotional state is very poor by 36.8% and poor by 34.4%. 21.6% feels it is good and only 7.2% very good. But no one stated it is excellent.

40.8% are positive in willing to contribute to the organization's success but the rest of 59.2% admit they have willingness of contribution.

77.6% of the respondent admits they have poor consumption of time but only 22.4% tell they are effective. No one stated of having excellent culture of using time.

In general, table4.4 implied there is a need to diagnose the culture in order to improve employees' satisfaction.

Most of the interview respondents, agreed that the failure to strong involvement practice in CBE resulted lack of employees' motivation, commitment and satisfaction .The turnover rate had increased by 0.76%. This is the result of uneven payment of job with the ability of the employees, and also the environment of work place created frustration of accusation and being imprison. The name of the organization that is perceived by the society also can be a reason for the high turnover because external environment's perception and internal status of the organization is not balanced. The interview also pointed at high corruption rate in CBE as a result of employees' dissatisfaction.

Table 4.5: Organizational commitment

Questions	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
The psychological strength to the linkage of each member to the organization	Very poor	7	5.6	5.6	5.6
	Poor	72	57.6	57.6	63.2
	Good	35	28.0	28.0	91.2
	Very good	7	5.6	5.6	96.8
	Excellent	4	3.2	3.2	100.0
	Total	125	100.0	100.0	
Employees commitment to the organization in various situations	Very poor	45	36.0	36.0	36.0
	Poor	29	23.2	23.2	59.2
	Good	39	31.2	31.2	90.4
	Very good	9	7.2	7.2	97.6
	Excellent	3	2.4	2.4	100.0
	Total	125	100.0	100.0	
Employees feeling to continue employed in the organization in various situations	Very poor	64	51.2	51.2	51.2
	Poor	34	27.2	27.2	78.4
	Good	26	20.8	20.8	99.2
	Very good	1	.8	.8	100.0
	Excellent	-	-	-	-
	Total	125	100.0	100.0	
Employees willingness to obey organizational rules and regulation	Very poor	7	5.6	5.6	5.6
	Poor	52	41.6	41.6	47.2
	Good	44	35.2	35.2	82.4
	Very good	15	12.0	12.0	94.4
	Excellent	7	5.6	5.6	100.0
	Total	125	100.0	100.0	
Employees accurateness to perform organizational tasks	Very poor	47	37.6	37.6	37.6
	Poor	73	58.4	58.4	96.0
	Good	-	-	-	96.0
	Very good	5	4.0	4.0	100.0
	Excellent	-	-	-	-
	Total	125	100.0	100.0	
Employees avoidance to hinders that create mental escape from the work environment	Very poor	41	32.8	32.8	32.8
	Poor	28	22.4	22.4	55.2
	Good	39	31.2	31.2	86.4
	Very good	14	11.2	11.2	97.6
	Excellent	3	2.4	2.4	100.0
	Total	125	100.0	100.0	

Source: Own questionnaire survey, 2016

The above table 4.5 shows five items of organizational commitment related with indicating effectiveness of CBE. The average mean of the above table resulted 2.17.

The first question measures the psychological strength of each member related to the organization. Out of 125 respondents 63.2% believes it is weak. 28.0% said it is good, 5.6% very good and 3.2% agreed it is excellent. The majority tells it is poor link. Their commitment to the

organization was related by the respondents as 36.0% very poor. 23.2% poor, 31.2% good, 7.2% very good and 2.4% excellent. 59.2% of the respondents show they are not committed.

51.2% of the respondents have very poor feeling to continue employed in CBE, 27.2% have poor feeling, 20.8% have good feeling and 0.8%, which means only one of the respondents have very good feeling and no one have an excellent feeling about continuing employed.

47.2% of the respondents admit they have poor willing to obey organizational rules and regulation. 52.8% have positive willing to obey. The majority of the respondents obey the rules and regulation of CBE.

Accurateness of performing organization tasks is perceived as very poor by 37.6% of the employees and poor by 58.4% the rest 4.0% was very good. But neither good nor excellent was selected by the respondents. This shows employees are not well trained of motivated in order to perform accurately.

Out of 125 respondents 32.8% and 22.4% of them, avoid hinder which create mental escape very poorly and poorly respectively. But 31.2% have good, 11.2% very good and 2.4 excellent practices of avoiding destructions.

All of the respondents from the interview agreed on there are gaps in keeping employees committed because trained and highly experienced employees are quitting their jobs consistently because of frustration employees are experiencing about security of their employment and stability.

Table 4.6 Financial and growth performance

Questions	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Increase in annual growth in number of employee	Very poor	30	24.0	24.0	24.0
	Poor	51	40.8	40.8	64.8
	Good	44	35.2	35.2	100.0
	Very good	0	-	-	
	Excellent	0	-	-	
	Total	125	100.0	100.0	
	Very poor	8	6.4	6.4	6.4
	Poor	20	16.0	16.0	22.4
General profitability growth	Good	69	55.2	55.2	77.6
	Very good	20	16.0	16.0	93.6

	Excellent	8	6.4	6.4	100.0
	Total	125	100.0	100.0	
	Very poor	13	10.4	10.4	10.4
	Poor	70	56.0	56.0	66.4
	Good	27	21.6	21.6	88.0
	Very good	14	11.2	11.2	99.2
Overall competitive position	Excellent	1	.8	.8	100.0
	Total	125	100.0	100.0	

Source: Own questionnaire survey, 2016

Increment in annual growth of employees is stated as very poor 24.0% and poor by 40.8% of the respondents. 35.2% of them felt it is good but very good nor excellent. This implies that there is high rate of loss of employees in CBE.

As per the second item (the general profitability growth), only 6.4% and 16.0% reflected it is very poor and poor. But in collective, 77.6% show positivity. It means 55.2% respondents for good, 16.0% for very good and 6.4% for excellent and excellent by 6.4% of the respondent. This reflects there is a positive growth in profit.

The final question tries to measure the overall competitive position of CBE. 10.4% of the respondents believe it is very poor, 56.0% of them felt it is poor. But in opposite 21.6% felt it is good, 11.2% of them very good and 0.8% feels excellent. In general 66.4% has been responded negatively. Therefore it implies that the overall competitive position of CBE in labor market is declining.

According to the respondents answers, based on the expected strong effort to GDP ratio 17% in GTP period. CBE has been working on improving the collection of deposits And during the corporate plan CBE deposits collection improved from 54.11 billion birr to 150.63 billion birr in addition with the collected branches. Therefore the overall performance of and finance of the organization is indicating growth. This is because of each and every member has the awareness that CBE's performance is critical importance to the overall achievement of the transformation plan of Ethiopia.

Table 4.7: Arithmetic Mean of Individual Constructs

Category	N	Mean	Std. Deviation
Customer orientation	125	2.41	0.813
Employees' satisfaction	125	2.10	0.920
Organizational commitment	125	2.17	0.908
Financial and growth performance	125	2.49	0.842

Source: Own questionnaire survey, 2016

The above descriptive statistics clearly depicts the corresponding arithmetic mean and standard deviation of every construct. Thus, category of customer orientation has a mean of 2.41 and a standard deviation of 0.813, Employees satisfaction categorical total has a mean of 2.10 and a standard deviation of 0.920, Organizational commitment categorical total has a mean of 2.17 and a standard deviation of 0.908, Financial and growth performance categorical total has a mean of 2.49 and a standard deviation of 0.842 which shows that effectiveness of CBE is below the average cut-off point of three.

This analysis of mean of categorical constructs showed that a mean value less than the average standard. Accordingly, it implies that the low level of CBE, in effective customer based service, achieving satisfaction of employees and increasing their loyalty.

Although, financial and growth performance show poor collectively but the general profitability growth of the organization with arithmetic mean 3.00 implied strength in respondents perception.

4.4 Characteristics of Organizational Culture in CBE

Table 4.8 Involvement in CBE

Questions	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
The organization characterizes as a very personal place. Employees seem to share a lot of them selves seem to share a lot of them selves	Strongly Disagree	14	11.2	11.2	11.2
	Disagree	53	42.4	42.4	53.6
	Neutral	5	4.0	4.0	57.6
	Agree	52	41.6	41.6	99.2
	Strongly Agree	1	.8	.8	100.0
	Total	125	100.0	100.0	

The management style in the organization is characterized by teamwork, consensus and participation	Strongly Disagree	50	40.0	40.0	40.0
	Disagree	54	43.2	43.2	43.2
	Neutral	2	1.6	1.6	84.8
	Agree	16	12.8	12.8	97.6
	Strongly Agree	3	2.4	2.4	100.0
	Total	125	100.0	100.0	
Human development, high trust, openness and participation are emphasized in the organization	Strongly Disagree	16	12.8	12.8	12.8
	Disagree	53	42.4	42.4	55.2
	Neutral	4	3.2	3.2	58.4
	Agree	50	40.0	40.0	98.4
	Strongly Agree	2	1.6	1.6	100.0
	Total	125	100.0	100.0	
The organization defines success in basis of team work, employee commitment and concern for people	Strongly Disagree	16	12.8	12.8	12.8
	Disagree	73	58.4	58.4	58.4
	Neutral	4	3.2	3.2	74.4
	Agree	28	22.4	22.4	96.8
	Strongly Agree	4	3.2	3.2	100.0
	Total	125	100.0	100.0	
Employees of the organization are empowered with real responsibility	Strongly Disagree	7	5.6	5.6	5.6
	Disagree	83	66.4	66.4	72.0
	Neutral	2	1.6	1.6	73.6
	Agree	28	22.4	22.4	96.0
	Strongly Agree	5	4.0	4.0	100.0
	Total	125	100.0	100.0	
The organization invest continually in the development of employees skill to meet employee's desire to learn and develop	Strongly Disagree	7	5.6	5.6	5.6
	Disagree	48	38.4	38.4	44.0
	Neutral	12	9.6	9.6	53.6
	Agree	53	42.4	42.4	96.0
	Strongly Agree	5	4.0	4.0	100.0
	Total	125	100.0	100.0	

Source: own survey, 2016

According to the table 4.8 described above, out of the total 125 respondents 53.6% of them believed in the weakness of disagreed that the organization characterizes as a very personal place and that employees share a lot of themselves at work, out of the 53.65% 11.2% disagreed strongly. And 42.4% agreed positively. The remaining 4.0% choose to stay neutral. Similarly, while 83.2% disagreed that the management style of CBE in the organization is characterized by teamwork, consensus and participation.15.2 % agreed with it. The remaining 1.6% of the respondents stayed neutral. Regarding to human development, high trust, openness and participation 58.4% disagreed that it has been emphasized. And the rest of 41.6 % respondents agreed. The practice of defining success in the basis of team work, employee commitment and concern of people was been agreed by 25.6% of the respondents. 71.2% of them definitely disagreed. According to the same table above 72.0% disagreed that employees in CBE are empowered with real responsibility. 26.4% agreed and 1.6 remain neutral. The organization

continual investment in employees' skill development has been recognized by 46.4% of the respondents and not agreed by 43.0% the rest neutral respondents take 9.6%.

The results above imply though the organization invest on development of employees, but there is low chance given to employees to participate, team work, and cooperative work. Employees perceived the work environment as only work place but not their place.

And according to the interview respondents, though the expected achievements during this period are to achieve deposits target, improve service delivery and enforcement of the law, CBE is undertaking intensive reform activities especially BSC .This is a culture to plan, implementation of goals and objective of the sector. Development of work force is also another aspect that is highly given emphasis currently. It is an organized platform where team members build capacity, evaluate basic challenges and problems they encounter and receive them through a culture by grouping one to five. Though there are certain gaps to be observed. The respondents suggested that for the reason that it has been given emphasis on human resource development, a positive outcome is gained and it helped the deposits collection has been raised above planned, ways to increase the ability to identify and effectively utilize capacity of employees and also created visionary leadership.

Therefore, H1 hypothesis is accepted for some organizational effectiveness dimensions.

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Table4.9: Consistency in CBE

Questions	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
The management style of the organization is characterized by security of employment, predictability and stability	Strongly Disagree	50	40.0	40.0	40.0
	Disagree	54	43.2	43.2	83.2
	Neutral	2	1.6	1.6	84.8
	Agree	16	12.8	12.8	97.6
	Strongly Agree	3	2.4	2.4	100.0
	Total	125	100.0	100.0	
There is a clear set of expectation among organizational members	Strongly Disagree	15	12.0	12.0	12.0
	Disagree	82	65.6	65.6	77.6
	Neutral	2	1.6	1.6	79.2
	Agree	21	16.8	16.8	96.0
	Strongly Agree	5	4.0	4.0	100.0
	Total	125	100.0	100.0	

Leaders are skilled enough to achieve high agreement and reconcile different opinions on critical issues	Strongly Disagree	24	19.2	19.2	19.2
	Disagree	84	67.2	67.2	86.4
	Neutral	2	1.6	1.6	88.0
	Agree	10	8.0	8.0	96.0
	Strongly Agree	5	4.0	4.0	100.0
	Total	125	100.0	100.0	
The different directorates of CBE work together	Strongly Disagree	17	13.6	13.6	13.6
	Disagree	78	62.4	62.4	76.0
	Neutral	4	3.2	3.2	79.2
	Agree	22	17.6	17.6	96.8
	Strongly Agree	4	3.2	3.2	100.0
	Total	125	100.0	100.0	

Source: Own questionnaire survey, 2016

The above table 4.9 shows that how activities are being applied in order to keep the organization's consistency. And out of the total 125 respondents, 83.2% have negative perception on their security of employment, predictability, and stability. In other side 15.2% have agreed collectively and 1.6% remains neutral. This indicates that respondents observed gaps in predictability and stability of CBE.

The response for the second question on table 4.8 shows there is poorly clarified expectation among organizational members by disagreement of 77.6% and agreement of 20.8% with 1.6% neutrals.

In the third item only 12.0% have agreed that leader skill on achieving high agreement and reconciliation different opinions but the remaining 88.0%.In the last question of table 4.8, responses reflect that directorates of CBE work together. 76.0% do not and rests of them have no response.

Totally in average 80.8% of the respondents disagreed in the question raised upon consistency. This implies that most of employees in CBE do not agreed with the consistency in CBE's management. Two of the five respondents agreed that consistency has direct impact on effectivenessbecause of frustration employees are experiencing about security of their employment and stability. Employees are losing their loyalty to the organization.

Therefore, H2 hypothesis is accepted for some organizational effectiveness dimensions.

Table4.10: Adaptability in CBE

Questions	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
CBE takes high risk to create change	Strongly Disagree	16	12.8	12.8	12.8
	Disagree	43	34.4	34.4	47.2
	Neutral	1	.8	.8	48.0
	Agree	58	46.4	46.4	94.4
	Strongly Agree	7	5.6	5.6	100.0
	Total	**125**	**100.0**	**100.0**	
The organization is able to understand customers and anticipate their future needs	Strongly Disagree	51	40.8	40.8	40.8
	Disagree	36	28.8	28.8	69.6
	Neutral	4	3.2	3.2	72.8
	Agree	30	24.0	24.0	96.8
	Strongly Agree	4	3.2	3.2	100.0
	Total	**125**	**100.0**	**100.0**	
The organization interprets signals from the environment to opportunities	Strongly Disagree	49	39.2	39.2	39.2
	Disagree	55	44.0	44.0	83.2
	Neutral	3	2.4	2.4	85.6
	Agree	14	11.2	11.2	96.8
	Strongly Agree	4	3.2	3.2	100.0
	Total	**125**	**100.0**	**100.0**	
Employees in CBE are willing to stick their necks out and take risks	Strongly Disagree	55	44.0	44.0	44.0
	Disagree	48	38.4	38.4	82.4
	Neutral	-	-	-	
	Agree	20	16.0	16.0	98.4
	Strongly Agree	2	1.6	1.6	100.0
	Total	**125**	**100.0**	**100.0**	
The management style of the organization is characterized based on the demand in the environment	Strongly Disagree	16	12.8	12.8	12.8
	Disagree	94	75.2	75.2	88.0
	Neutral	2	1.6	1.6	89.6
	Agree	11	8.8	8.8	98.4
	Strongly Agree	2	1.6	1.6	100.0
	Total	**125**	**100.0**	**100.0**	
Trying new things and prospecting for opportunities are valued in CBE	Strongly Disagree	13	10.4	10.4	10.4
	Disagree	79	63.2	63.2	73.6
	Neutral	2	1.6	1.6	75.2
	Agree	27	21.6	21.6	96.8
	Strongly Agree	4	3.2	3.2	100.0
	Total	**125**	**100.0**	**100.0**	

Source: Own questionnaire survey

Adaptability is about holding a system of norms and beliefs which support the capacity of an organization to receive interpret and translate signals from its environment into internal behavioral changes. Therefore the first question analyzed if CBE takes high risk in order to

create change and 47.2% disagreed and with 0.8 choosing to be neutral the rest of 52% respondents agreed upon it.

The ability of CBE to understand customers and anticipate their future needs have been asked for the employees and out of 125 respondents 69.9% disagreed. 3.2% of the respondents were neutral; 27.2% of them agreed. This implies that there is a problem in anticipating their future needs.

Regarding to the organization interpreting signals from the environment to opportunities 83.2% of the respondents disagreed 39.2% strongly and 44.0% disagreed. In the opposite side 14.4% of the respondents agreed and 2.4% were neutral about it. As we can see in the above figures, there is a serious problem in communicating customers and failure to fulfill their demand.

Out of the total 125 respondents 82.4% are not willing to take risks and 31.2% are not.10.4% of the total respondents agreed that the management characteristics' based on demand in the environment but 88.0% disagreed and 1.6% of them were neutral.

Trying new things and prospecting for opportunities has been agreed with 24.8% of the respondents but denied by 73.6%. The 1.6% remains neutral.

In general the above different activities of adaptability were responded negatively by 74.0% of the respondents and. Similarly to consistency and involvement, a serious weakness is being conducted in managing the organization with internal and external environment.

During interview, some respondents suggest that CBE hasgiven strong emphasis is a set of transparent relationship with customers in order to strengthen it. A structure has been developed by the organization. It helps the customers to have excellent service. Communication of the management with employees is implemented within three months or six months gap in order to increase employees involvement and understand them, the respondents collectively answered the above characteristics of culture are highly emphasized. But there is still a gap in understanding customers, using information for input.

Therefore, H3 hypothesis is accepted for some organizational effectiveness dimensions.

Table 4.11 Mission assessment in CBE

Questions	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Major concern of the organization is to be result oriented	Strongly Disagree	13	10.4	10.4	10.4
	Disagree	26	20.8	20.8	31.2
	Neutral	8	6.4	6.4	37.6
	Agree	69	55.2	55.2	55.2
	Strongly Agree	9	7.2	7.2	100.0
	Total	125	100.0	100.0	
High emphasis is given on achievement and goal accomplishment	Strongly Disagree	10	8.0	8.0	8.0
	Disagree	62	49.6	49.6	57.6
	Neutral	6	4.8	4.8	62.4
	Agree	41	32.8	32.8	95.2
	Strongly Agree	6	4.8	4.8	100.0
	Total	125	100.0	100.0	
All employees of CBE have shared a view of a desired future state	Strongly Disagree	19	15.2	15.2	15.2
	Disagree	39	31.2	31.2	46.4
	Neutral	4	3.2	3.2	49.6
	Agree	28	22.4	22.4	72.0
	Strongly Agree	35	28.0	28.0	100.0
	Total	125	100.0	100.0	
CBE has clear strategic intentions that shows the organization's purpose	Strongly Disagree	8	6.4	6.4	6.4
	Disagree	32	25.6	25.6	32.0
	Neutral	6	4.8	4.8	36.8
	Agree	39	31.2	31.2	68.0
	Strongly Agree	40	32.0	32.0	100.0
	Total	125	100.0	100.0	
There is a clear set of goals and objectives linked with mission , vision and strategy in which every employee can use as a reference	Strongly Disagree	-	-	-	-
	Disagree	3	2.4	2.4	2.4
	Neutral	-	-	-	-
	Agree	66	52.8	52.8	55.2
	Strongly Agree	56	44.8	44.8	100.0
	Total	125	100.0	100.0	

Source: Own questionnaire survey

The above table 4.11 implies the importance of mission or shared definition of the purpose and direction of CBE and its members. And out of 125 respondents, 31.2% disagreed that the organization is result oriented and 62.4% agree. But the rest 6.4% were neutral.

57.6% of the respondents believe there is weak emphasis given on achievement and goal accomplishment and 37.6% believes it is high. And 4.8% were neutral.50.4% respondents show they have shared view of a desired future state with neutrals, the 46.4% have disagreed.

About CBE having clear strategic intentions 63.2% agree that it shows the organizations purpose 32.0% disagree and 4.8% remain neutral.

Only 2.4% of the respondents disagreed there is a clear set of goals and objectives linked with mission, vision and strategy in which every employee can use but the most 52.8% agreed and 44.8% strongly did.

To conclude table 4.11 implies that there is a strong culture in setting goals, creating shared value and clear strategic intentions but weakness in implementing it.

But from the conducted Interview the researcher observed that even though there is business re engineering implementation but it have never been conducted as business process improvement program therefore these implies that goals and objectives are not reviewed and improved timely.

According to the interview, CBE has six core strategic themes and these six themes are used to measure the effectiveness annually. These six themes are:

- ❖ Human resource management and development
- ❖ Modern information system
- ❖ Customer satisfaction
- ❖ Team work and collaboration
- ❖ Public trust
- ❖ Corporate citizenship

According to the respondents, each strategic theme are assessed and evaluated annually and discussed with the work force, in order to improve mistakes and increase the effectiveness. Because of that employees share clear set of vision, mission and objectives, employees are highly awarded of what they do and how to perform it and to have clear strategic intentions.

In general, organizational culture in CBE has been expressed as one of core ingredients of the organization's structure. The main organizational structure is consisted of the four diamonds first

comes process, then organizing; evaluation succeeds and below all developing and implementing organizational culture is stated. According to the managers and directors, organizational culture is developed and implemented under rules and regulation of the organizations. Employees are intended to reach culture through shared set of goals, mission, vision and strategies.

Therefore, H4 hypothesis is accepted for some organizational effectiveness dimensions.

Table 4.12: Arithmetic Mean of Individual Constructs

Category	N	Mean	Std. Deviation
Involvement	125	2.75	1.125
Consistency	125	2.18	0.909
Adaptability	125	2.27	1.093
Mission	125	3.44	1.156

Source: Own questionnaire survey, 2016

The above descriptive statistics clearly depicts the corresponding arithmetic mean and standard deviation of every construct totals (total of every individual categorical construct). Thus, involvement categorical total has a mean of 2.75 and a standard deviation of 1.125, consistency categorical total has a mean of 2.18 and a standard deviation of 0.909, adaptability categorical total has a mean of 2.27 and a standard deviation of 1.093 and mission assessment categorical total has a mean of 3.44 and a standard deviation of 1.156, Finally organizational culture of CBE shows below the average cut-off point of three. This analysis of mean of categorical constructs showed that with the exception of mission assessment, all other constructs have a mean value less than the average standard. Accordingly, it implies that gaps conducted in participating employees, managing internal and external environment, predictability and stability.

To the opposite, strength in CBE's clear set of goals objectives and strategic intentions were perceived by the employees. The graph below presented the characteristics of organizational culture of CBE:-
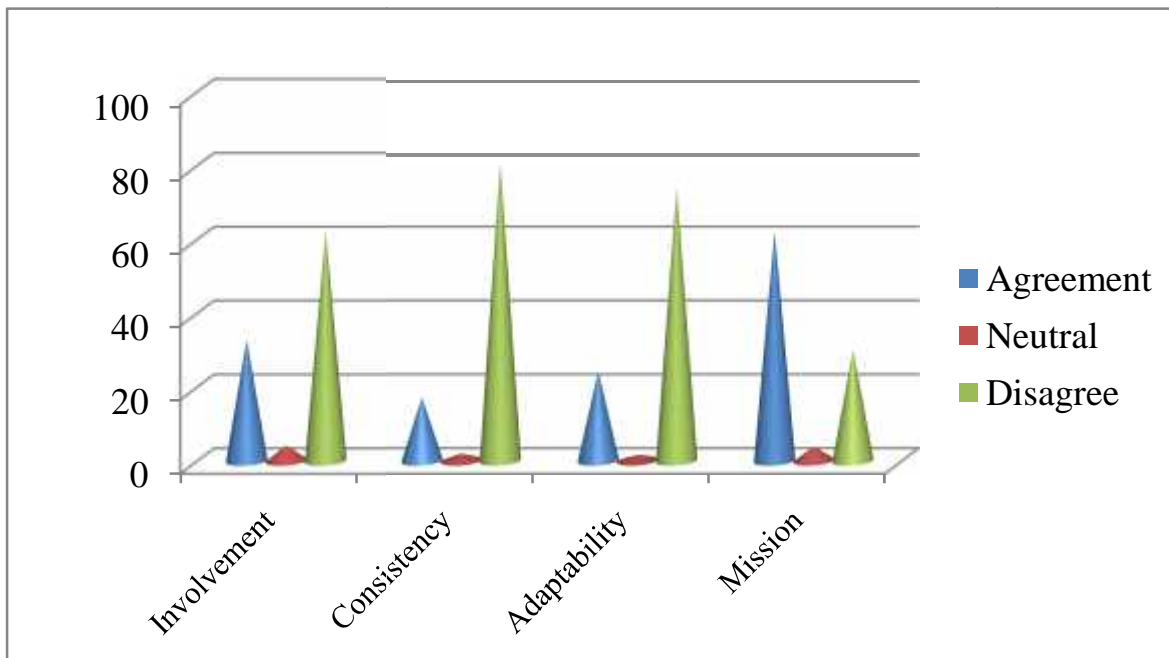
Organizational culture of CBE

Fig4.1Characteristics of Organizational Culture

4.5 The relationship between Organizational Culture and Organizational Effectiveness of CBE

B. Correlation analysis

Correlation coefficient statistics measure the degree to which two sets of numbers are related. A higher correlation coefficient signifies a stronger relationship. At one extreme, a correlation coefficient of 1.0 means a perfect positive relationship as one set of numbers goes up, so does the other. At the other extreme, a correlation of −1.0 means a perfect negative correlation—when one set of numbers goes up, the other goes down. In the middle, a correlation of 0 means there is no correlation at all. (Noe, Hollenbeck, Gerhart and Wright, 2011). In order to determine the effect of organizational culture on effectiveness towards Commercial bank of Ethiopia , relationship between independent variables (i.e. Organizational culture) and dependent variable

i.e. (organizational effectiveness) of CBE, correlation analysis has been conducted by classifying the relationship with each dimension.

Table: 4.12 Correlation of dimensions

Dimension	Pearson correlation	Sig. (2tailed)
Involvement	0.504	.000
Consistency	0.718	.000
Adaptability	0.675	.000
Mission Assessment	0.639	.000

The table above, shows the level of correlation coefficient of each dimension of organization culture and the relationship between involvement and organizational effectiveness is at 0.504 which is interpreted as a very strong positive relationship and consistency ranked the highest level of correlation coefficient and there was high level of correlation coefficient at 0.675 with Adaptability of CBE with its organizational effectiveness. Then high level of correlation coefficient of the relationship between mission and organizational effectiveness is at 0.639 which is interpreted as a very strong positive relationship.

Table 4.14 **Correlations between organizational culture and effectiveness**

		Organizational Culture	Organizational Effectiveness
Organizational Culture	Pearson Correlation	1	.615**
	Sig. (2-tailed)		.000
	N	125	125
Organizational Effectiveness	Pearson Correlation	.615**	1
	Sig. (2-tailed)	.000	
	N	125	125

**. Correlation is significant at the 0.01 level (2-tailed).

And the result in the correlation analysis shows that independent variable have a positive and significant relationship with the dependent variable. The study also proved that the relationship between organizational culture and organizational effectiveness does exist.

The correlation results on Table 4.16show the highest level of correlation coefficient of the relationship between Organizational culture and organizational effectiveness is at 0.615 which is interpreted as a very strong positive relationship meaning when the level of organizational culture increases, the level of its effect that it has on organizational effectiveness also increases at the same time. This imply working on involvement, adaptability, consistency and mission assessment of the organization will result the organization to perform effectively in employee commitment and satisfaction, customer satisfaction and financial and performance growth.

4.5 The Effect of each Dimensions of Organizational Culture on Organizational Effectiveness of CBE

C. Regression Analysis

Regression is the determination of a statistical relationship between two or more variables. In simple regression, we have only two variables, one variable (defined as independent) is the cause of the behavior of another one (defined as dependent variable). Regression analysis is a statistical method to deal with the formulation of mathematical model depicting relationship amongst variables which can be used for the purpose of prediction of the values of dependent variable, given the values of the independent variable. (Kothari, 2004) And as to this case the independent variable is organizational culture and the dependent variable is organizational effectiveness.

Table 4.15 Model Summary

Model	R	R Square	Sig.
Involvement	.504[a]	.254	.000
Consistency	.718[a]	.515	.000
Adaptability	.675[a]	.456	.000
Mission	.417[a]	.174	.000
Organizational culture	.615[a]	.378	.000

a. Predictors: (constant), Involvement
b. Predictors: (constant), Consistency

c. Predictors: (constant), Adaptability

d. Predictors: (constant), Mission

e. Predictors: (constant), Organizational culture

According to table 4.16, 37.8% of the variation in organizational effectiveness in CBE is explained by organizational culture.25.4% by involvement, 51.5% by consistency, 45.6% by adaptability and 16.8% by Mission assessment. Therefore we can observe that high percentage of variation in organizational effectiveness, among organizational dimensions is explained by consistency of CBE.

Table 4.16 Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(constant) Involvement	23.230 .917	2.819 .142	.504	8.242 6.473	.000 .000
(Constant) consistency	22.057 2.159	1.745 0.189	.718	12.640 11.433	.000 .000
(Constant) adaptability	20.644 1.486	2.085 .146	.675	9.900 10.151	.000 .000
(Constant) Mission	4.512 .172	.596 .034	.417	7.568 5.095	.000 .000
(Constant) Organizational Culture	15.757 .459	3.193 .053	.615	4.936 8.644	.000 .000

a. Dependent variable: Organizational effectiveness

Table 4.17: Implies, as if involvement increase with one unit then organizational effectiveness also increases in 0.509 units. If consistency does then it increases by 0.718, while the same happened to adaptability then OE increase by 0.675. And while mission increases then OE increases by 0.417.

Based on the above results, the researcher observed that Organizational Effectiveness is more affected by consistency that y the other traits of Organizational Culture.\

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of major findings

As per the data gathered through questionnaire and interview the summary of findings are presented in the section as follows:

- Despite that 88.5% of the respondents perceived that CBE recorded high financial and growth performance, negative perception of employees on their security of employment, predictability, and stability was observed from 83.2% of respondents. And gaps were observed on employee motivation and commitment.74.0% of the respondents' response was disagreement to the ability of CBE in managing the organization with internal and external environment.58% of the respondents believes there is poor customer orientation, 70% of them agreed on the poor satisfaction of employees and poor organizational commitment was perceived by 66.7% of the respondents on average.

- Most employees (63.73%) on average have feeling of gaps in empowerment, high trust, commitment, team work and cooperation of employees in CBE. And although 80.8% of the respondents disagreed on the strength in consistency of CBE and 73.9% on its adaptability practices, but 62% agreed on positive practices of CBE on mission assessment.

- More than the other dimensions, Consistency has the highest impact on organizational effectiveness. i.e. Consistency has 37.8% of contribution on Organizational Effectiveness of CBE.

- The result in the correlation analysis shows that Organizational Culture has a positive and significant relationship with Organizational Effectiveness of CBE. The highest level of correlation coefficient of the relationship between the two variables is at 0.615.

5.2. Conclusions

Through deep analysis, the research has drawn the following conclusion:

⟹ Appreciating females and empowering them and scoring high records in financial growth can make CBE strong in achieving its objectives but the weakness in employee satisfaction, organizational commitment and customer satisfaction indicates the degradation in its overall Effectiveness.

⟹ Though, there is strength in understanding importance of mission and shared definition of purpose, clear set of goals objectives in link with mission, vision and strategy between employees. But weakness in involvement, adaptability and consistency are the major features of CBE's organizational culture.

⟹ Actions are not taken in order to strengthen psychology of members to increase their commitment. Therefore experienced employees are leaving the organization this pulls it to have low competitive position in the market. Though CBE takes high risk to create change, it has weak understanding of customers and anticipates their needs. Also taking risks and trying new things is considered as unapproachable for the employees. The researcher also observed that even though studies had been conducted on customer orientation, but for several reasons they are not used as an input or have not been taken to action. And this led customers' satisfaction to degrade. For the reason of CBE's weakness in managing the organization with internal and external environment, high employees' resistance to organizational change is conducted. And although consistency had the highest than other dimensions on CBE's Effectiveness, but the emphasis given was very weak.

⟹ Based on the correlation analysis, Organizational Culture has a positive and significant relationship with Organizational Effectiveness of CBE.

5.4. Recommendations

According to the finding and conclusion made the following are recommendations are offered by the researcher so as to strength and help the organization to improve the organizational culture in order to increase the organizational effectiveness.

❖ Women empowerment and mission assessment and developmental work force must be appreciated and upgraded in order to reach high achievement of goals and objectives .For the reason that employees are not motivated and use time accurately, improving payment according to the tasks they have been performing can increase the strength of their psychology, and also research based compensation and appraisal should be developed in order to increase employees' motivation and retain them. While the payment becomes related to performance, the organization's competitive advantage increases too. Implementing research based customer service helps the organization to be faster, timely, cost effectively and with better quality service and so as customer satisfaction could be higher and create safe work environment for employees.

❖ Managers in CBE should emphasize involvement practices. Because if high levels of involvement and participation are practiced in CBE, It will create a sense of ownership and responsibility for employees. Out of this ownership grows a greater commitment to an organization and a growing capacity to operate under conditions of greater autonomy. Increasing the input of organizational members is also seen as increasing the quality of decisions and their implementation.

❖ Since, consistency in CBE affects organizational culture more than the other cultural traits; it is appreciable that the management emphasizes security of employment, stability and creating clear set of expectation between employees in order to upgrade the overall effectiveness of the organization. Implementing research based customer service helps the organization to be faster, timely, cost effectively and with better quality service and so as customer satisfaction could be higher and create safe work environment for employees.

❖ Current status of organizational effectiveness collectively is positive but even though it is, the researcher underlines there is a lot to be done. Only deposits collection should not generalize the other themes but rather each term should be reviewed and improved through discussion with the employees of CBE and to reach very most step than where it is now. Quality can be essential for CBE's Effectiveness as they provide framework within which dimension it can operate effectively. They also affect public confidence in the CBE capability as well as its employees' satisfaction levels. Otherwise just because one element is positive, it does not mean it will remain constantly upgrading but rather if the other supplementary are generalized by one concept and ignored this can lead to declination in the positively growing terms too. Therefore, terms should be reviewed in their context and improved timely with discussions.

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APPENDICES

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

Instruction

This Questionnaire is to be filled by selected current employees at the branch Objective of this Questionnaire is to support a research being conducted by a student in st.mary's university college school of post graduate studies under the title "The Impact of organizational culture on organizational effectiveness the case of commercial bank of Ethiopia". Your answers for this Questionnaire are very important to get the true picture for the research.

All information you provide will be strictly confidential.

Notice:-

- ✓ No need to mention your name
- ✓ Put " "on a box that matches to your response.
- ✓ Your honest response is expected
- ✓ Returning the questionnaire in time is appreciable and very help full
- ✓ Should you have any enquiry, please feel free to contact the researcher at :
    - Email: - *shay34344@gmail.com*
    - Mobile no: - *0920600829*

I.   PERSONAL BACKGROUND

1. Gender   Male ☐   Female ☐

2. Age category   18-30 ☐   31-40 ☐

　　　　　　　　41-50 ☐   Above 50 ☐

3. What is your current working position in CBE?

　　Customer service officer ☐   customer relationship officer ☐

　　Marketing officer ☐   senior banking officer ☐

4. Educational level

　　Diploma ☐   Bachelor degree ☐ Masters Degree ☐   PHD ☐

5. How long you have worked in CBE?

　　Less than 2 years ☐   2-5 years ☐   5-7 years ☐   8 years ☐

II.   Research related questions

Section one:

The following tables classified by the four basic dimensions of organizational culture (i.e. involvement, consistency, adaptability and mission). Each table is composed of statements that the researcher believes can best explain the organizational culture of CBE. There are five blank boxes beside each statement listed. The five roman numbers above the boxes represents the degree in which the respondent agrees with each statement. Therefore the respondents are kindly requested to put " " in the box that describes their exact feeling.

⟹ **I** *strongly disagree*   ⟹   **III** *Neutral*   ⟹   **IV** *Agree*

⟹   **II**   *Disagree*   ⟹**V** *strongly agree*

Q.No.	Involvement in CBE	S.Disagree	Disagree	Neutral	Agree	S.Agree
		I	II	III	IV	V
1	The organization characterizes as a very personal place. Employees seem to share a lot of them selves					
2	The management style in the organization is characterized by teamwork, consensus and participation					
3	Human development, high trust, openness and participation are emphasized in the organization					
4	The organization defines success in basis of team work, employee commitment and concern for people.					
5	Employees of the organization are empowered with real responsibility					
6	Employees work cooperatively towards common goals					
7	The organization invest continually in the development of employees skill to meet employee's desire to learn and develop					

NO	CONSISTENCY IN CBE	S.Disagree	Disagree	Neutral	Agree	S.Agree
		I	II	III	IV	V
1	The management style of the organization is characterized by security of employment, predictability and stability					
2	There is a clear set of expectation among organizational members					
3	Leaders are skilled enough to achieve high agreement and reconcile different opinions on critical issues					
4	The different work title of employees in the organization work together					

NO	ADAPTABILITY IN CBE	S.Disagree	Disagree	Neutral	Agree	S.Agree
		I	II	III	IV	V
1	CBE takes high risk to create change					
2	CBE is able to understand customers and anticipate their future needs					
3	The organization interprets signals from the environment to opportunities					
4	Employees in CBE are willing to stick their necks out and take risks					
5	The management style of the organization is characterized based on the demand in the environment					
6	Trying new things and prospecting for opportunities are valued in CBE					

N O	MISSION ASSESSMENT	S.Disagree I	Disagree II	Neutral III	Agree IV	S.Agree V
1.	Major concern of the organization is to be result oriented					
2.	High emphasis is given on achievement and goal accomplishment					
3.	All employees of CBE have shared a view of a desired future state					
4.	CBE has clear strategic intentions that shows the organization's purpose					
5.	There is a clear set of goals and objectives linked with mission , vision and strategy in which every employee can use as a reference					

Section two:

Tables below examine the overall effectiveness of CBE based on the four indicators of effectiveness. And to what extent the organizational culture affects the organization's effectiveness. Respondents are expected to choose one of the five choices for each characteristic of the organization. Each character is to be rated from **Very poor to Excellent (1-5).**

Q.NO .	CUSTOMER ORIENTATION	V. POOR 1	POOR 2	GOOD 3	V. GOOD 4	EXCELLENT 5
I.	Marketing activities in order to satisfy customer needs					
II.	Scanning of the environment and dissemination of information to all members of the organization					
III.	The degree to which customers information both collected and been applied					
IV.	The use of information to forecast future demand					
		V.			V.	

Q.NO.	EMPLOYEE SATISFACTION	POOR 1	POOR 2	GOOD 3	GOOD 4	EXCELLENT 5
I	The degree to which the human resource strategy focus on developing skills					
II	Ensuring motivation and commitment in CBE					
III	The management effort in order to supply employees expectation					
IV	General emotional state of employees regarding with motivation					
V	Employees willingness to contribute to the authority's success					
VI	Effective consumption of time by employees in CBE					

Q.NO.	ORGANIZATIONAL COMMITMENT	V. POOR 1	POOR 2	GOOD 3	V. GOOD 4	EXCELLENT 5
I	The psychological strength to the linkage of each employee in the organization.					
II	Employees commitment to the organization in various situations					
III	Employees feeling to continue employed in the organization					
IV	Employees willingness to obey organizational rules and regulation					
V	Employees accurateness to perform organizational tasks					
VI	Employees avoidance to hinders that create mental escape from the work environment					

Q.NO.	FINANCIAL AND GROWTH PERFORMANCE	V. POOR 1	POOR 2	GOOD 3	V. GOOD 4	EXCELLENT 5
I	Increase in annual growth in number of employee					
II	General profitability growth					
III	Overall competitive position					

Thanks in advance to your genuine cooperation

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

The following questions are Interview questions prepared in order to fulfill a research which is being conducted by a student in st.mary's university college school of post graduate studies under the title of "The Impact of organizational culture on organizational effectiveness the case of commercial bank of Ethiopia". The questions are prepared for selected management positions in CBE.

1. How do you express organizational culture in your organization?
2. What are the most important characteristics of organizational culture which are highly emphasized in CBE?
3. How do you explain the effect of organizational culture on overall effectiveness of the organization?
4. What do you believe the gaps are in culture of CBE?
5. Based on experience on the organization, which cultural variables have direct impact on effectiveness?
6. What are the recent records regarding with financial performance? What does it have to do with organizational culture?
7. How do you measure the effectiveness within the organization? What actions are taken to improve effectiveness?