ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

ASSESSMENT OF ORGANIZATIONAL CULTURE IN THE CASE OF OROMIA INTERNATIONAL BANK S.C

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION IN GENERAL MANAGEMENT

ADVISOR: MESFIN TESFAYE (PhD)

BY: GETU KEBEDE

ID NO SGS/0079/2011A

JULY, 2020

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APPROVED BY BOARD OF EXAMINERS

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Advisor	**Signature & Date**
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Internal examiner	**Signature & Date**

DECLARATION

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

_____   _____

Name   Signature

St. Mary's University, Addis Ababa   **July, 2020**

ENDORSEMENT

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

_____   _____

St Mary's University, Addis Ababa   **July, 2020**

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ACKNOWLEDGEMENTS

LIST OF ACRONYMS AND ABBREVIATIONS

CBE-   Commercial Bank of Ethiopia

DOCS-   Denison Organizational Culture Survey

OIB-   Oromia International Bank S.C

SPSS-   Statistical Package for Social Science

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ABSTRACT

Organizational culture is the most researched area in organizational literature, but there is a dearth of literature on the assessment of organizational culture by using Denison's Organizational Culture Model in Ethiopia particularly on banking sector. The purpose of this research was to assess organizational culture in the case of Oromia International Bank's Head Office Processes and Addis Ababa District Offices. To assess the existing organizational culture, the study executed quantitative method of research to apply descriptive research design. The study used Denison's Organizational Culture traits (involvement, consistency, adaptability and mission. By disproportionate stratified random sampling, primary data about organizational culture was collected from 159 employees by using Denison Organizational Culture Survey (DOCS) standard instrument used to collect organizational culture data. The finding shows that the bank has strong organizational cultural. The finding further shows Mission trait is the dominant organizational culture in OIB, followed by Involvement, Consistency and Adaptability traits respectively. Finally it was recommended that, the bank has to keep on building its organizational culture in a way to make better than current situation.

Keywords; Organizational Culture

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The significance of culture is not being determined by whether there is an existence of soft or complicated culture (Alvesson, 2002); what is important is that there is the existence of a corporate culture that guide behaviors and actions within a group. Getting a universally acceptable definition of culture has been a very difficult exercise for both management scholars and practitioners. Despite a century of efforts to define culture adequately, there was in the early 1990s, no agreement among anthropologists regarding its nature (Apte (1994, p. 2001). According to Schein, culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

Organizational culture refers to the collective programming of the mind that distinguishes the members of one organization from another (Hofstede, 1980). This includes shared beliefs, values and practice that distinguish one organization from another. Also Schein (2011) defines organizational cultures as shared philosophies, ideologies, beliefs, assumptions, expectations, attitudes, norms and values.

Serpa (2016) sees organizational culture as a shared way of being, thinking and acting in a collective and coordinated people with reciprocal expectations. Organizational culture is the set of shared values, beliefs and norms that influence the way employees think feel and behave in the workplace (Agwu, 2014). Collins and Porras (2000) opine that organizational culture refers to a system of shared meaning held by members that distinguish one organization from other organizations. Organizational culture is as an informal, shared way of looking at an organization and membership in the organization that binds members together and influences what they think about themselves and their work (O'Donnell & Boyle, 2008).

Maseko (2017) viewed organizational culture as a company's orientation towards its internal stakeholders, which forms the basic rules that guide employees' behaviors, developed and shared within an organization. Although there is no agreement in the literature concerning

organizational culture, one authority argued that there is only one consensus and that is the fact that organizational culture has both tangible and non-tangible aspects (Sokro, 2012). The primary purpose of this study was to assess the existing organizational culture in the case of Oromia International Bank S.C at Head Office and Addis Ababa District Offices by using Denison's Organizational Culture model; mission, consistency, involvement and adaptability culture traits.

1.2. Background of the Study Area

Oromia International Bank (OIB) was established in accordance with the pertinent national laws, regulations and the 1960 Commercial Code of Ethiopia, under National Bank of Ethiopian Monetary and Banking proclamation No. 83/1994 and by the Licensing and Supervision of Banking Proclamation No. 592/2008. Accordingly, on September 18/2008, OIB obtained its banking business license to enable commence operation. At the time of its establishment, OIB's authorized capital was Birr 1.5 billion, subscribed capital Birr 279.2 million and its paid-up capital was Birr 91.2 million. Fulfilling all the requirements, OIB commenced operation on October 25, 2008 by opening its first branch at Dembel City Center, naming Bole Branch.

The Mission of OIB is "providing full-fledged and best quality commercial banking services within the pertinent regulatory requirement with due diligence to sustainable business while empowering the missing middle and discharging social responsibility by engaging highly qualified, skilled, motivated and disciplined employees and state-of-the-art information technology, adding real value to the shareholders interest and win the public trust." Its vision is "to become the Bank of your First Choice."

Core values of the Bank are value persistence, endurance and tenacity; value customer satisfaction; value transparency, integrity and confidentiality; uphold team spirit and grooming potential successor; value total respect to customers and employees; value competitive and motivated human resource with ever growing skills; promote a learning and innovative organization; value belongingness and uphold corporate citizenship (Bank's Brushers printed 2008).

In a decade time, OIB has registered shining achievements in every aspect of its banking businesses. The bank has created employment opportunities for 5,212 employees, a total assets

of bank reached birr 31.8 billion, total capital birr 3.7 billion, paid up capital birr 2.4 billion, mobilized birr 26.6 billion in the form of deposits, loans plus IFB financing of birr 17.4 billion, a total number of 10,262 borrowers, a total number of 11,654 shareholders, opened 265 branches all over the country, registered a total income of birr 3.2 billion, net profit of birr 940 million, average earning per share of 374 and average dividend per share of 307 (bank's annual report ended June 30,2019).

1.3. Statement of the Problem

Every organization is assumed to have its own culture. However, organizational culture is hidden and difficult to identify. According to Schien (1989), culture does not reveal itself easily. It is clearly there, but to articulate it and to describe it requires great patience and effort.

Organizations develop a brilliant strategy and then fail to execute; they embark on a major change that does not get successfully implemented or takes too long. A leader who has sat at the executive table, where good decisions are made; agreement is achieved; commitments are made; s/he may watch, get perplexed, as little or nothing happens. Creative idea and innovative plans become stymied by bureaucratic process and energy draining efforts. In most cases, the cause of all these is the absence of a performance culture (Reid & Hubbel, 2005). Several empirical studies have also supported the existence of positive link between organizational culture and performance (Kotter & Keskett, 1992).

Hence, a high degree of organizational performance is related to an organization, which has a strong culture with well integrated and effective set of values, beliefs and behaviors (Cameron & Quinn, 1999).Therefore, the practice of organizational culture would get due attention as other aspects of the organizational problems in private banks. Thus, this study focused on the assessment of organizational culture practices in Oromia International Bank.

1.4. Research Questions

As the aim of study was to assess the organizational culture of Oromia International Bank S.C using Denison's (1995) organizational culture traits; involvement, consistency, adaptability and mission, the researcher seeks to answers the following basic research questions;

- Q1. How can organizational culture be conceptualized and what are its key aspects?
- Q2. How can organizational culture be measured?
- Q3. What is the dominant organizational culture trait(s) in Oromia International Bank S.C?

1.5. Objectives of the Study

1.5.1. General Objective

To assess the organizational culture of Oromia International Bank S.C by using Denison's organizational culture traits, involvement, consistency, adaptability and mission.

1.5.2. Specific Objectives

- To determine how organizational culture can be measured
- To assess the existing organizational culture of Oromia International Bank S.C
- To assess the dominant organizational culture(s) in Oromia International Bank S.C

1.6. Significance of the Study

Organizational culture is the most researched area in organizational literature. Majority of previous research were conducted in developed nations. Similar studies are at scare in our country particularly in banking industry. There is only one research article, which was conducted by Abay Sime and Mesfin Lema (2019) on Commercial Bank of Ethiopia. Therefore, the finding of this research may contribute to the existing base knowledge and research regarding the link between organizational culture and performance in banking and other industries, help the organization under study to give due attention to the existing organizational culture so as to exploit it as a competitive advantage. And also the finding of this research can be used as a reference for those researchers who want to investigate effect of organizational culture on performance.

1.7. Delimitation of the Study

Even though there were many dimensions of organizational culture (Denison 1995, Harrison 1972, Hofstede 1980, Schein 1984, Robbins & Judge 2011, Kotter & Heskett 1992), the study was depend on Denison's organizational culture model; adaptability, consistency, involvement

and mission traits, as a measure of organizational culture. Furthermore, due to time and cost limitation, the survey was limited to Oromia International Bank's head office process and two Addis Ababa Districts.

1.8. Limitation of the Research

While organizational culture deals predominantly with intangible and emotional concepts rather than rational concepts, a limitation in using the Denison Organizational Culture Survey is that it measures the observable elements of culture. The study was conducted within a single organization; every commercial bank had their own unique organizational culture, the results could not be generalized to all commercial banks. As the study conducted during the period of Covid- 19 Pandemic during the survey, the respondents refrained from touching the questioners before 24 hours and the majority of staff forced to consume their annual leaves so as to maintain the appropriate social distancing, to meet the required sample size the researcher forced to wait additional weeks beyond the planned period.

1.9. Operational Definitions

Organizational Culture is the values, beliefs, and assumptions that are held by the members of an organization and which facilitate shared meaning and guide behavior at varying levels of awareness.

Culture is a set of ideas, beliefs and ways of behaving of a particular organization or group of people.

Belief is a strong feeling that something exists or is true. It represents the individual's perceptions of reality.

Value is a situation or a pattern of behavior that is usual or expected.

Norm is beliefs about what is right and wrong and what is important in life.

1.10. Organization of the Paper

The research report is organized into five Chapters. The first Chapter is made up of the background of the study, background of the study area, statement of the problem, research

hypothesis, and objectives of the study, significance of the study, scope of the study, limitation of the study and organization of the study. In Chapter two theoretical and empirical reviews of the study is presented. This chapter covers issues about concepts of organizational culture, characteristics of organizational culture, types of organizational culture, models of organizational culture, role of organizational culture in organization.

Chapter three describes the research methodology. It explains the research approach, research design, target population, sample size, sampling techniques, types of data, measurement instrument and data analysis techniques. Results and discussions are contained in Chapter four. Chapter five provides summary, conclusion, recommendations and indication for future research.

CHAPTER TWO: LITERATURE REVIEW

This part of the study generally dealt with the theoretical and empirical evidence of the organizational culture. The literature reviewed begins with the definition and characteristics of organizational culture, then to make the concept of organizational culture more clear, levels and types of organizational culture, dimensions of culture and managing organizational culture.

2.1. Concept of Organizational Culture

Martins (2003) define organizational culture as a system of shared meaning held by members, distinguishing the organization from other organizations. Arnold (2005) support the above definition that organizational culture is the distinctive norms, beliefs, principles and ways of behaving that combine to give each organization its distinct character. These two definitions suggest that every organization has something unique about the way it operates. Therefore, organizational culture is to an organization what personality is to an individual (Johnson, 1990).

Linking to the above definitions, Collins and Porras (2000) also define organizational culture as a system of shared meaning held by members that distinguish one organization from other organizations. Organizational culture is as an informal, shared way of looking at an organization and membership in the organization that binds members together and influences what they think about themselves and their work (O' Donnell & Boyle, 2008).

While Maseko (2017) viewed, organizational culture as a company's orientation towards its internal stakeholders, which forms the basic rules that guide employee's behaviors, developed and shared within an organization. Schein (2004) argued that perhaps the most interesting part of culture as a concept is that it points us to phenomena that below the surface are powerful in their impact but invisible, and to a considerable degree, unconscious to people. Organizational culture is made up of more superficial aspects such as patterns of behavior and observable symbols and ceremonies, and more deep seated and underlying values, assumptions and beliefs (O'Donnel& Boyle, 2008). Serpa (2016) sees organizational culture as a shared way of being, thinking and acting in a collective and coordinated people with reciprocal expectations.

Although there is no agreement in the theoretical and empirical literatures concerning organizational culture, one authority argued that there is only one consensus and that is the fact that organizational culture has both tangible and non-tangible aspects (Sokro, 2012).

2.2. Characteristics of Organizational Culture

According to (Trice and Beyer, (2002), cited by Loisch, 2007, and further cited by Himmer, 2013) organizational culture has the following characteristics;

• **Collective**: It is assumed that cultures are not created by individuals alone, but as a result of collective actions. Belonging to a culture involves believing in what the group believes and handling things the way and manner they handle them.

• **Emotional**: The substance and forms of culture are filled with emotions as well as meanings, which is why they help to manage and overcome anxieties. Members of a group seldom doubt the core values and attitudes of the organizational culture.

• **Historic**: Cultural phenomena are connected to the history of the organization and its traditions and cannot be separated or changed rapidly.

• **Symbolic**: Symbols are on the one hand, a specific type of cultural form, but on the other hand, they are the most general and persuasive form of culture. Furthermore symbols are not directly sizable, but have to be interpreted in order to understand their meaning.

• **Dynamic**: Even though culture is connected to the organization's history it still is not static, but rather dynamic. Culture is subject to continuous change.

• **Diffuse**: The more complex the circumstances are, the more diffuse the elements of organizational culture will get.

Robbins and Judge (2011) examine **seven** basic characteristics of organizational culture:

• **Innovation and risk taking** is degree to which employees are encouraged to be innovative and take risks.

• **Attention to detail** is the degree to which employees are expected to exhibit precision, analysis, and attention to detail.

• **Outcome orientation** is the degree to which management focuses on results or outcomes rather than on the techniques and processes used to achieve them.

• **People orientation** is the degree to which management decisions take into consideration the effect of outcomes on people within the organization.

• **Team orientation** is the degree to which work activities are organized around teams rather than individuals.

• **Aggressiveness** is the degree to which people are aggressive and competitive rather than easygoing.

• **Stability is** the degree to which organizational activities emphasize maintaining the status quo in contrast to growth.

2.3. Types of Organizational culture

Handy (1985) classifies four organizational culture types, which are described by Struwig and Smith (2000) as follows:

• **Power culture.** This culture depends on power and influence by a central figure. There are few rules and procedures; however, the central figure exercises control. Much faith is placed in the individual and little in committees and teamwork.

• **Role culture.** This culture is often stereotyped as bureaucracy. Organizational culture is built around defined jobs, rules and procedures. This culture operates according to logic and rationality, and its strength lies in its functions or specialists. Top management is characterized by a small span of control and the organization tends to operate within a stable environment where creative or innovative behavior is discouraged as a rule. This culture type is slow to perceive the need for change and slow to change even if the need is seen. Role cultures offer security and predictability to the individual. Employees who are orderly, punctual and detail oriented are well suited to a role culture environment.

• **Task culture**. This culture is job or project oriented and extremely adaptable. For a particular problem situation, people and other resources can be drawn from various parts of the firm on a temporary basis. The matrix organization is one structural form the task culture. Influence within the organization is based on expertise rather than personal authority.

• **Person culture**. The individual is the central point in the person culture. The organization exists to help the individual rather than the other way around. Groups of professional people, such as doctors, dentists and architects, are examples of person cultures.

Hofstede and Bond (1988) undertook a study, using IBM data, on employee attitudes gathered over six years in 72 countries. The IBM studies revealed that the 53 cultures that existed within the organization across the world differed mainly along the following four dimensions:

• **Power distance.** This is the extent to which the less powerful members of the organization accept and expect that power is distributed unequally.

• **Individualism versus collectivism**. This describes the extent to which individuals are integrated into groups.

• **Masculinity versus femininity**. This represents the distribution of roles between the sexes. The assertive pole has been referred to as masculine and the nurturing pole as feminine.

• **Uncertainty avoidance**. This refers to man's search for truth and indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. People in uncertainty-avoiding cultures are more emotional and are motivated by inner nervous energy. Uncertainty-accepting cultures are more tolerant of behavior and opinions that differ from their own and try to have as few rules as possible.

Harrison's culture quadrants, as they relate to Handy's culture types, are described by Hampden-Turner (1990) as follows:

• **Role culture.** This type of culture is highly formalized and centrally directed, and is referred to by Handy as the Apollo culture. Role or Apollo cultures are bureaucratic and, in the case of the factory, scientifically managed by time and motion study.

• **Power culture**. This type of culture is referred to by Handy as the Zeus culture and is seen as a spider in the centre of a web with informal colleagues sharing the same thinking as their leader. The culture is verbal and intuitive.

• **Task culture**. Harrison identifies this type of culture with a matrix as its sign. Handy calls this an Athena culture. This culture consists of inter-disciplinary project groups organized around a task. It is a decentralized way of working but is still formalized by the disciplines that should be joined.

• **Atomistic culture**. This is a decentralized, informal culture. Handy stresses the fact that bonds of respect and affection often characterize this relationship of free spirits united by common interests. Hence he calls it the Dionysus culture after the god of wine, passion, theatre and

creativity. Such a culture would be typical of independent experts joined together for mutual convenience or stimulation.

Detert, Scroeder and Mauriel (2000) attempted to identify the specific constructs or dimensions used by researchers to tap the larger concept of organizational culture during the past two decades.

• **The basis of truth and rationality in the organization**. Within organizations, people hold various ideas about what is real and not real, and how what is true is ultimately discovered (Schein, 1992). Organizations may consider truth to be a product of systematic scientific discovery or a product of personal experiences and intuition (Sashkin& Kiser, 1993). Various conceptions of what is true and how truth is determined may affect the degree to which people adopt normative or pragmatic ideals (Hofstede et al, 1990).

• **The nature of time and time horizon**. Ideas about time underlie the orientation of many organizations. While Schein (1992) argues that this dimension includes how time is defined and measured, what kinds of time exist and how important time is, others focusing on this dimension centre primarily on the issue of time horizon. In particular, the time horizon of an organization helps determine whether leaders and other organizational members adopt long-term planning and goal setting or focus primarily on the here-and-now (Denison & Mishra, 1995; Sashkin&Sashkin, 1993; Tucker & McCoy, 1998).

• **Motivation**. The concept of motivation is central to the very nature of what it means to be human (Schein, 1992). It encompasses ideas about whether people are motivated from within or by external forces, whether people are inherently good or bad (Dyer, 1985), whether people should be rewarded or punished, and whether any effort or output can be changed by manipulating others' motivation.

• **Stability versus change, innovation and personal growth**. This dimension relates to the propensities that individuals have towards stability or change (Cooke &Szumal, 1993; Leithwood& Aitken, 1995; Reynolds, 1986). Some individuals are open to change and can be referred to as risk-takers, whereas others are said to have a high need for security (Hofstede et al, 1990). When organizations try to promote risk taking, conceptions of organizational innovation take priority (Denison & Mishra, 1995). In risk-averse organizations the focus is not to disturb the status quo and conceptions about doing or being good enough abound.

• **Orientation to work, task and co-workers.** A number of culture frameworks contain ideas about the centrality of work in human life and about the balance between work as a production activity and a social activity (Hofstede et al, 1990; Schein, 1992). Some individuals view work as an end in itself and their key concern is productivity and work accomplishment (O'Reilly, Chatman & Caldwell, 1991; Reynolds, 1986).

Other individuals see work primarily as a means to an end, such as a comfortable life (Rokeach, 1973). For these individuals, productivity is a less important goal than social relationships formed at work (Reynolds, 1986).

• **Isolation versus collaboration or cooperation**. This concept relates to the underlying beliefs about the nature of human relationships and about how work is effectively and efficiently accomplished (Denison & Mishra, 1995; Schein, 1992; Tucker & McCoy, 1988). In some organizations, individuals accomplish almost all work and in others, a premium is placed on collaboration as a means to better decisions and overall output.

• **Control, coordination and responsibility**. This dimension relates to the extent to which control is centralized or shared within the organization. Where control is concentrated, there are formalized rules and procedures set by a few, which are intended to guide the behavior of the majority, and decision making is centralized (Reynolds, 1986; Smart & Hamm, 1993; Smart & St John, 1996). In organizations in which work is loosely controlled, flexibility and autonomy of workers are cherished, there are fewer rules and regulations, and decision making is shared throughout the organization (Heck &Marcoulides, 1996; Leonard, 1997; Reynolds, 1986).

• **Orientation and focus**. This concept relates to the nature of the relationship between an organization and its environment. This relationship includes ideas about whether the organization assumes its controls or is controlled by the external environment (Dyer, 1985). Some organizations assume that the key to success is to focus on people and processes within the organization, whilst others are focused primarily on external constituents, customers, competitors and the environment (Denison & Mishra, 1995).

2.4. Models of Organizational Culture

2.4.1. Schein's Three Layer Organizational Model

Schein (1985) differentiates between the elements of culture by treating basic assumptions as the essence or the core of culture, and values and behaviors as observed manifestations of the

cultural essence. He contends that these are levels of culture and that they should be carefully distinguished in order to avoid conceptual confusion.

Level 1: Artifacts. The most visible level of culture is its artifacts and creations, consisting of its constructed physical and social environment. At this level, the researcher can examine the physical space, the technological output, written and spoken language, artistic productions and overt behavior of the group. It is easy to observe artifacts but it is difficult to figure out what they mean, how they interrelate and what deeper patterns, if any, they reflect (Schein, 1985).

Level 2: Values. Values are conscious, affective desires or wants, and they represent the things that are important to people (Ivancevich& Matteson, 1996). In a sense, all cultural learning ultimately reflects someone's original values, usually the founder of the organization. The founder has convictions about the nature of reality and how to deal with it, and will propose a solution based on those convictions. If the solution works and the group has a shared perception of that success, the value gradually starts a process of cognitive transformation into a belief and, ultimately, an assumption. As they become assumptions, they drop out of consciousness, just as habits become unconscious and automatic. However, many values remain conscious and are explicitly articulated, because they serve as the moral function of the guiding members of the group in how to deal with certain situations (Schein, 1985).

Level 3: Basic Underlying Assumptions. When a solution to a problem works repeatedly, it comes to be taken for granted. What was once a hypothesis, supported only by a hunch or a value, is gradually treated as a reality. Basic assumptions become so taken for granted that one finds little variation within a cultural unit (Schein, 1985). Basic assumptions guide behavior and tell people how to perceive, think and feel about work, performance goals, human relationships and the performance of colleagues (Ivancevich& Matteson, 1996). Basic assumptions are not generally confronted or debated, and can have the propensity to distort data in certain situations.

2.4.2 Kotter and Heskett's Culture Model

Kotter and Heskett (1992) describe culture as having two levels which differ in terms of their visibility and their resistance to change. At the deeper, less visible level, culture refers to values that are shared by the people in a group and that persist over time even when the group membership changes. These notions about what is important in life can vary greatly from company to company. At this level culture can be extremely difficult to change, partly because

group members are often unaware of the values that bind them together. At the more visible level, culture represents the behavior patterns or style of an organization that new employees are automatically encouraged to follow. Culture in this sense is still difficult to change, but not nearly as difficult as the level of basic values. Each level of culture has a natural tendency to influence the other. This may be most obvious in the case of shared values influencing a group's behavior, such as its responsiveness to customers. Causality can, however, flow in the opposite direction, with behavior and practices influencing values. Kotter and Heskett (1992) further highlight that culture is not synonymous with a firm's strategy or structure, although the terms are sometimes used interchangeably because they play an important part in shaping people's behavior. The beliefs and practices called for in a strategy may, or may not, are compatible with a firm's culture.

2.4.3. Hofstede's Manifestations of Culture

Hofstede et al (1990) classify the manifestation of culture into four categories, namely symbols, heroes, rituals and values. Symbols are words, gestures, pictures or objects that carry a particular meaning within a culture. Heroes are persons, alive or dead, real or imaginary, who possess characteristics highly prized in the culture and who thus serve as models for behavior (Wilkins, 1984). Rituals are collective activities that are technically superfluous but are socially essential within a culture, and can be considered to be carried out for their own sake. Hofstede (1980) describes these layers as being similar to the successive skins of an onion: from shallow superficial symbols to deeper rituals.

Symbols, heroes and rituals can be subsumed under the term practices because they are visible to an observer, although their cultural meaning lies in the way they are perceived by insiders. The core of culture is formed by values, in the sense of broad, non-specific feelings of good and evil, beautiful and ugly, normal and abnormal, rational and irrational, that are often unconscious and rarely discussable. These values cannot be observed as such, but are manifested in alternatives of behavior (Hofstede et al, 1990).

2.4.4. Denison's Organizational Culture Model

Denison's organizational culture model is based on four cultural traits that have been shown in the empirical literature to have an influence on organizational performance: involvement,

consistency, adaptability, and mission (Denison, 1990; Denison & Mishra, 1995; Gordon &DiTomaso, 1992; Kotter&Heskett, 1992; Sorenson, 2002). Each of these traits is measured with three component indexes.

Involvement, the research literature has shown that effective organizations empower and engage their people, build their organization around teams, and develop human capability at all levels (Block, 1991; Katzenbach& Smith, 1993; Lawler, 1986; Spreitzer, 1995; 1996; Buckingham & Coffman, 1999). Organizational members are committed to their work, and feel a strong sense of ownership. People at all levels feel that they have at least some input into decisions that will affect their work and feel that their work is directly connected to the goals of the organization. This allows high involvement organizations to rely on informal, voluntary and implicit control systems, rather than formal, explicit, bureaucratic control systems. In the model, this trait is measured with three indexes:

- **Empowerment.** Individuals have the authority, initiative, and ability to manage their own work. This creates a sense of ownership and responsibility toward the organization.
- **Team Orientation.** Value is placed on working cooperatively toward common goals for which all employees feel mutually accountable. The organization relies on team effort to get work done.
- **Capability Development.** The organization continually invests in the development of employee's skills in order to stay competitive and meet on-going business needs.

Consistency, the literature has also shown that organizations are effective when they are consistent and well integrated (Saffold, 1988). Behavior is rooted in a set of core values, leaders and followers are skilled at reaching agreement and incorporating diverse points of view, and the organization's activities are well coordinated and integrated (Gordon &DiTomaso, 1992; Martin, 1992; Schein, 1992; Treacy&Wiersma, 1995; Lencioni, 2002). Consistent organizations develop a mindset and create organizational systems that build an internal system of governance based on consensual support. These implicit control systems can be a more effective means of achieving coordination and integration than external-control systems that rely on explicit rules and regulations. These organizations have highly committed employees, a distinct method of doing business, a tendency to promote from within, and a clear set of "do's" and "don'ts." This type of

consistency is a powerful source of stability and internal integration. In the model, this trait is measured with three indexes:

- **Core Values.** Members of the organization share a set of values which create a sense of identity and a clear set of expectations.
- **Agreement.** Members of the organization are able to reach agreement on critical issues. This includes both the underlying level of agreement and the ability to reconcile differences when they occur.
- **Coordination and Integration.** Different functions and units of the organization are able to work together well to achieve common goals. Organizational boundaries do not interfere with getting work done.

Adaptability, despite some of the natural advantages of well-integrated organizations, they can also be the least adaptive and the most difficult to change. Internal integration and external adaptation can be at odds (Lawrence &Lorsch, 1967). Adaptable organizations translate the demands of the organizational environment into action. They take risks, and learn from their mistakes, and have capability and experience at creating change (Katz & Kahn, 1978; Kotter, 1996; Senge, 1990). They are continuously improving the organization's ability to provide value for its customers by creating a system of norms and beliefs that support the organization's capacity to receive, interpret, and translate signals from its environment into internal systems that increase the organizations chances for survival and growth. Organizations that are strong in adaptability usually experience sales growth and increased market share (Denison & Mishra, 1995). In the model, this trait is measured with three indexes:

- **Creating Change.** The organization is able to create adaptive ways to meet changing needs. It is able to read the business environment, react quickly to current trends, and anticipate future changes.
- **Customer Focus.** The organization understands and reacts to their customers and anticipates their future needs. It reflects the degree to which the organization is driven by a concern to satisfy their customers.
- **Organizational Learning.** The organization receives, translates, and interprets signals from the environment into opportunities for encouraging innovation, gaining knowledge, and developing capabilities.

Mission. Successful organizations also have a clear sense of purpose and direction that defines organizational goals and strategic objectives and expresses a vision of what the organization will look like in the future (Hamel &Prahalad, 1994; Mintzberg, 1989; Selznick, 1957). A mission provides purpose and meaning by defining a social role and external goals for the organization. It provides a clear direction and goals that serve to define an appropriate course of action for the organization and its members. A sense of mission allows an organization to shape current behavior by envisioning a desired future state. Being able to internalize and identify with an organization's mission contributes to both short and long term commitment to the organization. In the model, this trait is measured by three indexes:

- **Strategic Direction and Intent.** Clear strategic intentions convey the organization's purpose and make it clear how everyone can contribute and "make their mark" on the industry.
- **Goals and Objectives.** A clear set of goals and objectives can be linked to the mission, vision, and strategy, and provide everyone with a clear direction in their work.
- **Vision.** The organization has a shared view of a desired future state. It embodies core values and captures the hearts and minds of the organization's people, while providing guidance and direction.

This model has focused on a set of tensions or contradictions (Denison, Hooijberg, & Quinn, 1996; Quinn & Cameron, 1988). For example, the trade-off between stability and flexibility and the trade-off between internal and external focus are the basic dimensions underlying the framework. In addition, the diagonal tensions in the model are also important to understand. Internal consistency and external adaptability represent a well-known tension in organizational theory (Lawrence &Lorsch, 1967), while mission and involvement point to the inevitable tensions between top-down direction and bottom-up influence. At the center of this model in the graph in Figure 1 is underlying beliefs and assumptions. This addition to the model is in recognition of the fact that the "deeper" levels of organizational culture (Schein, 1992) are difficult to measure using comparative methods. Nonetheless, they provide the foundation from which behavior and action spring. Beliefs and assumptions about the organization and its people, the customer, the marketplace and the industry, and the basic value propositions of the firm create a tightly knit logic that holds the organization together. Values and behavioral norms are linked to these underlying assumptions, but it is far more difficult to make comparative

generalizations about the underlying assumptions than it is to make generalizations about organizational cultures at the level of values and behavior. All of the concepts were developed through a series of qualitative and quantitative studies focusing on the cultural traits of organizations that appear to influence their performance and effectiveness. This set of concepts is also well represented in the broader literature on organizational theory and organizational behavior. The organizational culture model serves to integrate these concepts, develop a set of valid measures, and then apply them as a basis for a diagnostic process.
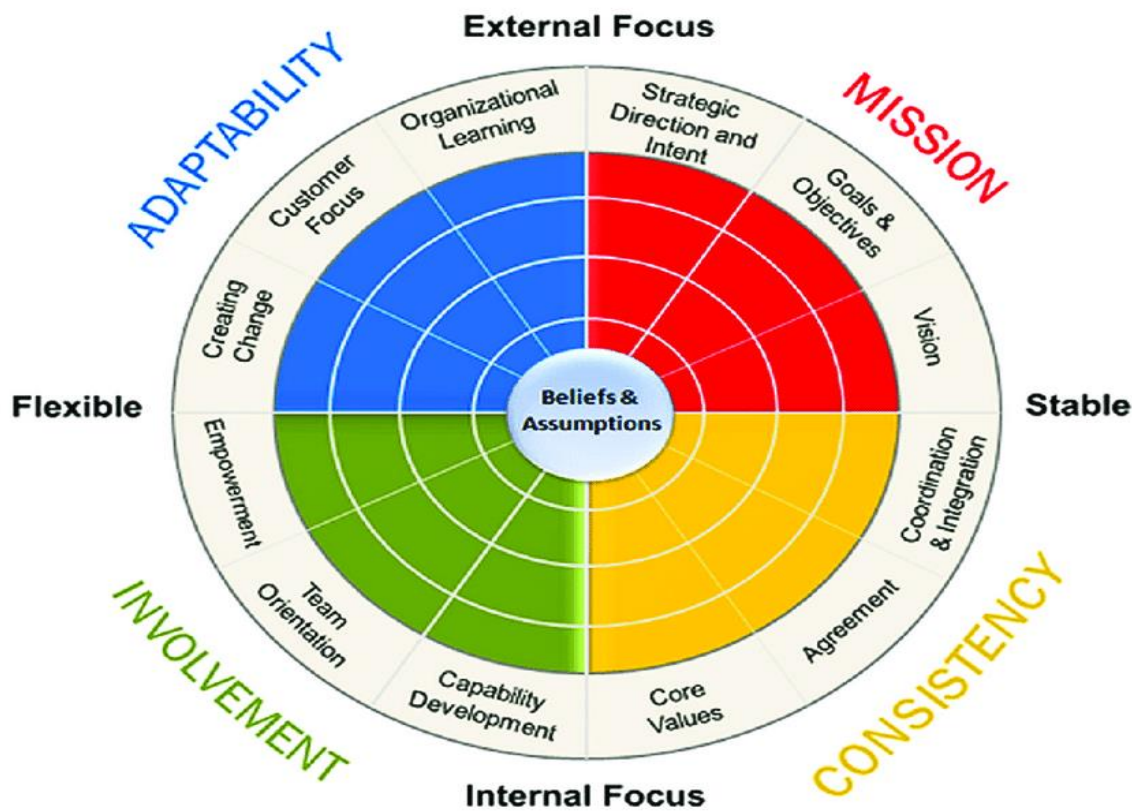
Figure 1: Denison's (1995) theoretical model of cultural traits

2.5. Role of Culture in Organization

Brown (1995) indicates that the following are the more widely commented upon functions of culture:

• **Conflict reduction**. Culture has been described as the cement or glue that bonds an organization together, and plays a large role in fostering social cohesion. A common culture promotes consistency of perception, problem definition, evaluation of issues and opinions, and

preferences for action. Given that there are strong tendencies for organizations to be highly conflictual and antagonistic, culture is a useful source for integration and consensus.

• **Coordination and control**. Culture in the form of stories and myths provide the agreed norms of behavior or rules that enable individuals to reach agreement on how to organize in general, and the process by which decisions should be reached in particular. Where a complex decision has to be taken, organizational culture may even help narrow the range of options to be considered. Culture is also a powerful means of control in organizations in the form of values, beliefs, attitudes and, especially, basic assumptions. Cultural preconceptions effectively delimit the extent to which employees are free to express their individuality in a way which is far more subtle and beguiling than an organization's formal control systems, rules and procedures.

• **Reduction of uncertainty**. The transmission of learning or cultural knowledge to new recruits is an important function of culture. It is through the adoption of a coherent culture that members learn to perceive reality in a particular way, to make certain assumptions about what things are important, how things work and how to behave.
The adoption of a cultural mind-frame is an anxiety-reducing device which simplifies the world and makes choices and rational action seem possible. All organizations are confronted with overwhelming uncertainty, conflicts of interest and complexity. However, through a culture's myths, metaphors, stories and symbols, an organization is able to construct its own world. This is usually a world in which complexity is reduced, uncertainties are neutralized and the organization's ability to exert control over its own activities is maximized.

• **Motivation**. Organizational culture can be an important source of motivation for employees and thus has a significant influence on the efficiency and effectiveness of the organization. Organizations often attempt to use extrinsic factors to motivate employees, but motivational attempts are far more effective if employees are also motivated by intrinsic factors. Organizational culture is of great importance here, as an appropriate and cohesive culture can offer employees a focus of identification and loyalty, foster beliefs and values which encourage employees to think of them as high performers doing worthwhile jobs, and promulgate stories, rites and ceremonies which create feelings of belonging.

• **Competitive advantage**. A strong organization culture can be a source of competitive advantage because a strong culture promotes consistency, coordination and control, reduces anxiety, enhances motivation, facilitates organizational effectiveness and therefore improves the chances of being successful in the marketplace.

Schein (1985) highlights that; the two basic functions of organizational culture are to ensure survival and adaptation to the external environment and to ensure internal integration. The issues or problems of external adaptation basically specify the coping style that any system should be able to maintain in relation to its changing environment:

• **Mission and strategy**. Every organization should develop a shared concept of its core mission or reason of existence, strategy, its primary tasks and latent functions.
• **Goals**. Developing consensus on goals as derived from the core mission.
• **Means**. Developing consensus on the means to be used to attain the goals; such as organization structure, division of labor, reward system and authority system.
• **Measurement**. Developing consensus on the criteria to be used in measuring how well the group is doing in fulfilling its goals, such as information and control systems.
• **Correction**. Developing consensus on the appropriate remedial or repair strategies to use if goals are not met.

Schein (1985) further highlights that the process of becoming a group is simultaneously the growth and maintenance of relationships among a set of individuals who are doing something together, and the actual accomplishment of whatever they are doing. What keeps a group together, and its reason for existence or external adaptation function, is quite different from the processes of creating that togetherness, processes that make individuals capable of accomplishing things that individuals cannot accomplish alone. The internal issues that should be dealt with by any group if it is to function as a social system are as follows:

• **Common language and conceptual categories**. If members cannot communicate with and understand each other, a group is impossible by definition.
• **Group boundaries and criteria for inclusion and exclusion**. One of the most important areas of culture is the shared consensus on who is in and who is out, and the criteria used to determine membership.

• **Power and status**. Every organization should work out its pecking order and its criteria for how one gets, maintains and loses power. Consensus in this area is crucial to help members manage feelings of aggression.

• **Intimacy, friendship and love**. Every organization should work out its rules of the game for peer relationships, for relationships between the sexes, and for the manner in which intimacy and openness are to be handled in the context of managing the organization's tasks.

• **Rewards and punishments**. Every group should know what its heroic and sinful behaviors are, what gets rewarded with property, status and power, and what gets punished in the form of withdrawal of the rewards and, ultimately, excommunication.

• **Ideology and religion**. Every organization, like society, faces unexplainable events, which should be given meaning so that members can respond to them and avoid the anxiety of dealing with the inexplicable and uncontrollable.

Culture does more than solve internal and external problems. It also serves the basic function of reducing anxiety that humans experience when they are faced with cognitive uncertainty or overload. For each of the internal and external problems identified above, humans would experience high levels of anxiety if they could not sort out, from the mass stimuli, those that are important and those that are not. Cultural assumptions can be thought of as a set of filters or lenses that help individuals to focus on and perceive the relevant portions of their environment. Once cultural solutions are in place, individuals can relax to some extent. One reason that culture change is resisted is that giving up the assumptions that create stability is inherently anxiety producing, even though the different assumptions may be more functional (Schein, 1985).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Research Approach

The appropriate research approach of this study is quantitative approach. Research Approaches are plans and the procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis and interpretation. The three types of research approaches (Creswell, 2018) are qualitative, quantitative and mixed research approaches. The details descriptions are presented below;

Qualitative research is an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. The process of research involves emerging questions and procedures, data typically collected in the participant's setting, data analysis inductively building from particulars to general themes, and the researcher making interpretations of the meaning of the data. The final written report has a flexible structure. Those who engage in this form of inquiry support a way of looking at research that honors an inductive style, a focus on individual meaning, and the importance of reporting the complexity of a situation.

Quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures. The final written report has a set structure consisting of introduction, literature and theory, methods, results, and discussion. Like qualitative researchers, those who engage in this form of inquiry have assumptions about testing theories deductively, building in protections against bias, controlling for alternative or counterfactual explanations, and being able to generalize and replicate the findings. Quantitative research is a research approach aimed at testing theories, determining facts, demonstrating relationships between variables and predicting outcomes (Van der Merwe, 1996). Welch et al., (2013) showed quantitative method as suitable to examine the relationship between two or more variables in the study and is mainly relevant for theory testing. Moreover Creswell (2009) has given a very clear clarification of quantitative research as a type of research that is explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics). Allowed (2012) support this idea that a quantitative method is appropriate to analyze quantifiable and numerical data in the research.

Mixed methods research is an approach to inquiry involving collecting both quantitative and qualitative data, integrating the two forms of data, and using distinct designs that may involve philosophical assumptions and theoretical frameworks. The core assumption of this form of inquiry is that the integration of qualitative and quantitative data yields additional insight beyond the information provided by either the quantitative or qualitative data alone.

Therefore, the appropriate research approach of this study was quantitative because the purpose of the study was to assess organizational culture of Oromia International Bank by using Denison et al., (1995) model of organizational culture traits; involvement, consistency, adaptability, mission. The researcher collected numerical data about organizational culture by using Denison Organizational Culture Survey (DOCS) as a primary data.

3.2. Research Design

Research designs are types of inquiry within qualitative, quantities and mixed methods approaches that provide specific direction for procedures in a research study (Creswell et al, 2018). According to Yin (2014), the research design is an essential element in the research process to make the study stronger and to manage the research process easily. He also indicated that a research design includes the research process from defining a research question to analyzing data. A research design is a plan, structure and strategy of investigation so conceived as to obtain answers to research questions or problems (Kerlinger 1986: 279).

The study was descriptive in nature, as organizational culture described through the research. Christensen (1997) indicates that the primary characteristic of the descriptive research approach is that it represents an attempt to provide an accurate description or picture of a particular situation or phenomenon. This research meet these requirements as the characteristics and constructs of organizational culture are clearly defined and analyzed using quantitative techniques, and the aim of the research is to assess organizational culture in case of Oromia International Bank.

3.3. Research Methods

3.3.1. Target Population

Population is the entire set of objects or people which is the focus of the research and about which the researcher wants to determine some characteristics (Bless, Higson-Smith and Kagee, 2006). The target population for the study was Oromia International Bank (OIB) and its head office and Addis Ababa Districts' employees as the study seeks to assess organizational culture. The core processes at head office encompass, accounting & treasury, credit management, credit monitoring & loan recovery, change management, planning, international banking service, interest free banking, human resource management, operation & district support, procurement & facility management, information technology, internal audit, risk & compliance management and legal service. The four Addis Ababa Districts includes East, West, and North and South Finfinne districts. East and west Finfinnee districts are the newly established districts (Banks' internal report), thus the study limited to the existing two districts and all core process at head office.

3.3.2. Sample Size

Since it is practically difficult and not feasible to study the whole population, it is good to take sample from a given population. According to Black and Champion (1976), sample is a fraction of elements taken from a population, which is considered to be representative of the population. The sample should be representative of the population to ensure that we can generalize the findings from the research sample to the population as a whole (Jayanta & Priyanka, 2015).

As per banks employees' database as of January 2020, the total number of employees of both head office and the two district offices were 517, of which 90 and 77employees were non clerical and under provision period respectively and the rest 350 employees were clerical and managerial employees. Thus, for this study clerical and managerial position was selected as a sampling frame and 187 selected as a sample unit based on the following sample size determination formula.

Yamane provides a simplified formula to calculate sample sizes. This formula was used to calculate the sample sizes in this study. (Glenn D., 1992)

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

Where; n = Sample Size

N = the population size

e = the level of precision (5%).

N= 350

e=0.05

n=189

3.3.3. Sampling Techniques

Sampling in social science (Mark et al, 2001), is a technique, a procedure, for selecting a subset of units of analysis from a population. Jayanta & Priyanka (2015) categorized sampling into two methods; probability sampling and non-probability sampling techniques. With probability samples, the chance of each case being selected from the population is known and is usually equal for all cases. Probability sampling is often related with survey and experimental research designs (Saunders et, al 2009).

Thus, the study was survey research with the aim to assess organizational cultural, probability sampling is the appropriate sampling technique. There are four types of probability sampling that are standard across disciplines (Jayanta et.al 2015).

I. Simple random sampling

II. Systematic random sampling

III. Stratified random sampling

   A) Proportionate stratified random sampling

   B) Disproportionate stratified random sampling

IV. Cluster sampling

Type of probability Sampling

- **Simple random sampling:** Each member of the study population has an equal probability of being selected.
- **Systematic:** Each member of the study population is either assembled or listed, a random start is designated, then members of the population are selected at equal intervals

- **Stratified:** Each member of the study population is assigned to a group or stratum, and then a simple random sample is selected from each stratum.
- **Cluster:** Each member of the study population is assigned to a group or cluster, then clusters are selected at random and all members of a selected cluster are included in the sample. (Henry,1990)

Therefore, the researcher used disproportionate stratified random sampling techniques from. Business units; head office processes and Addis Ababa districts used as strata and hence sample size is different form one business units to another, in order to meet the required sample size, researcher select large sample size from those business units whose sample size is large and vice versa.

3.3.4. Type and Source of Data

As the aim of the study was to assess organizational culture, primary data was collected. The primary data are those which are collected afresh and for the first time and thus happen to be original in character (Kothari, 2004).

3.3.4.1. Primary Data

As a cross-section study, primary data about organizational culture traits; involvement, consistency, adaptability and mission was collected from Oromia International Bank's head office processes and two Addis Ababa districts office employees by using Denison's Organizational Culture Survey(DOSC), instrument used to collect organizational culture data as it was discussed below on measurement instrument section.

3.3.5. Measurement Instrument

Organizational culture was measured by using Denison Organizational Culture Survey (Denison, 1990).

Denison's Organizational Culture Survey (DOCS), a standard questionnaire employed to assess organizational culture. Hence, it is a work of more than a decades, the researcher used the questionnaire as a primary data collection instrument with minor modification; addition of respondents background information. DOCS has 60 items measured on a 5 point Likert scale that focus on four cultural traits; involvement, consistency, mission and adaptability and with

measurement units strongly disagree represented by the number 1, disagree represented by the number 2, neutral represented by the number 3, agree represented by the number 4 and strongly agree represented by the number 5. These traits can have a significant impact on organizational performance in areas such as profitability, quality, sales growth, and employee satisfaction. Accordingly, 187 research questionnaires were dispatched and of which only 159 questionnaires appropriately filed and returned; which was 85% response rate.

According to Denison's framework, to conclude whether a given organization is culturally strong or not, range of mean values is paramount;

1st quartile with mean values of 0 to 1.25

2nd quartile with mean values of 1.26 to 2.75

3rd quartile with mean values of 2.76 to 3.75

4th quartile with mean values of 3.76 to 5. Thus, Third and fourth quartile scores are those generally found in higher performing organizations, and first and second quartile scores are generally found in lower performing organizations(Denison, 2000b).

3.3.6. Data Analysis Technique

The data collected from survey questionnaire were thoroughly coded and checked for consistency and entered into SPSS version 20 spreadsheet. Descriptive statistics was employed to analyze data of demographic information of the respondents, cultural assessment results presented in the form of percentage, frequency and mean values on table, graphs and etc.

CHAPTER FOUR: RESULT AND DISCUSION

This part provides the data presentation and analysis of results. Thus, it has two sub-parts that discuss first demographic information of the respondents in its first sub part followed by the results of organizational culture assessment descriptive statistics in second part.

4.1. Demographic Information of Respondents

Demographic information; age, gender, position and experience of respondents who were surveyed in this research was presented below.

4.1.1. Age Distribution of Respondents.

As shown in figure below, 119(74.8%) of the respondents are in the age group of 26-30 & 31-35 while age group of 20-25 and above 36 years accounts 19(11.9%) and 21(5.2%) of respondents respectively. The figure also shows more than 85% of respondents were below 35 years of age.
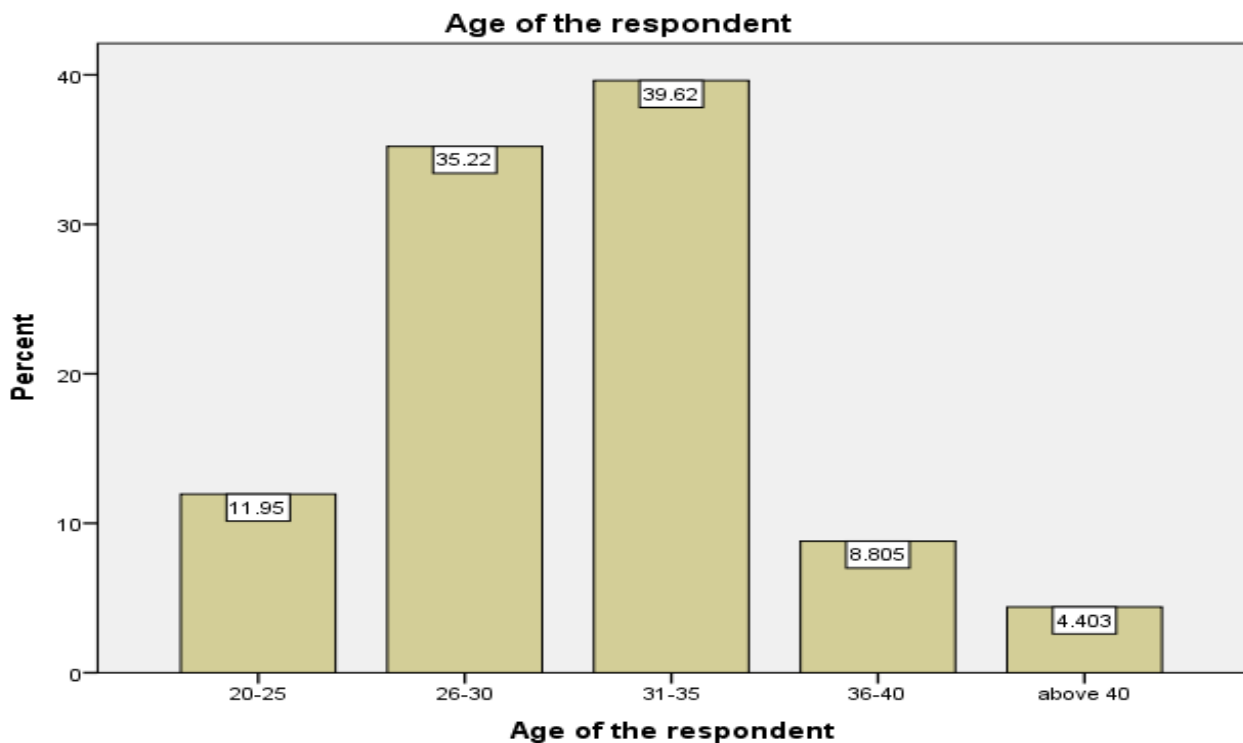
Figure 2. Age of the Respondents

4.1.2. Gender of Respondents

Among 159 total respondents, majority of them (112) are males accounting for 70.4% while female respondents (47) accounting 29.6% only. This indicates the extent of concentration of male employees in the target population surveyed in this study.

Gender of the respondent
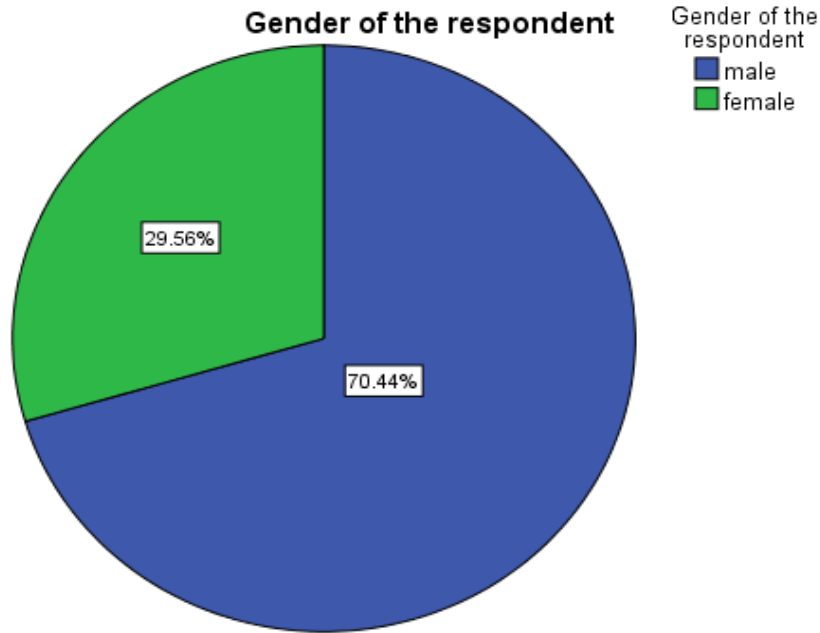
Figure 3. Gender of respondents

4.1.3. Position of Respondents

The positions Senior Officer and Officer jointly account for 52.4% taking the lion's share of respondents. Division Manager, A/ Division Manager, Relationship Manager, Junior, accountant, auditor and Graduate trainee accounts 8.8 %, 3.1%, 10.7%, 11.3%,1.8%, 3.1% and 8.2% respectively.
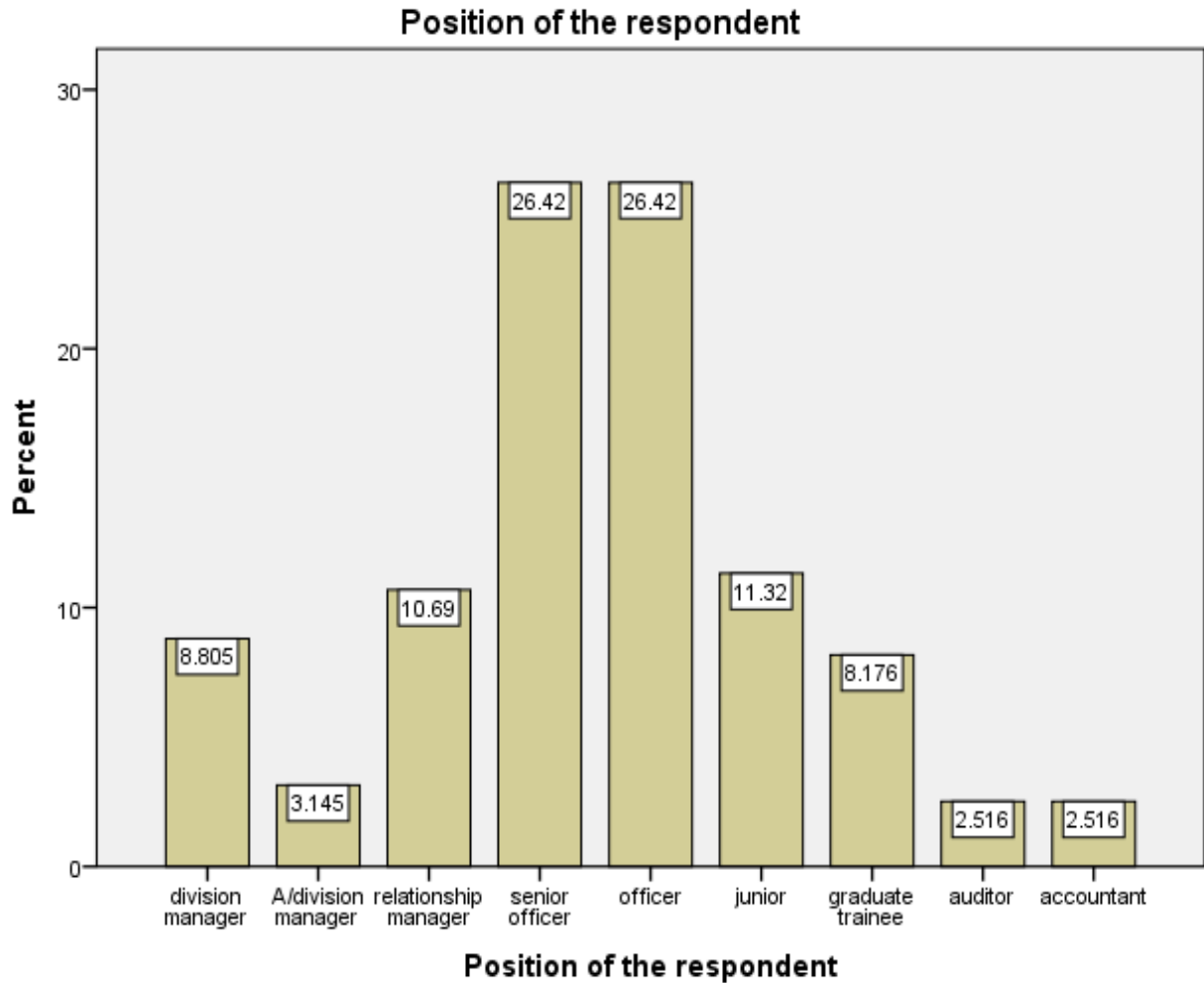
Figure 4. Positions of Respondents

4.1.4. Experience of Respondents

Respondents with a tenure range of 5-10 years take the lion's share accounting for 61%. It can be seen, however, that most of the respondents are below 10 years of tenure representing more than 80%.
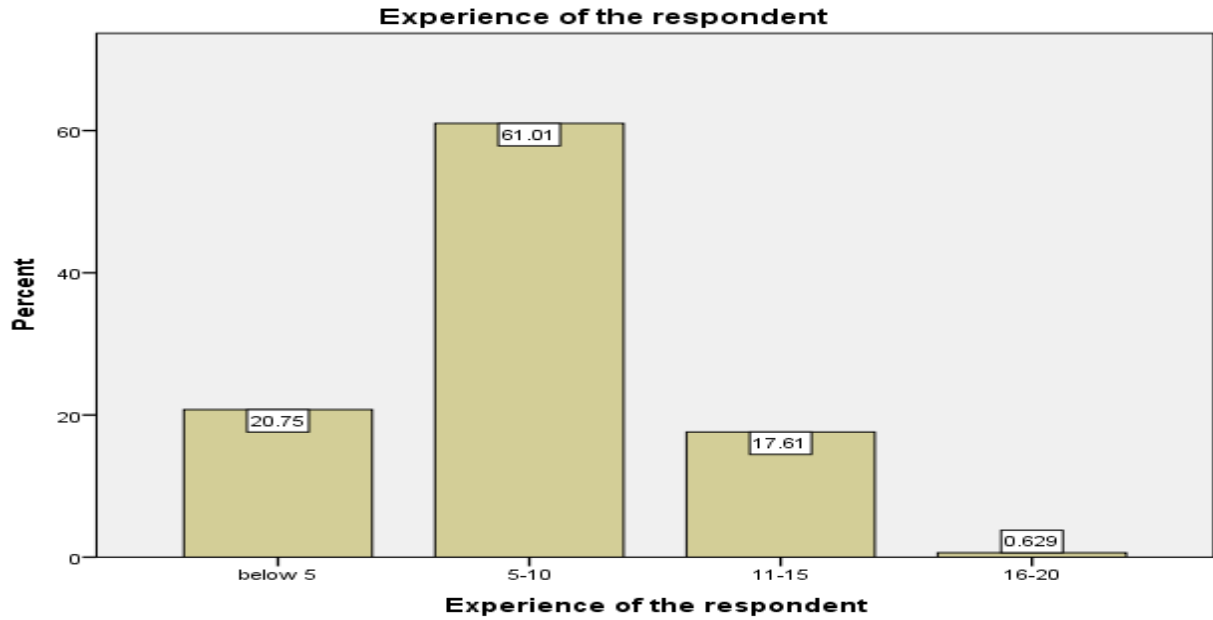
Figure 5. Tenure of Respondents

Table 1. Summary of Demographic Information of Respondents

| | | Gender of Respondents | | Total | Percentage |
		Male	Female		
Age of Respondents	20-25	8	11	19	11.9%
	26-30	41	15	56	35.2%
	31-35	47	16	63	39.6%
	36-40	10	4	14	8.8%
	Above 40	6	1	7	4.4%
Position of Respondents	Division Manager	12	2	14	8.8 %
	A/Division Manager	4	1	5	3.1%
	Relationship Manager	12	5	17	10.7 %
	Senior Officer	35	7	42	26.4%
	Officer	29	13	42	26.4%
	Junior	9	9	18	11.3%
	Accountant	3	0	3	1.8%
	Auditor	2	3	5	3.1%
	Graduate Trainee	6	7	13	8.2%
Experience of Respondents	Below 5 years	16	17	33	20.7%
	5-10 years	70	27	97	61%
	11-15 years	25	3	12	7.5%
	16-20 years	1	0	1	0.6%
	Total	**112**	**47**	**159**	**100%**

Source: Own Survey Result, 2020

4.2. Results of Organizational Culture Descriptive Statistics

As it was discussed under methodology part, the present study was the replication of Denison Organizational Culture Survey (Denison, 1990), it has 60 items measured on a 5 point Likert Scale with measurement units strongly agree represented by the number 5, agree represented by the number 4, neutral represented by the number 3, disagree represented by the number 2, strongly disagree represented by the number 1 that focus on four cultural traits (involvement, consistency, mission and Adaptability). Each trait has three different indexes with a total of twelve indexes representing characters of a certain organization believed to demonstrate an effective organization.

Therefore, the report is presented based on the scale range where the 1st quartile represents mean values ranging from 0 to 1.25, 2nd quartile represents mean values ranging from 1.26 to 2.5, 3rd quartile represents mean values ranging from 2.6 to 3.75 and 4th quartile represents mean values ranging from 3.76 to 5.

4.2.1. OIB's Cultural value Assessment Results

OIB cultural assessment shall only refer to the aggregation of both fifteen head office processes namely, Accounting & Treasury, Credit Management, Credit Monitoring & Loan Recovery, International Banking Service, Interest Free Banking, Human Resource Management, Operation & District Support, Procurement & Facility Management, Information Technology, Internal Audit, Risk & Compliance Management, Legal Service, Planning, Change Management, Electronic Banking and two Addis Ababa Districts namely North East Finfinne, South East Finfinne Districts surveyed in the research.

Figure 2 below presented the mean score distribution of the four cultural traits .The figure indicates that the maximum value is 3.64 as registered by the mission trait. This perhaps is an indication of the relative importance of this trait in OIB and this shows the extent of the bank and its employees know where they are going, how they intent to get there and how each individuals can contribute to the banks success. This finding appears to support the assertion in the literature reviewed that mission impacts the greatest on performance indicators (Davidson, 2003). As a result, if an organization is not clear about its purpose, strategies and goals, and if these are not

adopted by multiple levels within the organization, a great deal of effort applied to other traits and/or improvement initiatives will eventually have little impact.

The second maximum value is 3.44 as registered by involvement trait. This shows the degree to which individuals at all levels of the bank are engaged in pursuit of the mission & work in a collaborative way to fulfill organizational objectives. This finding also support the literature strong Involvement culture trait is rated as the second highest leverage culture trait within organizations (Denison, 1998). Adaptability and Consistency traits were considered by Denison (1998) as the third highest and fourth highest leverage within organizations. But in present study Consistency trait was third and Adaptability trait was the fourth highest value. This implies, relatively the bank gives more emphasis to the ever-changing needs of its customer & other stakeholders than the internal systems that support problem solving, efficiency and effectiveness at every level and across organizational boundaries. The finding is coherent with literature reviewed that maximum trait is registered by mission followed by involvement, consistency and adaptability traits respectively (Abiy & Mesfin, 2019). The overall results of the four cultural traits mean scores fail within quartile three. The result also shows Mission trait is the dominant culture in OIB, followed by involvement, consistency and adaptability traits.
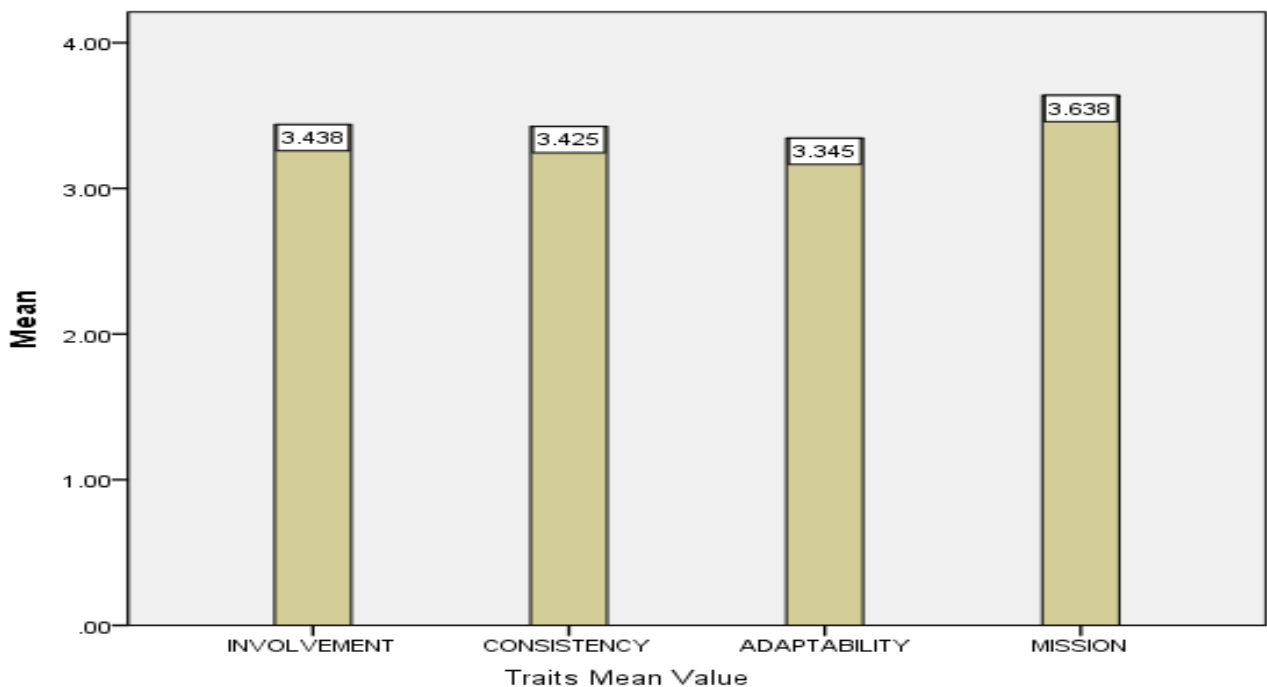
Figure 6. OIB's Cultural Assessment Results of Four Traits

Source: Own Survey Result, 2020

Table 2 presents the twelve culture attributes based on the four main culture traits as well as the respective mean scores of the bank under study. The result shows all of the twelve cultural items mean scores fall within quartile three; average values between 3.23 and 3.71 on a five-point Likert scale. Based on Denison's (2000b) scoring system, Third and fourth quartile scores are those generally found in higher performing organizations, and first and second quartile scores are generally found in lower performing organizations. Thus, cultural profile of the Bank under study is generally found in high performing organizations.

Table 2: Cultural assessment results of the twelve cultural items with their mean scores

	Mean Scores
INVOLVEMENT	
Empowerment	3.53
Team Orientation	3.56
Capability Development	3.23
CONSISTENCY	
Core Values	3.47
Agreement	3.32
Coordination & Integration	3.48
ADAPTABILITY	
Creating Change	3.37
Customer Focus	3.27
Organizational Learning	3.40
MISSION	
Strategic Direction & Intent	3.67
Goals & Objectives	3.62
Vision	3.63

Source: Own Survey Result, 2020

Though the average mean values of all items fall within third quartile (as indicated in table 2), the researcher compared mean value of individual items with each other. Accordingly, all the three items for Mission (Strategic Direction & Intent, Vision, and Goals and Objectives) are part of the top scores, and this accounts for the high score of the main culture trait Mission (as

indicated under Figure 2 above). This show, the bank placed great emphasis on its strategic planning and is able to communicate its mission and integrate in its organizational culture. On the other hand, Capability Development, Customer Focus and Agreement and Creating Change had the lowest scores.

Table 3: Process and Districts Cultural Indexes Mean Scores

Items	Head Office Processes & Addis Ababa Districts																
	AT	CM	CML	IBS	IFB	HRM	ODS	PFM	IT	IA	RCM	LS	PL	CH	EB	NEFD	SWFD
Empowerment	3.38	3.81	3.80	3.54	3.40	3.74	3.74	3.34	3.53	3.53	3.20	3.50	3.68	3.27	3.20	3.49	3.43
Team Orientation	3.71	3.07	3.80	3.63	3.32	4.00	3.91	3.34	3.56	3.87	3.35	3.35	3.80	3.27	3.20	3.86	3.63
Capability Devt	3.49	2.67	3.15	3.34	2.98	3.68	3.49	3.12	3.13	3.73	2.55	3.00	3.60	3.23	3.65	3.46	3.34
Core Value	3.22	3.25	3.63	3.64	3.40	3.34	3.74	3.48	3.40	3.93	3.50	3.30	3.60	3.20	3.10	3.51	3.77
Agreement	3.07	3.20	3.45	3.55	2.97	3.70	3.43	3.06	3.42	3.40	3.25	3.15	3.72	3.10	3.30	3.40	3.34
Coordination & Integration	3.33	3.63	3.72	3.54	3.38	3.86	3.83	3.16	3.55	3.20	3.25	3.25	3.56	3.33	3.35	3.60	3.51
Creating Change	3.18	3.52	3.58	3.70	3.34	3.84	3.74	2.92	3.35	2.67	3.20	3.00	3.76	3.17	3.45	3.57	3.03
Customer Focus	2.87	3.17	3.45	3.64	3.18	3.74	3.74	2.96	3.33	2.73	3.35	2.80	3.68	3.00	3.25	3.40	3.20
Organizational Learning	3.15	3.53	3.77	3.64	3.11	3.62	3.66	3.12	3.33	3.27	3.25	3.05	3.52	3.00	3.45	3.60	3.60
Strategic Direction & Intent	3.62	3.87	3.75	3.64	3.38	3.66	3.66	3.58	3.75	3.53	3.70	3.90	3.92	3.50	3.40	3.71	3.83
Goals & Objectives	3.60	3.81	3.55	3.71	3.29	3.80	3.77	3.38	3.62	3.33	3.65	3.70	3.88	3.43	3.45	3.71	3.86
Vision	3.40	4.09	3.63	3.76	3.28	3.88	4.06	3.34	3.65	3.27	3.70	3.55	4.00	3.27	3.30	3.51	3.66

Source: Own Survey Result, 2020

Table 3 presents individual process' and districts' mean scores of the twelve cultural indexes. CM & CMLR scores highest in terms of empowerment. CMLR, HRM, ODS IA, PL NEFD scores highest in terms of team orientation. IA the only head office process which scores high in core value. HRM & ODS scores highest in terms of coordination and integration. HRM is the only head office process that scores high in terms of creating change. CMLR is the only process from head office process which scores high in terms of organizational learning. CM, LS, PL, SWFD scores highest in terms of strategic direction and intent. CM, HRM, ODS, PL SWFD scores highest in terms of goals and objectives. CM, IBS, HRM, PL scores highest in terms of vision. All of their mean scores fall within fourth quartile.

Table 3 also indicates all processes and the Addis Ababa district offices involved in the research has a strong culture; their mean values fall within third and fourth quartiles except Credit Management (CM) and Internal Audit (IA) Compliance Management which scored lowest value in Capability Development and creating change respectively.

Table 4: Process and Districts Cultural Traits Mean Scores

TRAITS	Head Office Processes & Addis Ababa Districts																
	AT	CM	CML	IBS	IFB	HRM	ODS	PFM	IT	IA	RCM	LS	PL	CH	EB	NEFD	SWFD
INVOLVEMENT	3.53	3.18	3.58	3.50	3.24	3.81	3.71	3.27	3.41	3.71	3.03	3.28	3.69	3.26	3.35	3.60	3.47
CONSISTENCY	3.21	3.36	3.60	3.58	3.25	3.63	3.67	3.23	3.45	3.51	3.33	3.23	3.63	3.21	3.25	3.50	3.54
ADAPTABILITY	3.07	3.41	3.60	3.66	3.21	3.73	3.71	3.00	3.33	2.89	3.27	2.95	3.65	3.06	3.38	3.52	3.28
MISSION	3.54	3.92	3.64	3.70	3.32	3.78	3.83	3.43	3.67	3.38	3.68	3.72	3.93	3.40	3.38	3.65	3.78

Source: Own survey result, 2020

According to (Denison 1998), Involvement and Consistency determine the level of Internal Focus, while Adaptability and Mission determine the level of External Focus. According to this categorization, Credit Management (CM), Credit Monitoring & Loan Recovery (CML), International Banking Service (IBS), Operation and District Supports (ODS) and E-Banking (EB) can be said highly externally focused business units. Internal Audit (IA) can be said the only highly internal focused business unit.

Denison further pointed out that, Mission and Consistency determine the level of Stability while Involvement and Adaptability determine the level of Flexibility. Therefore, Information Technology (IT), Risk and Compliance Management (RCM), Interest Free Banking (IFB) and South West Finfinne District (SWFD) are relatively the most stable business units.

Table also indicates all processes and two district offices involved in the research has a strong culture, fall within 4th and 3rd quartiles in terms of the four cultural traits. This implies the aggregate results of cultural assessment and processes and districts are similar.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. SUMMARY

The aim of this research was to assess organizational culture in the case of Oromia International Bank S.C. The study executed quantitative method of research to apply descriptive research design in assessing organizational.

The researcher used the Denison's Organizational Culture Survey (DOCS) measurement instrument, a standard questionnaire employed to assess organizational culture as a primary data collection. The instrument focuses on four cultural traits namely Involvement, Consistency, Mission and Adaptability and also it has 60 items measured on a 5 point Likert scale with measurement units strongly agree represented by the number 5, agree represented by the number 4, neutral represented by the number 3, disagree represented by the number 2, strongly disagree represented by the number 1. Accordingly by stratified random sampling techniques, primary data was collected from 159 respondents and analyzing through SPSS 20.

The four organizational culture traits mean values falls within 3rd quartile (mean=3.46) and the overall cultural profile of the bank under study is generally found in high performing organizations.

5.2. CONCLUSION

The study assessed the existing organizational culture of Oromia International Bank's head office and Addis Ababa District office. Based on Denison's (2000b) scoring system, Third and fourth quartile scores are those generally found in higher performing organizations, and first and second quartile scores are generally found in lower performing organizations. Based on this scoring system, the result of the study shows mean values of cultural traits of OIB falls under third quarters. The study shows OIB has strong organizational culture. The study also concludes Mission trait is the dominant organizational culture in OIB, followed by Involvement, Consistency and Adaptability traits respectively. The finding of this study is coherent with the finding of Abay and Mesfin (2019) in study of Organizational Culture and Performance Nexus Commercial Bank of Ethiopia. Their study shows Mission culture is the dominant organizational

culture trait in Commercial Bank of Ethiopia. And also Mission culture is the dominant culture trait in Ghana Banking Industries (Zakari et al 2013).

5.3. RECOMMENDATION

The following recommendations are made based on the above finds.

- The bank has to keep on building its organizational culture in a way to make better than current situation and also it is very important for organization whose vision is to become bank of your first choice. Thus, initiatives and programs that in a straight line works on such matters needs to be outlined and implemented to further maintain the scale of strength in organizational culture.

5.4. INDICATIONS FOR FUTURE RESEARCH

- As this study was conducted within single organization, the researcher recommends extending further research work at industry level.
- Further research shall undertake on the effect of organizational culture on performance, though Denison's organizational culture traits demonstrated to have effect on organizational performance.

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APPENDIX

QUESTIONNAIRE

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

QUESTIONNAIRE

My name is Getu Kebede and I am currently working with the research component of MBA in General Management at St.Mary's University Addis Ababa, Ethiopia.

The purpose of my study is to **Assess Organizational Culture the case of Oromia International Bank S.C**. This questionnaire is aimed at collecting information about organizational culture from selected employees. The output of the study entirely depends on the accuracy of the information. So, you are kindly requested to fill this questionnaire accurately and truly. Moreover, all of your responses to any of the question will be treated with highest confidentiality and no report of the study will ever expose your identity. I am hereby asking for a little of your time.

(Please Tick Appropriate Box)

Section One-Demographic Information

1. **Gender**   1. Male ☐   2. Female ☐

2. **Age**   1. 20-25☐   2.26-30☐   3.31-35☐4.36-405. Above 40 ☐

3. Indicate your current Position

1. District Manager ☐ 3. Division Manager ☐   5.Relationship Manager ☐ 7.Officer ☐ 8.Junior ☐

9. Graduate Trainee ☐

2. Director ☐4. A/Division Manager ☐6. Senior Officer☐ 9 other, please specify_____

4. Indicate your experience in the banking industry

    1. Below 5 years ☐   3. 11-15☐   5. Above 20 years ☐

    2. 5-10☐   4. 16-20☐

Section Two- Organizational Culture Information

To what extent do you agree with the following statements about organizational culture in your organization, ranging from strongly disagree to strongly agree?

Where; 1= strongly disagree; 2= disagree; 3= Neutral; 4= agree and 5= strongly Agree

No	Index	Scale	Item	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1.	Involvement	Empowerment	1.Most employees are highly involved in their work					
			2.Decisions are usually made at the level where the best information is available					
			3.Information is widely shared so that everyone can get the information he/she needs when it's needed					
			4. Everyone believes that he/she can have a positive impact					
			5. Business planning is going & involves everyone in the process to some degree					

No	Index	Scale	Item	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
		Team orientation	1.Cooperation across different parts of the organization is actively encouraged					
			2.People work like they are part of a team					
			3.Teams is used to get work done, rather than hierarchy					
			4. Teams are our primary building blocks					
			5.Work is organized so that each person can see the relationship between his/her job & the goals of the organization					
		Capability Development	1.Authority is delegated so that people can act on their own					
			2.Capability of people is constantly improving					
			3.There is continuous investment in the skills of employees					
			4. The capabilities of people are viewed as an important source of competitive advantage					
			5.Problems often arise because we do not have the skills necessary to do the job					

No	Index	Scale	Item	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
2.	Consistency	Core value	1.The leaders and managers practice what they preach					
			2.There is a characteristic management style & a distinct set of management practices					
			3.There is a clear & consistent set of values that governs the way we do business					
			4. Ignoring core values will get you in trouble					
			5.There is an ethical code that guides our behavior & tells us right from wrong					
		Agreement	1.When disagreements occur, we work hard to achieve win-win solutions					
			2.There is a strong culture					
			3.It is easy to reach consensus, even on difficult issues					
			4.We often have trouble reaching agreement on key issues					
			5.There is a clear agreement about the right way & the wrong way to do things					
		Coordination & Integration	1.Our approach to doing business is very consistent & predictable					
			2.People from different parts of the organization share a common perspective					
			3.It is easy to coordinate projects across different parts of the organization					
			4.Working with someone from another part of this organization is like working with someone from a different organization					

No	Index	Scale	Item	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
			5.There is good alignment of goals across levels					
3.	**Adaptability**	**Creating Change**	1.The way things are done is very flexible & easy to change					
			2.We respond well to competitors & other changes in the business environment					
			3.New & improved ways to do work are continually adopted					
			4.Attempts to create change usually meet with resistance					
			5.Different parts of the organization often cooperate to create change					
		Customer Focus	1.Customer comments & recommends often lead to changes					
			2.Customer input directly influences our decisions					
			3.All members have a deep understanding of customer wants & needs					
			4.The interests of the customer often get ignored in our decisions					
			5.We encourage direct contact with customers by our people					
		Organizational Learning	1.We view failure as an opportunity for learning & improvement					
			2.Innovation & risk taking are encouraged & rewarded					
			3.Lots of things fall between the cracks					
			4.Learning is an important objective in our day to day work					
			5.We make certain that the right hand knows what the left hand is doing					

No	Index	Scale	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
				1	2	3	4	5
4.	**Mission**	**Strategic Direction & Intent**	1.There is a long term purpose & direction					
			2.Our strategy leads other organization to change the way they compete in the industry					
			3.There is a clear mission that gives meaning & direction to our work					
			4.There is a clear strategy for the future					
			5.Our strategic direction is unclear to me					
		Goals & Objectives	1.There is widespread agreement about goals					
			2.Leaders set goals that are ambitious, but realistic					
			3.The leadership has gone on record about the objectives we are trying to meet					
			4.We continually track our progress against our stated goals					
			5.People understand what to be done for us to succeed in the long run					
		Vision	1.We have a shared vision of what the organization will be like in the future					
			2.Leaders have a long term viewpoint					
			3.Short term thinking often compromises our long term vision					
			4.Our vision creates excitement & motivation for our employees					
			5.We are able to meet short term demands without compromising our long term vision					