

ST.MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES MBA PROGRAM

EMPLOYEES CULTURAL FIT AND PERCEPTION OF ORGANIZATIONAL CULTURE –THE CASE STUDY OF ETHIOPIAN AIRLINES

BY

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> NOVEMBER 2014 ADDIS ABABA

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BY GEZAHEGN BELAY

A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIRMENTS FOR THE DEGREE OF MASTER OF BUSNIESS ADMINISTRATION

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Endorsement

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Abstract

Organizational culture is the behavior of humans within an organization and the meaning that people attach to those behaviors. Employees' perception of organizational culture and cultural fit can increase understanding of employees' behavior in the organization. Organizasions like Ethiopian Airlines can be better off by knowing their employees perception for their future success. To conduct the study a descriptive survey method was used. The study was based on employees' perception of their colleagues, closest manager, as well as top management when they are in touch or communicate with them about their organization. Thus, both quantitative and qualitative methods were employed to conduct the study. From a total population of 300 employees a sample of 127 including management staffs participated in this study plus interviews were made with management staffs about the overall organizational culture in the organization. The study focused on understanding the participants' experiences. The results have indicated that how an organization can utilize perceptions of employees towards organizational culture and the management to develop and implement effective communication strategies. Along with, employees' social relations as well as their perception to general organizational culture were found that enhance employees to positively perceive culture in Ethiopian Airlines. Thus, the study concludes that employees' perception and cultural fit towards organizational culture is a base for the organization success. The policy makers, top management take their parts in modifying and strengthening their organizational culture in order to maintain high efficiency. Finally, at the end, potential recommendations and directions for future research were suggested.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A number of different researchers have conducted a research on employee perception of organizational Culture. Cameron and Quinn (2006), stated that an organization's culture is reflected by what is valued, the dominant leadership styles, the language and symbols, the procedures and routines, and the definitions of success that make an organization.

Culture can be defined as the values and beliefs of stakeholders based on tradition and communicated verbally and nonverbally (Deal and Kennedy, 1999). It has significance in many aspects like it creates identification, bonds people and establishes principles. In terms of personality and attitude, all employers have their own set of values and goals, and they want to make sure employees fit the organizational culture and are in line with them.

Research has been carried out on various issues of organizational culture, for example, organizational culture types (Tharp,2009) emphasized the stages of culture across the organization. Therefore organizational culture is generally concerned with value and norms that are tacit for employee's motivation, commitment and stability. Underlying the observable behaviors of people are the beliefs, values, and assumptions that dictate their actions.

For example researchers have done researches generally on non-airlines organizations regarding employee perception to organizational culture. Very little attention is given for the airline business regarding employee perception to organizational culture. This research will differ from earlier works in that it mainly focuses on airlines industry. Among the airlines in the world, the research will focus on Ethiopian Airlines.

Ethiopian Airlines is the flag carrier of Ethiopia. The company has become one of the continent's leading carriers, unrivalled in Africa for efficiency and operational success, turning profits for almost all the years of its existence. Operating at the forefront of technology, the airline has also become one of Ethiopia's major industries and a viable institution in Africa. It commands a

lion's share of the pan African network including the daily and double daily east-west flight across the continent. Ethiopian currently serves 81 destinations operating the newest and youngest fleets. (www.ethiopianairlines.com)

The questions of how employees fit the organizational culture and perceive their organizational culture are still worthy of further research such as the one being undertaken in this study. The purpose of this study is regarding cultural fit and the perception of employee towards organizational culture in Ethiopian Airlines.

1.2 Statement of the problem

A problem usually implies unanswered question in the researcher mind or difference of opinion exists (Best, 2005). Every employee raises different questions in association with the organizational culture. Many organizations struggle with getting all employees "on the same page" regarding company values and vision. While it is desirable that employees have a thorough understanding of their organization's culture, it is not easy to achieve. Furthermore, as important as cultures are to an organization, they are difficult to assess (Schein, 1985).

There is a gap in cultural fit at Ethiopian Airlines within employees. The purpose of this study is to explore the cultural fit and to determine the effectiveness of organizational culture (the organizational policies- rules and regulations, and operating procedures within Ethiopian Airlines) with regard to employees' perception; the influence of organizational culture on employees' perception, and to investigate the outcomes of implementing such a culture in Ethiopian Airlines

As a result of the reason which is mentioned above organizational culture perception will develop between and among employees. This study will investigate employees cultural fit and perceptions of organizational culture. Therefore, the study will be conducted in Ethiopian Airlines aimed at investigating core organizational culture aspects from perception of employees as a central part of the study.

These explicit problems may raise a research. To put in a nutshell, ill leadership behavior, high turnover tension, employees negative assumptions to their organizations, unfair rules and regulations or benefit allocation, lack of structured career orientation, lack of commitment by the staff to the task at hand are the basic disorders of poor organization culture. Given these facts, it is reasonable to assess the current organizational culture typology of Ethiopian Airlines. Therefore considering these gaps, the study helps to identify the problems of employees' cultural fit and perception to organizational culture.

1.3 Research Questions

In order to achieve the research objectives, the following basic research questions were raised to be answered in the course of the study. These are;

- What are the views of employees towards organizational culture at Ethiopian Airlines?
- How do Ethiopian Airlines employees fit to the organizational culture?
- What are the dominant organizational cultures that characterize Ethiopian Airlines?
- What are the challenges faced to implement strong organizational culture in Ethiopian Airlines?

1.4 Objective of the study

1.4.1 General Objective

The general objective of the study is to assess employees' cultural fit and perceptions of organizational culture at Ethiopian Airlines.

1.4.2 Specific Objectives

The specific objectives to undertake the study are as follows:

 To examine the views of employees towards organizational culture at Ethiopian Airlines

- To explore how Ethiopian Airlines employees fit to the organizational culture strategy
- To identify the dominant organizational cultures that characterize Ethiopian Airlines
- To explore the challenges for strong organizational culture in Ethiopian Airlines.

1.5 Significance of the Study

Effective and strategic organizational culture is not only a critical managerial responsibility but also predictable one. Therefore, the study was specifically being significant for the following reasons:

- The findings of the study creates awareness for top management of the company and employees about the current state of organizational culture in the airline and related problems.
- The study tries to identify major dominant culture of the organization and suggest workable solutions that help to better enhance cultural elements of the organization which the policy makers, top management, concerned government bodies, could make use of as appropriate.
- ➤ The study serves as a base to those individuals, who have the desire to deal with such similar matter. More specifically, it serves as a starting ground and encourages interested researchers for further investigation.
- The study may help for top leaders to further diagnose their organizational culture practice and problems and take a move towards achieving the preferred approach in genuine terms to overall organizational objective.

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1.6 Delimitation/Scope of the Study

Since the issue of organizational culture is broad and can be studied from different angle, the study emphasizes or delimited on perception of employees towards organizational culture fit.

Moreover, the study deals with major challenges that encounter cultural fit in Ethiopian Airlines.

Furthermore, to make the research more manageable and for the sake of producing valuable research product the researcher limited the topic of the study only on perception of employees towards cultural fit.

Due to resource limitations, it was almost impossible to cover the existing organizational culture of airlines operating in Ethiopia. Having this fact, the focus is on Ethiopian Airlines organizational culture with appropriate portion of sample size.

1.7 Organization of the Research Report

Chapter one will contain background of the study, statement of the problem, basic research questions, objectives of the study, significance of the study, and delimitation/scope of the study. Under chapter two related literature will be reviewed. Chapter three will discuss about methods of the study. Under chapter four, the data will be analyzed and finally under chapter five, Conclusion of the findings are summarized and recommendation will also be given.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter is organized in two parts. The first part deals with about definition, concepts, origins, characteristics, types and dimensions of organizational culture. In the second part, various aspects of employees' perception will be discussed.

2.1 Definition and conceptual framework

2.1.1. The Concept and nature of Organizational Culture

The term "culture" refers broadly to a relatively stable set of beliefs, values and behaviors commonly held by a society. Although it is derived from social as a framework for understanding "primitive" societies Kotter and Heskett (1992), the concept of culture has recently been widely used in the context of organizations. For example, Martins and Terblanche (2003), states that culture is deeply associated with values and beliefs shared by personnel in an organization.

Ravasi and Schultz (2006), stated that organizational culture is a set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behavior for various situations. Schrodt (2002) argued that although a company may have its "own unique culture", in larger organizations there are sometimes conflicting cultures that coexist owing to the characteristics of different management teams. Organizational culture may affect employees' identification with an organization. According to Needle (2004), organizational culture represents the collective values, beliefs and principles of organizational members and is a product of such factors as history, product, market, technology, and strategy, type of employees, management style, and national culture.

On the other hand, Montana and Charnov (2008), stated that corporate culture is the total sum of the values, customs, traditions, and meanings that make a company unique. Corporate culture is often called "the character of an organization", since it embodies the vision of the company's

founders. The values of a corporate culture influence the ethical standards within a corporation, as well as managerial behavior.

Liker and Hoseus (2008), found that within the organization there will exist different subcultures. An organizational culture is the articulated culture for the whole company, and even though it is meant to be equal all over the business it likely differs between different departments and units. Parker (2000) has suggested that many of the assumptions of those putting forward theories of organizational culture are not new. They reflect a long-standing tension between cultural and structural (or informal and formal) versions of what organizations are. Further, it is reasonable to suggest that complex organizations might have many cultures, and that such subcultures might overlap and contradict each other.

Other researcher argues that a strong organizational culture supports adaptation and develops organization's employee performance by motivating employees toward a shared goal and objective; and finally shaping and channeling employees' to that specific direction should be at the top of operational and functional strategies (Daft, 2010).

In 1995, Shannon stated organizations with weak organizational culture might be characterized by the following unhealthy factors: low degree of thrust, sprit and high disengagement, leaders are not genuine in their behavior, support, production emphasized close supervision, rules and regulation are characterized by aloofness or favoritism, high turnover tension, lack of job security, lack of higher objective held as value by individual to illicit and to motivate individual in essence belongingness, institutional need is prioritized rather than keeping balance between individual and organization, and finally there is no direction set for individual future career orientation.

Therefore, organizational culture generally is concerned with values and norms that are tacit for employee's motivation, commitment and stability to achieve desired objectives. As human beings, organizations do have their own personality that could be the outcome of past and current management system. Consequently, technical and theoretical knowledge of organizational culture is not conformation for effective handling of staff to enhance their satisfaction. Besides these work group norms, sentiments, values and emergent interactions are mandatory.

2.1.2 Origins of Organizational culture

The values and norms that are the basis of culture are formed in four ways (Schein, 1990). First culture is formed by the leader in the organization, especially those who have shaped it in the past. Second, culture is also formed around critical incidents-the important events from which lessons are learnt about desirable behavior. Third, as stated by Kaila (2003), culture develops from need to maintain effective working relationships among organizational members and this establishes values and expectations. Finally culture could be influenced by the organization's environment.

Organizational cultures are created, maintained and changed through similar process. Luneburg and Ornstein (1991, 58-65), stated that the process of creating organizational culture is complex. Organizational heroes, rites, and rituals and communication networks play key roles in creating organizational culture.

Most successful organizations have their heroes. Heroes are born and created. The born hero is the visionary institution-builder. The organizations have made by noticing celebrating memorable moments that occur in the day to day situational life of the organizations. Heroes perpetuate the organization's underlying values, provide role models, symbolize the organization to other and set performance standard that motivate participant achievement (Luneburg & Ornstein, 1991). Luneburg an Ornstein (1991, 61-62), rites and rituals are another key aspect in creating organizational cultures is the everyday activities and celebrations that characterize the organization. Most successful organizations feel that these rituals and symbolic actions should be managed. Through rites and rituals, recognition of achievement is possible. Stories or myths of heroes are transmitted by means of communication network. This network is characterized by various individuals who play a role in the culture of the organizations. Each organization has storytellers who interpret what is going in the organization. Their interpretation of the information influences the perception of others.

2.1.3 A frame work for understanding organizational culture

According to Schein (1985) culture is a pattern of basic assumptions- invented, discovered, or developed by a given group as it learns to cope with its problem of external adaptation and

internal integration that 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. Schein goes on to express his view that culture is a learned product of group experience. Culture is found, therefore, where there is a definable group with significant history, regardless of the structural level of analysis.

An organization's culture is initially formed as a result of early experiences and the influence of early leaders. Overtime, assumptions about how to operate become so implicit imbedded in the underlying assumptions of action that they are difficult, if not impossible, to articulate. Diagnosing cultural characteristics is challenging. Schein (1985) argues that there are three levels to culture that interact: artifacts and creations, values, and basic assumptions:

Level one focuses on artifacts and creations which is the most visible level of culture because it is the constructed physical and social environment, including the language. Schein's interpretation of artifacts is "the physical output of the group" rather than any reference to information technology itself. To develop an understanding at this level, one can "attempt to analyze the central values that provide the day-to-day operating principles by which the members of the culture guide their behavior".

Level two focuses on values. Although this cultural level can provide insights into what insider's view as the "should's" of the organization or unit, there can be conflicting interpretation of what the organizational values are. Leaders communicate their values, and these values lead to success, then a process of cognitive transformation takes place. This process results in beliefs and then assumptions that are unconscious and automatic. Schein further suggests that many values remain conscious, explicit articulated, and form the normative guiding principles for groups.

Schein's level three, basic assumptions may be so implicit taken for granted, and unconscious that surfacing them can require intensive interviewing and observation. Yet, when we do surface them, the cultural pattern suddenly clarifies and we begin to feel that we really understand what is going on and why.

The view of organizational culture as fragmented reflects the challenges of achieving cultural consensus and exhibits a high level of acknowledgement and acceptance of cultural ambiguity. In the fragmented organizational culture, the cultural artifacts are neither clearly consistent nor inconsistent, and newcomers or outsiders may have difficulty discerning a dominant culture other than the fact that greater cultural diversity coexists. Occupational culture is in part determined by specialized training and knowledge sets. In addition to defining occupational boundaries, cultural knowledge can also define boundaries of affiliation, create barriers, or facilitate interaction and cooperation.

Table 1. Levels of culture and their interaction

| Artifacts and Creations | | |
|---------------------------------------|------------------------------------|--|
| Technology | Visible but often not decipherable | |
| Art | | |
| Visible and Audible Behavior Patterns | | |
| falues | | |
| Testable in the physical environment | Greater level of awareness | |
| Testable only by social consensus | | |
| Basic Assumptions | Taken for granted | |
| Relationship to environment | Invisible | |
| Nature of reality, time and space | Preconscious | |
| Nature of human nature | | |
| Nature of human activity | | |
| Nature of human relationships | | |

Adapted from Organizational Culture and Leadership by Schein (1985:14).

2.2 Characteristics of Organizational Culture

The culture of organizations is all the beliefs, feelings, behaviors and symbols that are characteristic of an organization. While there is considerable variation in the definition of organizational culture, it appears that most contain the following characteristic as identified by Luneburg and Ornstein (1991).

Observed Behavioral Regularities- When organizational members interact, they use common language, terminology, and rituals and ceremonies.

Norms: Standards of behavior evolve in work groups, such as support your friends; be punctual; all men wear neckties; handle your own discipline problems; and etc. Norms determine the way people dress, talk, and balance self-interests with organizational interests.

Dominant Values: An organization expects its members to share major values such as high product and service quality, low absenteeism, high efficiency, openness, trust, cooperation, and team work. Typical examples in airlines are high performance levels of departments and employees.

A philosophy: Policies guide an organization's beliefs regarding how employees and customers should be treated. For e.g. most airlines have mission statements.

Rules: Dictate the do's and don'ts of employee behavior relating to areas such as productivity, customer relations, and inter-group cooperation. Rules also entail the "ropes" that a newcomer must learn in order to become an accepted member.

Organizational Climate (Feelings): This is an overall atmosphere that is conveyed by the physical layout and the way in which members interact with each other, conduct themselves with customers, and feel about the way they are treated by higher-level management. Although the distinctions of culture and climate are blurred and overlapping, climate deals with more of shared perception of behavior, whereas culture consists of shared assumptions, values, and norms. However, none of the aforementioned characteristics by itself represents the essence of organizational culture. Though, the characteristics taken collectively reflect and give meaning to the concept of organizational culture.

2.3 Functions of Organizational Culture

Organizational culture as a makeup of organizations can serve a number of functions. As clearly stated by Schein (1985) and Robbins, (1998), the following are the key functions: guiding, standardizing, agglomerating, motivating, and reducing anxiety.

The guiding function of Organizational culture refers to the culture lead the whole organization and all the employee personal value and behavioral orientation towards the goal of organization. The essence of the construction of outstanding organizational culture is to set up internal force mechanism. The construction of mechanism makes vast staff recognize that the organization is striving for lofty goal, which not only can produce creative tactics but also can make staff dare to make individuals sacrifice for realizing organizational goals.

The standardizing function: Through establishing common values system, an organization culture form unified thought, make faith form a kind of tendency on the staff psychological deep layer, and then a kind of response mechanism reconstructed in the transformation. As long as there is an inducement signal from outside, positive response will take place; turn in to the anticipated behavior rapidly. By coordination and self—control, the collision of restrain to employees is weakened, the conflict of autonomy psychology with the reality of being managed is relieved, which makes a unifying, and harmonious institution from the top to the bottom.

The agglome rating function: Organizational culture as the group consciousness created by the staff together. It is a kind of binder, unites the people of all respects and all level around organizational culture, and makes cohesiveness and centripetal force to organization. Organizational culture connects employee's personal thoughts and feelings, and destiny with the safety of organization closely.

The motivation function: Organizational culture emphasizes on people as the center, its core is to create common values. Outstanding organizational culture means creating a kind of atmosphere that everybody is paid attention to and respected. Excellent cultural atmosphere

usually may produce a kind of incentive mechanism which makes each member's contribution get other employees and leader's appreciation and reward in time.

Problem solving function of organizational culture does more than solve external and internal problems. According to Schein (1985) culture serves the basic function of reducing anxiety that organizational member experiences when they are faced with cognitive uncertainty or overload. Once organizational member have cultural solution they can relax to some extent.

To put other way, culture not only solves external survival and internal integration problem but once acquired also, reduce the anxiety inherent in any new unstable solution. To sum, organizational culture is the philosophy sprit of organization. It is the corner stone of organizational development.

2.4 Types of Organizational Culture

Several methods have been used to classify organizational culture. While there is no single "type" of organizational culture and organizational cultures vary widely from one organization to the next, commonalities do exist and some researchers have developed models to describe different indicators of organizational cultures. Some are described below:

1. Hofstede cultural theory:

In 1980, Hofstede suggested things about cultural differences existing in regions and nations, and the importance of international awareness and multiculturalism for the own cultural introspection. Cultural differences reflect differences in thinking and social action, and even in "mental programs", a term Hofstede uses for predictable behavior. Hofstede relates culture to ethnic and regional groups, but also organizations, profession, family, to society and sub cultural groups, national political systems and legislation, etc. He argues that the need for changing "mental programs" with changing behavior first, which will lead to value change.

Hofstede demonstrated that there are national and regional cultural groupings that affect the behavior of organizations and identified five types of cultures in his study of national cultures:

- **Power distance** Different societies find different solutions on social inequality. Although invisible, inside organizations power inequality of the "boss-subordinates relationships" is functional and according to Hofstede reflects the way inequality is addressed in the society.
- Uncertainty avoidance is the coping with uncertainty about the <u>future</u>. Society copes with it with <u>technology</u>, <u>law</u> and <u>religion</u> (however different societies have different ways of addressing it), and according to Hofstede organizations deal with it with technology, law and <u>rituals</u> or in two ways rational and non-rational, where rituals being the non-rational.
- Individualism vs. collectivism disharmony of interests on personal and collective goals. Hofstede brings that society's expectations of Individualism/Collectivism will be reflected by the employee inside the organization. Collectivist societies will have more emotional dependence of members on their organizations, when in equilibrium organization is expected to show responsibility on members. Research indicates that some people and cultures might have both high individualism and high collectivism, for example, and someone who highly values duty to his or her group does not necessarily give a low priority to personal freedom and self-sufficiency.
- <u>Masculinity</u> vs. <u>femininity</u> reflect whether certain society is predominantly male or female in terms of cultural values, <u>gender roles</u> and power relations.
- Long- Versus Short-Term Orientation -which he describes as "The long-term orientation dimension can be interpreted as dealing with society's search for virtue. Societies with a short-term orientation generally have a strong concern with establishing the absolute Truth. They are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. In societies with a long-term orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions to changed conditions, a strong propensity to save and invest thriftiness, and perseverance in achieving results.

2 Strong/weak Cultures

Strong culture is said to exist where staff respond to stimulus because of their alignment to organizational values. In such environments, strong cultures help firms operate like well-oiled machines, engaging in outstanding execution with only minor adjustments to existing procedures as needed. Conversely, there is weak culture where there is little alignment with organizational values, and control must be exercised through extensive procedures and bureaucracy.

Research shows that organizations that foster strong cultures have clear values that give employees a reason to embrace the culture. A "strong" culture may be especially beneficial to firms operating in the service sector since members of these organizations are responsible for delivering the service and for evaluations important constituents make about firms.

3 Deal and Kennedy

Deal and Kennedy (1982), defined organizational culture as the way things get done around here. They created a model of culture that is based on four different types of organizations. They each focus on how quickly the organization receives feedback, the way members are rewarded, and the level of risks taken:

- Work-hard, play-hard culture: This has rapid feedback/reward and low risk resulting
 in: Stress coming from quantity of work rather than uncertainty. High-speed action
 leading to high-speed recreation. Examples: Restaurants, software companies.
- 2. **Tough-guy macho culture**: This has rapid feedback/reward and high risk, resulting in the following: Stress coming from high risk and potential loss/gain of reward. Focus on the present rather than the longer-term future. Examples: police, surgeons, sports.
- 3. **Process culture**: This has slow feedback/reward and low risk, resulting in the following: Low stress, plodding work, comfort and security. Stress that comes from internal politics and stupidity of the system. Development of bureaucracies and other ways of maintaining the status quo. Focus on security of the past and of the future. Examples: banks, insurance companies.
- 4. **Bet-the-company culture**: This has slow feedback/reward and high risk, resulting in the following: Stress coming from high risk and delay before knowing if actions have paid

off. The long view is taken, but then much work is put into making sure things happen as planned. Examples: aircraft manufacturers, oil companies.

2.5 Dimensions of Organizational Culture

Denison, Haaland and Goelzer (2004) found that culture contributes to the success of the organization, but not all dimensions contribute the same. It was found that the impacts of these dimensions differ by global regions, which suggests that organizational culture is impacted by national culture.

In 1985, Handy describes four types of cultural dimensions: power culture, Role culture, Task culture and Person culture.

Power culture which concentrates among few, control radiates from the centre like a web. Power culture, have few rules and little bureaucracy; swift decision can ensure. Within a power culture, control in the key element power culture usually found within a small or medium size organization. Decision in an organization that displays a power culture is centralized around one key individual. That person likes control and power behind it. As group work is not evident in power culture, the organization can react quickly to danger around if no consultation is involved. However this culture has its problem, lack of consultation can lead to staff feeling undervalued and de-motivated, which can also lead to

high turnover (Handy, 1985).

Role culture: According to Handy (1985) role culture is the most common culture in organizations today. People have clearly delegated authorities with in a highly defined structure. Typically, organization from hierarchical bureaucracy's power derives from person's position and little scope exists for expert power. In a role culture, organizations are split into various functions and each individual within the function is assigned a particular role. The role culture has the benefit of specialization. Employees focus on their particular role as assigned to them by their job description and this should increase productivity for the company. This culture is also focus on rules, regulations and procedures and thus lacks flexibility.

Task culture (Achievement) teams are found to solve particular problems. Power derives from expertise as long as a team required expertise. These cultures often feature the multiple reporting to a given matrix structure. In other words, a task culture refers to a team based approach to complete a particular task. They are popular in today's modern business society where the organization will establish particular project teams to complete a task to date. A task culture clearly offers some benefits. Staff feels motivated because they are empowered to make decisions with in their team, they will also feel valued because they may have been selected within that team and given responsibility to bring the task to successful end (Handy, 1985).

Person culture (**Support**) exists where all individuals believe themselves superior to the organization. Survival can become difficult for such organization, since the concept an organization suggests that a group of likeminded individuals pursue the institutional goals. Some professional partnerships can operate as person cultures, because each partner brings a particular expertise and clientele to the firm. This is the type of culture that is commonly found in charities or nonprofit organizations (Handy,1985).

It can be concluded at this point that organizational culture comprises of unique quality or character of company meanwhile the managers challenged to search for the "strong" culture that probably could improve the organizational effectiveness because it is strongly believe that there are cause and effect associated with each cultural dimensions.

Based on the types of cultures existed, every organization has some Based on the types of cultures existed, every organization has some combination of these four basic organizational cultures. And each evokes different behaviors and based on different human values, involves a unique way of making decisions, a characteristic way of motivating people to work, a typical management style, a set of underlying values and beliefs about work and human behavior. Therefore, this thesis research gives attention for the above types of organizational cultures to assess and examine the existing culture preferred one at Ethiopian Airlines.

Research on organizational culture indicates that an important cultural condition is the existence of trust among the various members of the organization. While trust is most readily achieved

through open communication between individuals and group on organization, trust is also enhanced when there is a history of making decisions in a way that reflects clear and sensitive understanding of the organization culture (Clark, 1984).

2.6 Employee Perception

Schacter and Daniel (2011), stated that Perception is the organization, identification, and interpretation of <u>sensory information</u> in order to represent and understand the environment. Furthermore, Fluker and Turner (2000), described perceptions as the process through which we select, organize, and interpret information gathered by our Senses in order to understand the environment.

The difference in employees' perception can arise because employees observe information through various lenses; each employee experiences differently. According to Nishii and Wright (2007) because people perceptually filter external information, their attitudinal and behavioral responses to that information may differ.

Berelson and Steiner (1964) define perception as a complex process by which people select, organize and interpret sensory stimulation into a meaningful and coherent picture of the world, while Barber and Legge (1976) refer to it as the process of receiving, selecting, acquiring, transforming and organizing the information supplied by our senses. Smit (2007) define perception as the process in which individuals arrange and interpret sensory impressions in order to make sense of their environment and stresses that it is important for a manager to realize that what employees perceive is often different from objective reality and people react not to reality but to what they perceive as reality. He go further to say that no two individuals are the same and differences between people are discernible when it comes to age and gender, while differences in emotional intelligence, intellectual capacity, personality, learning experiences, perceptions, values, attitudes and motivation among others are difficult to discern. He concludes by saying that managers require a sound knowledge of the complex nature of people.

To sum up, Employee perception is a factor that can make a huge difference in the quality of the workplace. When employees view the employer, their work, and their relationships within that workplace as being positive, there is a good chance the employee will be productive and remain with the employer for a long time. Negative perceptions of the company and the working environment can cause qualified employees to seek opportunities elsewhere. Some of the factors that can impact employee perception include how well the employer communicates with employees, the nature of the working conditions, the policies and procedures of the business in general, and how much trust and respect is present between managers, employees, and coworkers. In addition, the benefits paid and how they relate to the work assigned can also have a huge impact on the perception of an employee.

2.7 Cultural Fit

A fit is where there is congruence between the norms and values of the organization and those of the person (Furnham, 2012). Although, as Furnham goes on to discuss, fit is not only about the person and the organization — fit to coworkers and supervisor is also of importance. Measuring cultural fit is a complicated business — and there's a large and mounting body of scientific evidence that cultural fit really is important.

Morse (1975) conducted a study on cultural fit. He split employees into two groups: one group was placed in a job using the usual procedure of the time, which did not involve any kind of psychometric testing. The second, experimental group was placed in a job which suited their particular personality were placed in more routine, stable positions. The result was those which matched their personality reported feeling more competent. In other words, positive cultural fit can improve our self-esteem and make us feel more capable of carrying out our work to the best of our ability.

Good cultural fit is associated with many positive outcomes. Brown (2005) stated that employees who fit well with their organization,

- had greater job satisfaction;
- identified more with their company;

| • were more likely to remain with their organization; | |
|---|--|
| • were more committed; | |
| • showed superior job performance. | |
| Employees are not the only ones who benefit from good cultural fit. Organizations get a happier, more productive person who is more likely to stay with the company for longer and work hard to help achieve its goals. They also potentially save a huge amount of money- hiring new | |
| employees to replace those who leave in despair as a result of poor fit is an expensive business. If organizations take an individual differences approach, assessing, and taking into account the specific personalities and values of their employees, everyone benefits. | |
| specific personanties and values of their employees, everyone benefits. | |
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CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

In this chapter, the design of research is exhibited; stating the population with its sample and sampling procedure; and the method of collecting data is also mentioned, accompanying with it description and administration.

The aim of this section is to highlight the overall research design and methodology. This section is divided into five sub-sections. The first section outlines research design and the second encompasses a discussion of sample and sampling techniques applied throughout. The following third section elaborates on the source and tools/instruments of data collection. Finally, section four and five respectively constitute procedures of data collection and methods of data Analysis.

3.1 Research design

In this study, descriptive research design has been adopted. Since the study is focused on employees cultural fit and perception in Ethiopian Airlines, descriptive research design seems an appropriate technique. As the name implies, descriptive research methods are used when the researcher wants to describe specific behavior as it occurs in the environment. The research is designed to determine if organizational culture is associated with employees' perception and cultural fit.

Every organization's culture is special and thus requires flexible research approach. Descriptive method will be needed in order to be able to describe the perceptions' of employees and cultural fit towards organizational culture.

3.2 Sample and Sampling Techniques

In this study, simple random sampling technique has been taken that enable the researcher to answer the research questions and to meet the research objectives.

At a confidence level of 95%, the sample size for the analysis was 127 employees. The sample size was determined by the statistical formula (Israel, 2009):

$$n=N/(1+N*e2) = 186/(1+186*(0.05)2) = 186/1.465 = 127$$

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

The participants of the study were management and non-management staffs of Ethiopian Airlines. The sample size comprises 120 non-management staffs and 7 management members which comprises 127 from a total population of 186 head office staffs.

3.3 Source and Instruments of Data Collection

The researcher used both primary and secondary data sources to fully answer the research questions. Employees are valid primary sources of information to have the opinions on the current cultural typology. Moreover, the documents that kept huge valuable information regarding the values, norms and assumption held by different group of employees were referenced as a primary document. The airline strategic plan, brochures and leaflets are the citable ones. Those researches conducted in the area of culture, textbooks and handouts, analyzed

documents like articles found in the web are also parts of secondary sources of information used in conducting this paper.

The primary data refers to raw facts collected for the first time. It consists of a number of items in questionnaire for non-management staffs and structured interview for management staffs. Secondary data resources are processed information. These data gathered from Journals, books, and other published materials relevant to the topic.

3.4 Procedures of Data Collection

The need for questionnaire arises due to the fact that it provides sufficiently valid descriptive information about the views and attitudes of the respondents. Since the research design of this research consisted of the distribution of questionnaires, the questionnaire was divided into two sections: the first section comprised of the demographic factors of the respondents, the second section comprised of questions regarding the perception of employees to organizational culture and culture dimensions.

Data gathered through questionnaires and interview. The total questionnaire was 127. Interviews conducted for management staffs. There has been a pilot test done on questionnaires through randomly selected ten employees to check the relevance of questionnaires formulated.

3.5 Methods of Data Analysis

Descriptively, the data collected are summarized and reduced to a meaningful statistics for the actual sample of employees in Ethiopian Airlines. The data that has been collected from respondents through questionnaire and interview was analyzed by using tables, figures and

percentages to reach on meaningful findings. After analyzing the data, findings are summarized and appropriate recommendations given.

The data collected through questionnaires, tallied and tabulated. On the other hand, for better analysis the 5 rank responses likert scale of the questionnaires were made to be categorized accordingly. The data collected through interview and questionnaire was presented and analyzed then discussion and general findings of the two methods were presented together.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

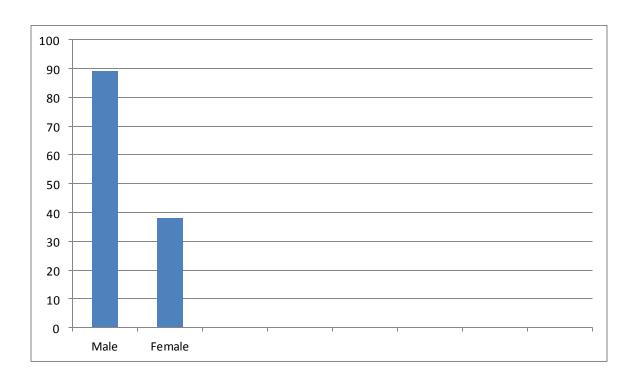
Data analysis is a process of organizing and examining the data collected using charts and tables. In analyzing the data tables were used to supply the analysis of information. This chapter focuses on discussing the demographic characteristics of respondents and on presenting, analyzing and interpreting the collected data.

4.1. Characteristics of Respondents

With regards to respondents' characteristics, the researcher used four parameters. These are gender, age group, level of education, and year of service. Questions were asked in survey Questionnaire to get the background information of respondents. Accordingly, this information were summarized and described as follows. The demographic characteristics data helped for the study to get full information about organizational culture assessment and to relate with the overall findings of the study. The existence of proportional representation of respondents as far as such characteristics as gender, age group, level of education, and year of service; guarantee a good response for the researcher.

There were a total sample of 127 employees who participated in this study .As figure 1 shows, only 38 (30%) of respondents were females. The remaining are males that account 89 (70%) of respondents.

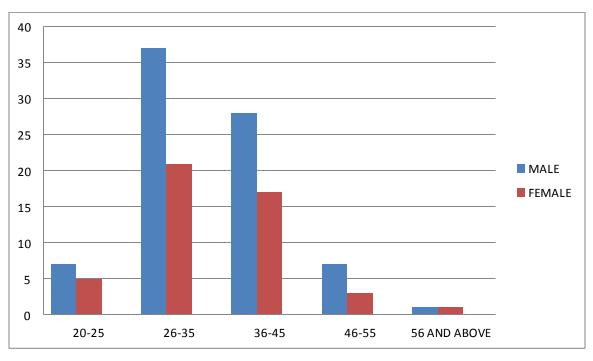
Figure 1 Respondents' Gender Type



Gender of Respondents

Regarding age category most of the respondents were in the age range of 26 up to 35 and that represents 50% of the sample population. Secondly, age range between 36 up to 45 represents around 30% of the sample population. Others like the age between 20 -25, 46-55, and 56 and above only represent around 16% of the sample population. Therefore, this implies that most of the respondents are between the ages of 25 up to 45.

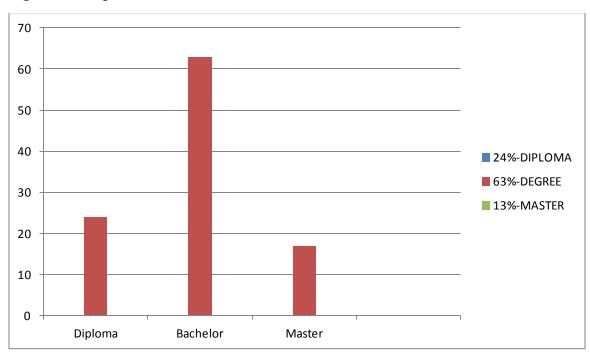
Figure 2 Respondents' age groups



Age of Respondents

The study has tried to optimize the research based on respondent's academic qualifications. As figure 3 below displays, 30(24%) respondents were—Diploma holder, 80 (63%) degree holder and 17 (13%) were master degree holders. Variation in academic rank provides valuable data for cultural perception studies. The majority of staffs were degree holders and it is safe to say that they have a good academic background and we can expect a better understanding of the issue under study.

Figure 3 Respondents' level of education

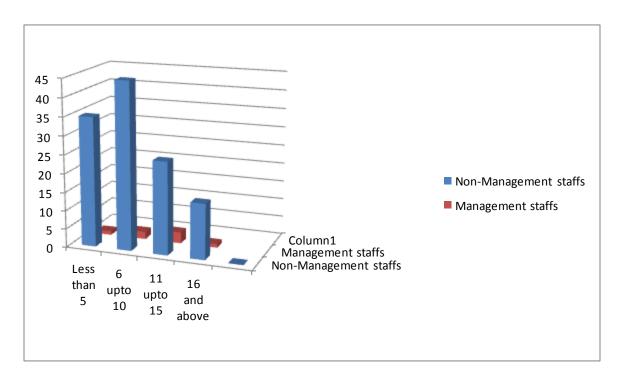


Academic Qualifications

The researcher used more samples from non-management staffs because of the assumption that they represent the larger number of staffs in Ethiopian Airlines compared to management staffs.

For this reason, almost 94% of the sample populations are non-management staffs and the other 6% are use to be from management staffs.

Figure 4 Respondents' years of experience



Employee type and Experience of Respondents

Ethiopian Airlines accommodates employees that have various work experience in the airline. The difference in work experience of employees within the airline may vary their insight or perception of organizational culture in their organization. The majority of respondents have work experience between six and ten years. That is 36 (28%) of the respondents have less than 5 years of work experience and 47(37%) of the respondents have work experience which ranged between 6 and 10 years. These majority employees seem to have a good knowledge about EAL culture and they can comment on the culture. In addition 28(22 %) of respondents have work experience of 11 to 15 years and the rest 16 (13%) of respondents have experience of 16 and above.

To sum up, the existence of proportional representation of respondents as far as such characteristics as gender, age group, level of education, and year of service; guarantee a good response for the researcher.

Therefore beliefs, opinions and attitudes of different groups were accommodated. Those individuals with diverse demographic characteristics can possibly represent various values and norms, both formal and informal that exists in Ethiopian Airlines. This can more or less make the research rich in information.

4.2 Organizational culture

The following findings summarizes the information gained on the organizational culture assessment in detail, those individuals working at different levels have different views on the current existing culture in Ethiopian Airlines.

Table 2 Norms, Values, Vision and Knowledge of Employees

| Items | | SA | A | N | D | SD | Total |
|--|---|----|----|---|---|----|-------|
| | | | | | | | |
| | | | | | | | |
| 1. Organizational culture reflects the norms | F | 58 | 49 | 4 | 7 | 9 | 127 |

| and values shared by all employees in Ethiopian Airlines. | | | | | | | |
|--|---|-----|-----|-----|----|-----|------|
| | P | 46% | 39% | 2% | 6% | 7% | 100% |
| 2. Organizational culture supports the vision of all employees | F | 10 | 8 | 12 | - | 97 | 127 |
| | P | 9% | 6% | 10% | - | 75% | 100% |
| 3. The organizational culture provides knowledge about how employees are | F | 63 | 47 | 6 | 7 | 4 | 127 |
| expected to act and think | P | 50% | 36% | 5% | 6% | 3% | 100% |

Where:-

SA-Strongly Agree N-Neutral SD-Strongly Disagree F-Frequency

A-Agree D-Disagree P-Percentage

Setting of organizational objectives is the starting point of any managerial actions. It serves as a guide line for the entire employee within the company to know what decisions and tasks best align with the values and norms of the company. In Table 2, 46% of the respondents responded that the norms and values of Ethiopian Airlines are always shared, 39% responded usually on the statement, and only 2% was uncertain. Whereas 6% were disagreed and 7% showed strongly disagreement. This shows that Ethiopian Airlines communicates for employees the company's norms and values usually.

Organizational culture should support the interests and visions of employees. It should be comfortable for employees so that they will be happy and stay in the organization for a longer period of time. In Table 2, minimum number of respondents that is 9% of the respondents said organizational culture always supports the vision of employees, 6% agree on the above statement and 10% were neutral. Majority of the respondents (75%) responded the organizational culture usually doesn't support their vision. As the majority of the respondents responded, the organizational culture of Ethiopian Airlines doesn't support the employees' vision. This is

supported by the literature review mentioned earlier in chapter two by Shannon in 1995 as he stated organizations with weak organizational culture are characterized by no direction set for employees for future career to support their vision.

Knowledge is the base for a successful organization. The organizational culture should provide ample knowledge to guide employees. If employees provided with full knowledge they can act and think accordingly. Table 2 also indicated that 50% of the respondents responded organizational culture always provides knowledge. 36% agree on the statement while only 5% neutral. Only 6% disagreed and the remaining 3% strongly disagree. From this we clearly show that the organizational culture of Ethiopian Airlines provides knowledge that helps employees to think and act accordingly.

Table 3 Opinions, Openness and Feelings of Employees

| Items | | SA | A | N | D | SD | Total |
|--|---|----|-----|----|----|-----|-------|
| | | | | | | | |
| 1. The Culture within Ethiopian Airlines | F | 6 | 16 | 10 | - | 95 | 127 |
| recognizes and values the variety of | | | | | | | |
| opinions and insights of the employees | P | 7% | 11% | 8% | - | 74% | 100% |
| | | | | | | 0.0 | 10- |
| 2. The Organizational culture encourages | F | 8 | 14 | 12 | - | 93 | 127 |
| openness amongst employees | | | | | | | |
| | P | 6% | 11% | 9% | - | 74% | 100% |
| 3. Organizational culture of Ethiopian | F | 12 | - | 5 | 9 | 101 | 127 |
| Airlines makes the workers feel valued | | | | | | | |
| | P | 9% | - | 4% | 7% | 80% | 100% |

As shown above, majority of the respondents disagreed regarding the culture corresponds the variety of opinions of employees. Majority respondents 95(74%) disagree that the organizational culture doesn't provide a room for opinion expressing. Some respondents 16 (11%) agreed that

the organizational culture recognizes employees opinions. Table 3 depicts that a few number of respondents 8(6%) strongly agree the organizational culture of Ethiopian Airlines usually encourages openness whereas the majority 93(74%) strongly disagree to the statement. Regarding feeling, we can see that majority of respondents 101(80%) are not feel comfortable with the existing organizational culture. But some respondents 12 (9%) said they feel valued.

Table 4 Commitment of Employees and Interests of higher officials

| Items | | SA | A | N | D | SD | Total |
|---|---|-----|-----|----|-----|-----|-------|
| 1. Organizational culture fosters commitment and cooperation of employees | F | 25 | 78 | 6 | 8 | 10 | 127 |
| | P | 21% | 61% | 5% | 6% | 7% | 100% |
| 2. In Ethiopian Airlines Employees give priority to meet the needs and interests of | F | 109 | - | 7 | 5 | 6 | 127 |
| the higher officials | P | 86% | - | 5% | 4% | 5% | 100% |
| 3 Employees from different departments | F | 12 | 17 | 8 | 29 | 61 | 127 |
| interact well | P | 9% | 13% | 6% | 23% | 49% | 100% |
| | | | | | | | |

Table 4 indicated that majority of respondents 78(61%) agree on the statement ''organizational culture usually fosters commitment and cooperation between employees'' however a small number of respondents 10 (7%) strongly disagree regarding commitment and cooperation. On the other hand, 86% of the respondents have strongly agreed that employees give priority to meet the needs and interests of higher officials while a small amount of percentage around 5% strongly disagree this is not an issue in Ethiopian Airlines. In the above table a few numbers of respondents (9%) agreed that there is strong interaction of employees within departments whereas the large number of respondents 49% disagreed on the statement. This shows that each department doesn't want to be blamed by a fault of another department. There is a tendency of doing assigned duty only rather than going out of extra miles.

Table 5. Communication, Working Environment and Training

| Items | | SA | A | N | D | SD | Total |
|--|---|-----|-----|----|----|-----|-------|
| 1. Ethiopian Airlines effectively communicate its values to its employees | F | 60 | 47 | 4 | 7 | 9 | 127 |
| | P | 45% | 40% | 2% | 6% | 7% | 100% |
| 2. Employees consider Ethiopian Airlines as the best working environment | F | 20 | 18 | 7 | 4 | 78 | 127 |
| • | P | 15% | 14% | 6% | 3% | 62% | 100% |
| 3. Ethiopian Airlines promotes and support additional training and education for | F | 62 | 47 | 7 | 5 | 6 | 127 |
| employees. | P | 50% | 36% | 5% | 4% | 5% | 100% |
| | | | | | | | |

Table 5 indicated that majority of respondents 60(45%) agreed on the statement 'Ethiopian Airlines effectively communicate its values to its employees' however a small number of respondents 9 (7%) strongly disagreed regarding communicating values. Employees consider their working environment best when they are fairly treated, promotion and recognition is relatively equitable to their performance. As we can see from the above response majority respondents 62% strongly disagreed on the current working environment, 6% neutral, 14% agreed and 15% strongly agreed as they like the environment.

For an organization to have a competent personnel, additional training and education is mandatory. The support for employees in this regard is enormous. As the above table depicts, most respondents 50% strongly agreed and 36% agreed that Ethiopian Airlines support its employees for further training and education. Whereas 5% strongly disagreed, 4% disagreed and 5% became neutral.

From the above tables, it is quite obvious that the concept of organizational culture was at least understood; even though there are rather a large percentage of those who were not quite sure of the culture in the organization support their vision or not. The organizational culture's guidance shows a good sign in that a big number of respondents agreed on the statement that it provides knowledge that guides the perception of employees and interprets experience. The questionnaire response shown that the organizational culture doesn't provide recognition of employees' opinions. Majority of respondents also agreed on the organizational culture doesn't encourage openness. Regarding employees feeling to be valued, the majority of respondents have a negative attitude towards feeling valued. But most respondents agreed at the organizational culture of Ethiopian Airlines foster commitment and cooperation. As there is fear of punishment in Ethiopian Airlines, employees give priority to fulfill the interests of their boss. Regarding internal customers' interaction that is employees' interaction with various departments is minimum. Most respondents agreed on Ethiopian Airlines effectively communicate its values to

its employees through various Medias like company emails consistently. On the other hand majority of the respondents disagree on the current working environment observed in Ethiopian Airlines. Regarding further training and education the company provides and support well.

4.3 Culture Dimension

The following are dimensions of organizational culture commonly observed in most organizations but the degree may vary

Table 6. Power Oriented Culture

| Culture Dimension | Frequ | iency | | | | |
|---|-------|-------|----|-----|-----|-------|
| Power – Oriented Culture | SA | A | N | D | SD | TOTAL |
| Inequality of access to resources | 85% | 9% | - | | 6% | 100% |
| Leadership resides in the leader | 86% | - | 4% | - | 10% | 100% |
| Performance is controlled by the leaders | 82% | 7% | 5% | - | 6% | 100% |
| Leaders are fair and generous with loyal Subordinate | 77% | - | - | 10% | 13% | 100% |
| | | | | | | |

| People tend toward a rule by fear with abuse | 70% | - | 10% | - | 20% | 100% |
|--|-----|---|-----|---|-----|------|
| of power | | | | | | |
| | | | | | | |
| | | | | | | |

As per the results above, 85% of the respondents strongly agreed that there is inequality of access to resources and 9 % agreed on the statement. Only 6% have disagreed that there is equal access to resources. Regarding leadership, majority of the respondents (86%) strongly agreed that leadership resides in the leader whereas 10% disagreed on the statement and 4% became neutral. Majority of the respondents (82%) have agreed performance is controlled by leaders, only 6% disagreed, 7% agreed and 5% became neutral. Only 13% have strongly disagreed on the statement that leaders are fair and generous with loyal subordinate but 77 % strongly agreed that leaders are fair and generous with loyal subordinate where as 10% shown they disagreed on the statement. Majority of the respondents (70%) have strongly agreed that people tend toward a rule by fear with abuse of power, 20% responded strongly disagree and 10% became neutral. This showed that power orientation was the most dominant culture dimension in the company.

Table 7. Role oriented Culture

| Culture Dimension | Frequency | | | | | | |
|------------------------------------|-----------|-----|-----|---|-----|-------|--|
| Role – Oriented Culture | SA | A | N | D | SD | Total | |
| Use of rewards and punishment | 71% | - | 14% | - | 15% | 100% | |
| Rules of law | 94% | - | - | - | 6% | 100% | |
| System of roles are well – defined | 76% | 10% | - | - | 14% | 100% | |

| Authority and responsibility are delegated | 74% | - | 5% | - | 21% | 100% |
|--|-----|----|----|---|-----|------|
| Absence of direct supervision from the top | 61% | 6% | - | - | 33% | 100% |

As table 7 indicated, 71% of the respondents have agreed on use of rewards and punishment in the company, 14% became neutral and 15% strongly disagreed on the statement. Only 6% have strongly disagreed about rules of law whereas majority of respondents (94%) agreed on the statement. Majority of the respondents (76%) have strongly agreed that system of roles are well defined but 14% strongly disagreed on the statement and 10% agreed on the statement. Regarding authority and responsibility, 74% replied that it is delegated where as 21% strongly disagreed and 5% became neutral. Majority of the respondents (61%) have agreed on the statement "absence of direct supervision from the top" is observed where as 33% strongly disagreed and 6% agreed. This showed that role orientation was also the most dominant dimension of culture in the company.

Table 8. Achievement oriented Culture

| Culture Dimension | Frequency | | | | | Total |
|-------------------------------|-----------|---|----|---|-----|-------|
| Achievement- oriented Culture | SA | A | N | D | SD | |
| Team work | 12% | - | 9% | - | 79% | 100% |

| Sense of urgency | 6% | - | - | - | 94% | 100% |
|---------------------------------|-----|---|-----|-----|-----|------|
| Clearly understood mission | 14% | - | 10% | - | 76% | 100% |
| High moral and motivation | 12% | - | - | 26% | 62% | 100% |
| Employees supervise them selves | 8% | - | - | - | 91% | 100% |
| | | | | | | |

Table 8 indicated that 79% of the respondents have strongly disagreed that there is no team work in the company where as 12% agreed there is team work and 9% became neutral. Regarding sense of urgency, majority of respondents (94%) have strongly disagreed on the statement but only 6% strongly agree. Majority of the respondents (76%) have strongly disagreed that there is no clearly understood missions but 14% strongly agree and 10% became neutral. Majority of respondents (62%) agreed on the statement there is high moral and motivation in the company however a small number of respondents 12% strongly agreed and 26% disagreed. Regarding supervision, 91% of the respondents strongly disagreed on the statement that employees supervise themselves. Only 8% strongly agreed on the statement. As shown from above, achievement oriented culture is very less in Ethiopian Airlines.

Table 9. Support Oriented Culture

| Culture Dimension | Frequency | Total |
|-------------------|-----------|-------|
|-------------------|-----------|-------|

| Support – Oriented Culture | SA | A | N | D | SD | 100% |
|---|-----|---|-----|-----|-----|------|
| Mutual thrust between staff and the organization | 17% | - | 12% | - | 71% | 100% |
| Care for the employees | 6% | - | - | - | 94% | 100% |
| Employee help one another, formally or informally | 6% | - | 18% | - | 76% | 100% |
| Cooperative environment | 14% | - | - | 24% | 62% | 100% |

As shown on Table 9, majority of the respondents strongly disagreed regarding the mutual thrust between staff and the organization. Majority respondents (71%) strongly disagreed that there is no mutual thrust between staff and the organization. Some respondents (17%) strongly agreed and 12% became neutral. Table 9 also depicts that a few number of respondents (6%) strongly agree there is care for the employees whereas the majority (94%) strongly disagreed to the statement. Regarding helping each other, we can see that majority of respondents (76%) responded that employees are not helping each other and 18% became neutral. Most respondents strongly disagreed that there is no cooperative environment, 24% disagreed and 14% strongly agree. Table 9 revealed that support oriented culture is not observed within Ethiopian Airlines.

Seven top management employees were interviewed. They were selected by random sampling method as mentioned earlier. The responses which are gathered by interview from top management of Ethiopian Airlines in relation to relationship with employees revealed that there is a good relationship that exists for a long period of time. The management staff also explained through interview that the dominant cultures in Ethiopian Airlines are excellence in service and safety. They also explained factors that challenges for strong organizational culture like lack of

commitment, motivation, and deep involvement of staffs in company issues. They also agree on the point that Ethiopian Airlines has to change some culture like low work motivation, work commitment, work relation, loyalty and work ethics.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The final chapter of the thesis represents the summary of the major findings, conclusions and recommendations of the study. The summary part takes account of brief discussion of the study and sum up with the findings of the study which is followed by conclusions. Finally, important recommendations that are helpful to improve the problem were presented.

5.1 Major Findings

The major findings of the study were as follows:

➤ Majority respondents 75% have frustration on the current organizational culture and responded that it does not support their vision. Consequently the company is expected to take some action on it.

- ➤ There is no room of recognition of employees opinions as majority of respondents 74% responded on the questionnaire. This implies that the company should revise its policy to accept different opinions and insights forwarded from employees which is useful to the company success.
- The current culture deprives employees not to speak out and to be open amongst each other as 74% of respondents agreed. A great attention should be given by the company regarding communicating openly amongst employees so that different ideas will be entertained and the best will be taken which will benefit the company at large.
- The other outcome of the study vividly showed that employees didn't feel valued as 80% of the respondents agreed. This is a great damage for a company. Management should give priority for this problem as it will affect the psychology of employees and will result in high turnover.
- Finally as most respondents 86% replied due to fear of punishment and the like Employees give priority to meet the needs and interests of the higher officials. This kind of organizational culture should be amended immediately as it is harmful to the company.
- ➤ The study revealed that, the current view of Ethiopian Airlines employees was Power and Role oriented culture. The major characteristics of power oriented culture comprises: inequality of access to resources, leadership resides in the leaders, performance is controlled by the, and leaders are fair and generous with loyal subordinates.
- Whereas, next to power oriented culture role —oriented culture is found to be dominant culture at Ethiopian Airlines which characterized by: rules of law, system of roles well defined, authority and responsibility are delegated, absence of direct supervision from top.
- Achievement and Support oriented culture were least perceived by employees.

5.2 CONCLUSIONS

The dominant cultural variables found in Ethiopian Airlines were power oriented culture and role oriented cultures. The major characteristics of power - oriented culture comprises: inequality of access to resources, leadership resides in the leaders, performance is controlled by the leaders and leaders are fair and generous with loyal subordinates. Role oriented culture are characterized by: rules of law, system of roles well defined, authority and responsibility are delegated, absence of direct supervision from top. There is gap on the cultural variables.

Employees are not fit with the culture and they have a negative view on the organizational culture. The company also has encountered many problems not to have strong organizational culture.

There were challenges not to have a strong organizational culture in Ethiopian Airlines. These were absence of high moral and motivation, no team work and cooperative environment not observed.

The general conclusion about this research is that management should be observant about the surrounding in the organization, not only on the physical aspects but also on emotions carried in the organization; because as defined earlier in this research, organizational culture is basically the shared values, artifacts and basic underlying assumptions; and it is important that these goals and values should be shared amongst all the employees and management because organizational culture influences the behavior of each and every individual in the organization.

5.3 RECOMMENDATIONS

The management of Ethiopian Airlines should create an environment which promotes achievement and support oriented culture rather than power and role oriented culture. For many employees, clear and concise communication within a working environment is essential. When employers choose not to create channels of communication with employees that allow each party to share information with the other, chances are that employee perception of the company will be less than ideal. Lack of communication can go a long way toward setting up an us/them mentality that breeds negativity in the workplace, opens the door for rumors to develop, and can undermine the morale of even the most devoted of employees. Management staff of Ethiopian Airlines should create open communication environment through discussion between the management and employees to avoid rigidity, suspicious attitude, low level cooperation and lack of confidence.

In promoting strong organizational culture the role of members is significant. However, present Study revealed that in the organization under study are of the major factors that hinder the effective implementation of strong culture is the less sense of belongingness of employees that resulted in less commitment and less motivation of members. Therefore, the management staffs at various levels should develop a sense of ownership among members through continuous discussion. Therefore it is recommended that management should set procedures on how to construct strong organizational culture so that employees can have a sense of belongingness.

Employees should update themselves to fit the organizational culture and their overall view should be in a positive way by avoiding negative attitudes. Every individual has different culture and beliefs that he/she works with and when he/she joins an organization that has a completely

different culture and beliefs from his/her own, he/she should internalize himself/herself with organization's culture and values to know Whether he/she can cope with them or not. It is the ability of employee to cope with the organizations culture that will determine how he/she will perform on his/her job.

There are huge percentages of respondents who felt that their organization doesn't value nor does it encourage openness and communication amongst employees and the management. It is highly recommended that management should rectify this problem. If employees inside the organization start to feel less valued and appreciated, job dissatisfaction commences and consequently other factors which may sink the company or organization down may follow.

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APPENDIX A

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA PROGRAM

A QUESTIONARE ON EMPLOYEES PERCEPTION TO ORGANIZATIOANL CULTURE OF ETHIOPIANAIRLINES FOR NON-MANAGEMNT STAFFS

Dear respondents,

Thank you very much for being a volunteer and for taking your valuable time in filling up this questionnaire. This questionnaire is distributed to get your highly valued input for academic purpose. Please take up only few minutes to fill up this questionnaire. Your genuine response is highly valuable to the study and then to arrive at good results. I hereby request you to fill this questionnaire and give me back the earliest possible time. All your responses will be kept confidential.

Part One: Personal Information

| 1. Name: | (Optiona | 1) |
|-------------|--------------|--------------|
| 2. Gender: | | |
| Male Female | | |
| 3. Age: | | |
| 20-25 26-35 | 36-45 46- 55 | 56 and above |

| 4. Level of Education: | | | | |
|------------------------------------|--------|--------|---------------|--|
| D: 1 | | 3.4 | | |
| Diploma De gree | | Master | PhD and above | |
| 5. Year of service in Ethiopian Ai | rlines | | | |
| Loss than 5 years | | | | |
| Less than 5 years | | | | |
| 6 up to 10 years | | | | |
| 11 up to 15 years | | | | |
| 11 up to 13 years | | | | |
| 16 years and above | | | | |
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Part Two: Assessing Employees perception in Ethiopian Airlines

The below helps the researcher to determine how well employees perceive about Ethiopian Airlines culture. Please answer the questions to the best of your knowledge.

Rating scale: Strongly agree=5; Agree=4; Neutral=3; Disagree=2; strongly disagree=1

| | Employees perception to organizational culture | 5 | 4 | 3 | 2 | 1 |
|----|---|---|---|---|---|---|
| a) | Organizational culture reflects the norms and values shared by | | | | | |
| | all employees in Ethiopian Airlines | | | | | |
| | | | | | | |
| b) | Organizational culture supports the vision of all employees | | | | | |
| | | | | | | |
| c) | Organizational culture provides knowledge about how | | | | | |
| | employees are expected to act and think | | | | | |
| | | | | | | |
| d) | The culture within Ethiopian Airlines recognizes and values the | | | | | |
| | variety of opinions and insights of employees | | | | | |
| | | | | | | |
| e) | Organizational culture encourages openness amongst | | | | | |
| | employees | | | | | |
| | | | | | | |
| f) | Organizational culture of Ethiopian Airlines makes the workers | | | | | |
| | feel valued | | | | | |
| | | | | | | |
| g) | Organizational culture fosters commitment and cooperation of | | | | | |
| | employees | | | | | |
| | | | | | | |

| h) | In Ethiopian Airlines Employees give priority to meet the | | | |
|----|---|---|--|--|
| | needs and interests of the higher officials | | | |
| | | | | |
| i) | Employees from different departments interact well | | | |
| | | | | |
| j) | Ethiopian Airlines effectively communicate its values to its | | | |
| | employees | | | |
| | | | | |
| k) | Employees consider as the best working in Ethiopian Airlines | | | |
| | environment. | | | |
| | | | | |
| 1) | Ethiopian Airlines promotes and support additional training and | | | |
| | education for employees | | | |
| | | | | |
| | | l | | |

Part Three: The following are dimensions of organizational culture commonly observed in most organizations. Please rate the state of culture behaviors in your company.

Rating scale: Strongly agree=5; Agree=4; Neutral=3; Disagree=2; strongly disagree=1

| Culture Dimension | Frequency | | | | | | |
|---|-----------|---|---|---|----|--|--|
| 1. Power – Oriented Culture | SA | A | N | D | SD | | |
| Inequality of access to resources | | | | | | | |
| Leadership resides in the leader | | | | | | | |
| Performance is controlled by the leaders | | | | | | | |
| People tend toward a rule by fear with abuse of power | | | | | | | |

| Leaders are fair and generous with loyal subordinate | | | |
|--|--|--|--|
| | | | |
| | | | |

| Culture Dimension | Frequency | | | | | | |
|--|-----------|---|---|---|----|--|--|
| 2. Role – Oriented Culture | SA | A | N | D | SD | | |
| Use of rewards and punishment | | | | | | | |
| Rules of law | | | | | | | |
| System of roles are well – defined | | | | | | | |
| Authority and responsibility are delegated | | | | | | | |
| Absence of direct supervision from the top | | | | | | | |

| Culture Dimension | Frequency | | | | | | |
|----------------------------------|-----------|---|---|---|----|--|--|
| 3. Achievement- oriented Culture | SA | A | N | D | SD | | |
| Team work | | | | | | | |
| Sense of urgency | | | | | | | |
| Clearly understood mission | | | | | | | |

| High moral and motivation | | | |
|---------------------------------|--|--|--|
| | | | |
| Employees supervise them selves | | | |
| | | | |

| Frequency | | | | | | | |
|-----------|---|---|---|----|--|--|--|
| SA | A | N | D | SD | | | |
| | | | | | | | |
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APPENDIX B

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA PROGRAM

SEMI-STRUCTURED INTERVIEWFOR MANAGEMNT STAFFS

- 1. What is your view of employees towards 'Organizational culture' at Ethiopian Airlines?
- 2. How do you evaluate the culture of your organization?
- 3. What sort of values is there among employees and managers?
- 4. Do you think Ethiopian Airlines has strong culture?
- 5. How do you evaluate your relationship with employees?
- 6. What dominant culture do you observe in the management and employee of Ethiopian Airlines?
- 7. Are there any trends of organizational culture development in your organization?
- 8. What factors challenges for strong organizational culture at Ethiopian Airlines?
- 9. What are the dominant organizational cultures that characterize Ethiopian Airlines?
- 10. To what extent does organizational culture affect the performance of employees of Ethiopian Airlines?
- 11. Is there a need to change the culture of Ethiopian Airlines? If so Why?

Thank you!

| DEC | LARATION | | | | |
|--|------------------|--|--|--|--|
| I, the undersigned, declare that this thesis is my original work, prepared under the guidance of my advisor Dr. Worku Mekonnen. All sources of materials used for this thesis have been duly acknowledged. Furthermore, I confirm that the thesis has not been submitted to any other higher institutions for the purpose of earning any degree. | | | | | |
| Name | Signature & Date | | | | |
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| St. Mary's University | | | | | |
| Addis Ababa | | | | | |
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| ENDORSEMENT This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a University advisor. | | | |
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