



EFFECT OF ORGANIZATIONAL CULTURE ON PRIVATE BANKS PERFORMANCE: A CASE OF BULE HORA TOWN, OROMIA REGION, ETHIOPIA.

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ABSTRACT

Today in the entire world the role of organizational culture has been changed significantly because of increasing complexity in the environment. Therefore, the very purpose of this study was to establish the relationship between Organizational culture and organizational performance of private banks in case of Bule Hora Town. The study targeted a population of 280 members of Bule Hora Town private owned banks. Simple random sampling was employed to select a sample of 142 members. A pilot study was carried out using 10% of sample size. The Cronbach's Alpha value for all questionnaire components were greater than 0.7 indicating that the research instrument was reliable. The study used both descriptive and inferential analytical techniques. Descriptive results affirmed that Organizational culture practices and organizational performances of the sampled firm was moderate which implied that the firms should still expected to enhance their Organizational culture practices so as to boost their organizational performance. Besides, multiple regression results showed that Involvement culture with (Beta = 0.222), Consistency culture with (Beta = 0.204), Adaptability culture with (Beta = 0.156 and Mission culture (Beta = 0.354) significantly predicted organizational performances (Customers satisfactions, learning and innovation and internal process). The R value (0.865) is an indication of high correlation between independent and dependent variable, while, R² value (0.749) obtained in this study demonstrated that 74.9% of the variation in organizational performance is due to change in the constructed Organizational culture dimensions in this study. Owing this, the study concludes that involvement culture, consistency culture, adaptability culture and mission culture significantly predicts organizational performances of private owned banks in Bule Hora Town, therefore, private banks should give due attention to these Organizational culture practices.

KEY TERMS: Adaptability, Consistency, Involvement, Mission, Organizational culture, Private Banks, organizational performance.

1.1 Background of the Study

According to the changes occurred in the environment, it is very imperative for the organizations to concentrate and acquire a qualified, competent, innovative and well professionalized human resource to achieve desired results. Performances of an organization are the determining factor for the success, and their roles are inseparable from the achievement, Djoko, Mushud (2016). Performance with higher qualifications and competency could enhance problem-solving skills and ability, Tang (2008), Agu & Etim (2012).

The Performance plays a vital role in an organization's growth and development. Performance reflects their

strong belief on organizational goals and objectives, and desires to remain as a loyal member in the organization, Hackett et al., (2001). In the organizational Performance model, it stated that the organizational Performance is a degree to which he identifies his organization, wants to continue and actively participate in his role, Jaros, (2007).

Organizational culture is a system of shared values, norms, attitudes and assumptions that can influence the people to act and get things done by its members. This organizational culture distinguishes from one institution to another, Robbins & Judge, (2013). The organizational culture has a positive attitude and behaviors on Performance and it tends to develop Performance towards their organization, Asghar, Mojtaba & Sadeghi, (2015), Ghader & Afkhami (2014), Habib et al (2014), and Coffey, Trew & Trigunarsyah (2012).

An employee accord on his organizational culture can build his Performance and it has been obviously observed through the increase of their Performance levels, Robbins & Judge, (2013). Denison and Neale (2011) defined organizational culture as “the underlying values, beliefs and principles that serve as a foundation for an organization's management system, as well as the set of management practices and behaviors that both exemplify and reinforce those basic principles”. These authors further explain the visible and invisible aspect of organizational cultures. The visible aspect includes working hard, proper attire, acting friendly to customers etc. In contrast, the invisible assumptions are value and core beliefs which are harder to observe including honesty, integrity, being ethical, going beyond expectations to satisfy customers.

Dolan and Lingham (2012) also defined organizational culture as a set of values and commonly held beliefs that determine which behaviors are acceptable and expected for a given group, countries, religious and ethnic groups, and organizations all have cultures. They have also summarized some of the prominent organizational culture models as Edgar Schein Model, Deal and Kennedy Model & Charles Handy Model.

Various studies and literatures defined organizational culture traits in different dimension. Robbins and Judge (2013) listed the seven primary characteristics of organizational culture. These are; innovation and risk taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness and stability. Moreover, Dolan and Lingham (2012) explain Charles Handy organizational culture concepts that classify organizational cultures as power, role, and task and person culture. The first trait: power culture concentrates on power among a few with few rules and little bureaucracy. Role culture, second organizational trait, is demonstrated when employees have clearly delegated authorities within a highly defined or bureaucracies' structure. The third trait is task culture in which teams are formed to solve particular problems and there will be multiple reporting lines of a matrix. The last culture: person culture exists where all individuals believe themselves superior to the organization.

Hakim (2015) defines organizational culture as the desire and the willingness of employees to remain in the organization and devote themselves to the success of the organization.

Organizational culture is influenced by the way of working by the organization's founder and managerial staff; because of their role in decision-making related to the strategic decision (Oparanma, 2015).

1.2 Statement of the Problem

Organizational culture in many developing countries is mired in inefficiency and the major expecting challenge in public sector is attracting customers and retaining them (Poor ashraf, 2004). Thus, Organizational culture has significant effect on organizational commitment, organizational success, organizational productivity, organizational performance and employees' job satisfaction which ultimately affect overall customer satisfaction. Furthermore, Anozie and Ismail (2016) find out organizational culture has a huge and significant impact on organization performance.

Mersen, (2016), investigated the effect of four organizational culture traits namely, involvement, consistency, adaptability and mission on organizational performance in Ethiopian Airlines Company. The results show that the four traits measuring organizational culture were all positively related with organizational Performance.

The National Bank of Ethiopia's rules, regulation and directives govern all financial institutions. However, some violates the rules and regulation. In the current situation of banking industry, the root of unethical practice increases from time to time. Now a day's most of the banks have either been distressed or acquired by other banks as in the most of which were traced to unethical practices. Therefore, to study the effects of organizational culture that improves organization performance has helped to sanitize the banking industry and ensure stability of the banking industry.

According to Meseret Getachew (2019) study conducted consistency and involvement have positive but statistically insignificant contribution towards employees' culture not all cultural measures have significant contribution towards organizational Performance.

There are several studies regarding, organizational culture and performance under the bank industry. Some of them are Kefyalew S (2016) "Analysis of Workplace Ethics at Dashen Bank"; Amita M. (2018) "The Impact of organizational culture in the Banking Sector"; Haregeweyn L. (2019) "The Practices and Problems of Professional Integrity and Ethics in Private Banks: in the case of Bunna International Bank", Addisalem Z.(June, 2019), "The Effect of Organizational Culture on Organizational Performance: The Case of Bank of Abyssinia", and so on. To the best of researchers knowledge there is no current study regarding the effects of Organizational Culture on Organizational Performance of private banks in the case of Bule Hora Branch. It is obvious that based on recent annual financial report of private banks in Ethiopia all banks are profitable, but this may not guarantee to continue profitably for the future because of the existence of high competition among the existing as well as the newcomers. Thus, maintaining organizational culture may increase bank's sustainable performance either financially or operationally and become competent to each other, especially if foreign banks will join this business in Ethiopia.

As indicated in the above sources, the literatures available on the banking roles do not show strong arguments against or for the roles of the banks in Bule Hora town. There are no researches done to validate the roles of banks in the study area, which warrants the importance of this study as one piece of scientific literature showing the pertinent conditions and constraints the banks have and their effects of organizational culture. In the light of the above facts, this study came up with reliable facts for the problems that Bule Hora-based selected banks have, while enhancing effects of organizational culture in the local areas of the town.



Moreover, this study fills the theoretical gap as far as the knowledge of the local banks and organization culture institutions is concerned. As far as the policy gap existing in the study area, new finding of this study as consolidated by the empirical source will also help the actors of organizational culture such as government and private business enterprises to design new policies which may help them to work with each other smoothly and in a mutual relationships. This study bridge the gaps existing due to lack of valid research in the area with the theme of the study and investing the roles played by the banks in general in the study locality. Therefore, to fill this gap the researcher was interested to study “The effects of Organizational Culture on private banks Performance: the case of Bule Hora town”, for banks continuity and sustainability in Ethiopian banking industry.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective is to assess the effects of organizational culture on the organizational performance of private banks in Bule Hora town.

1.3.2 Specific Objectives

- To measure the effect of involvement culture on Organizational Performance of private banks.
- To identify the effect of consistency culture on Organizational Performance of private banks.
- To examine the effect of adaptability culture on Organizational Performance of private banks.
- To identify the effect of mission culture on Organizational Performance of private banks.
- To analyze the relationship between organizational culture and private banks performance.

1.4 Hypothesis of the study

H_{a1}: There is significant effect of involvement culture on organizational performance of private banks

H_{a2}: There is significant effect of consistency culture on organizational performance of private banks.

H_{a3}: There is significant effect of adaptability culture on organizational performance of private banks.

H_{a4}: There is significant effect of mission culture on organizational performance of private banks.

2.1 Empirical Review in banking sector

This section outlines the result of different researches on the topic “the effect of Organizational Culture on organizational Performance” and it is summarized below.

Anozie and Ismail (2016) find out organizational culture has a huge and significant impact on organizational performance.

In recent times, banking services were promoted through the invention and use of the efficient technologies which include the following core banking transformation: Provide an integrated infrastructure for managing all business function and mission critical data across the enterprise. Customer care and insight increase customer confidence and revenue growth from greater insight into customer needs. Integrated risk management take a holistic approach to managing risk across the enterprise to improve financial performance (Tasew, 2018).

According to Mohammad, Rumana and Saad (2013) studied in the field of the impact of organizational culture on organizational performance and productivity by undertaking a case study of telecommunication sector in Bangladesh. The result of this study also indicated the sound role of organizational culture on organizational performances and productivities. It also indicated that organizational culture significantly influences organizational performance and productivity in the dynamic emerging context. The findings of this paper significantly demonstrate both positive and negative mannerism of organizational culture which has significant consequences on organizational performance.

It also asserted that organizational culture is an open system approach and it has interdependent and interactive association with organizations performance.

Agwu (2014) made a study on the “Organizational Culture and organizational Performance in the National Agency for Food and Drugs Administration and Control (NAFDAC) in Nigeria”. It assumes that a positive organizational culture will enhance organizational performance. The three major findings of the research were NAFDAC’s organizational culture of decentralization provide employees with greater intrinsic rewards than other traditional means of governance, there is a significant relationship between organizational culture and increased organizational’ Performance in NAFDAC and the last research result was there is a significant relationship between organizational culture and increased organizational productivity in NAFDAC.

Ojo (2009) analyzed and assesses empirically the impact of corporate culture on organizational productivity performance as well as employee job using Nigerian banking industry as the case study. He tried to ascertain if organizational culture affects employee job performance, and to formulate recommendations regarding corporate culture and employee job performance. He came out with the result that majority of the respondents strongly agrees that corporate culture has effect on employee job performance, and that majority of the employee’s respondents agree that corporate culture effect determines the productivity level of the organization. Organizational culture is a major determinant of an employee’s efficiency and effectiveness in carrying out their jobs. That is, organizational culture is one of the major key determinants of how employees perform or behaves in their job (Ojo, 2012).

Additionally, Sun (2012) said organizational culture can have an influence on: employee motivation; employee morale and ‘good will’; productivity and efficiency; the quality of work; innovation and creativity and the attitude of employees in the workplace.

(Abraham, 2019) studied the effects of organizational culture on organizational performance in Commercial Bank of Ethiopia. The study used quantitative research method and explanatory research design to objectively answer the proposed research questions. Regression analysis was used to assess the effects of organizational culture on the organizational performance. (Elizabeth, 2017) examined the effects of organizational culture (hierarchy, market, Clan, adhocracy) on job satisfaction in the Ministry of Science and Technology. A mixed design was employed in this study. Data was analyzed using statistical tools like frequency, percentage, mean, Pearson correlation coefficient, Mann Whitney U test and Multiple Regression. The findings of this study revealed that adhocracy culture was the dominant culture in the Ministry. On top of this, there was positive and moderate relationship between organizational culture and employees’ job satisfaction. It was concluded that the Ministry of Science and Technology had focused on new innovation, risk taking and uniqueness of performance. (Hajima, 2018) explored the effects of organizational culture on organizational performance. The study measured the effect of organizational culture on organizational performance at the Addis Ababa Abattoirs Enterprise.

(Mersen, 2016), investigated the effect of four organizational culture traits namely, involvement, consistency, adaptability and mission on employee commitment in Ethiopian Airlines Company. A total of 284 employees participated in the study and the data's were analyzed using descriptive and inferential statistics. The results show that the four traits measuring organizational culture were all positively related with organizational performance within the range of $r=0.530$ to $r=0.641$. Furthermore, statistically significant of the three organizational culture traits: adaptability, mission, and involvement, indicate that there is significant relationship with organizational performance.

However, consistency doesn't have significant effect on organizational culture as it is explained by significance level $p>0.05$. The implications of the findings were discussed and recommendations made.

(Reis & Story, 2016) carried out a study of 890 professionals from attendees of graduate and postgraduate programs of a business school in Brazil on perceived organizational culture and engagement: the mediating role of authenticity concluded that those environments that are seen to be more comprehensive and participative, and that incentivize autonomy (i.e. clan and adhocracy cultures) neither nurture nor inhibit realism. Cultures seen as having control, are orderly and emphasize stability (i.e. hierarchy and market cultures) are negatively related to authenticity and therefore employees who behave more authentically at work are more engaged with their jobs.

Independent variable

Dependent Variable

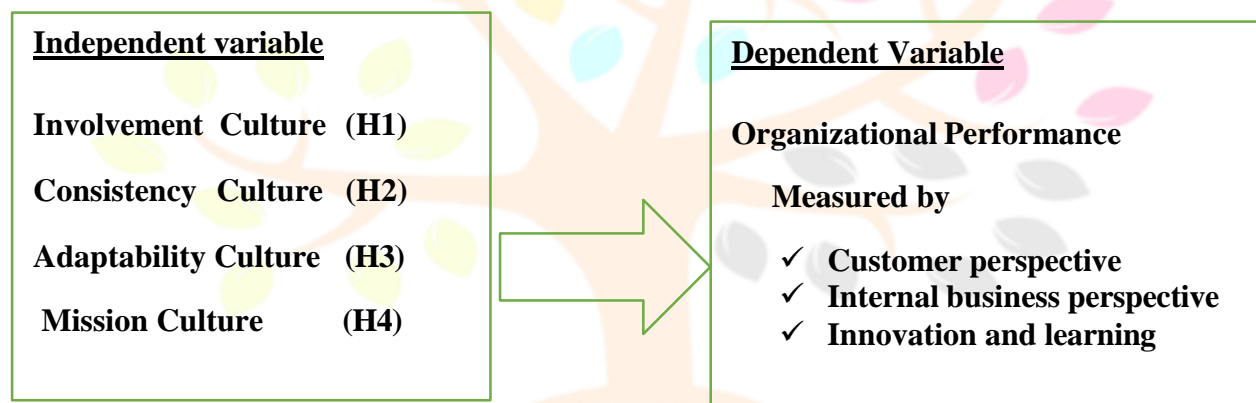


Figure 2.2 Conceptual Framework of thesis adopted from Denial Denison in 2011.

3. Research design and Approach

A research designs is a master plan that specifies the methods and procedures for the collecting and analyzing the needed information. A research design provides a framework or plan of action for the research. A descriptive and explanatory research design was adopted for this research study.

The researchers used a mixed research approach using both qualitative and quantitative approach.

3.1 Target population

For the purpose of this study employees of private banks currently operating in Bule Hora Town are the target population, which is 280 desired samples of this study was drawn.

3.2 Sampling Techniques and Sample Size Determination

3.2.1 Sampling Techniques

According to Kothari (2006) a sample design is a definite plan to get a sample from the target population. It is naturally neither practical nor feasible to study the whole population in most studies. Hence, a set of participants is selected from the population, which is less in number (size) but adequately represents the population from which it is drawn so that true inferences about the population can be made from the results obtained.

In this study researcher used both probability and non-probability sampling. From non-probability sampling, the researcher utilized purposive sampling to select private banks.

From probability sampling, stratified random sampling technique was employed to select respondents from the target population. The reason for using stratified random sampling is to consider all employees proportionally from private banks. According Kothari (2004), a stratified sample is a probability sampling technique in which the researcher divides the entire target population into different sub-groups, or strata, and then randomly selects the final subjects proportionally from the different strata. The researcher takes samples from each stratum according to their proportion to the total population. The representatives selected from each stratum using simple random sampling. Furthermore, the researcher used lottery method to select the representatives from each stratum.

3.2.2. Sample Size Determination

The desired minimum sample size was computed using Yemane's equation (Yemane, 1967) at 95% confidence interval.

The total sample size determination that was considered as all private banks of Bule Hora branches. The total population of the study is **280** which are employees of the private banks.

The researcher used the sample size determination formula, which is developed by Yamane (1967), formula.

The formula and the sample size of the study were mentioned as follows:-

$$n = N / (1 + N(e)^2)$$

$$n = 280 / (1 + 280(0.05)^2) = 165$$

N = is the total number banks of private. The investigator was decided the confidence level of the study to be at **95%** consequently the level of precision or error (e) is **5%**. Accordingly, 165 respondents were being selected from the total of **280** and **simple random sampling** techniques were used to get information from different sizes of banks sectors as described below.

3.3. Data Sources and Data Collection Instrument

3.3.1. Data Source

In this study data was collected from primary sources. Accordingly, data sources were employees of private banks in case of Bule Hora Town. Primary data is data that is collected first hand by the researcher. This type of data may be collected using interviews, surveys questionnaire and direct observations among others.

3.3.2. Data Collection Instrument

In this research study, structured questionnaire was adopted. The questionnaire consists of two parts; Part I is used to elicit the general information of the respondents, Part II is used to elicit information regarding organizational culture comprising four sub sections (Involvement Culture= 10 items, Consistency culture= 9 items, Adaptability Culture = 9 and Mission culture

= 9) and organizational performance which also comprises four subsections namely customer perspectives (7 items), internal process (6 items), learning and growth aspects (8 items).

In this study, to ensure reliability of instruments, the questionnaire items was developed and pilot study was carried on 20 respondents (employees of private banks). To confirm the reliability of the questionnaires, Cronbach's alpha reliability test was calculated after the pilot is conducted. The results of pilot study showed that all research items had Cronbach's Alpha values greater 0.7 indicating that the items were reliable.

Additionally, the overall reliability of the organizational culture questionnaire and Organizational performance were tested and the results showed a Cronbach's Alpha value of 0.795 and 0.81 respectively indicating that overall the research instrument were reliable which implied that can be used to collect data for the main survey and the details are presented in Table 3.7.2.

Table 3.4.2 Reliability Test (Cronbach Alpha Value)

	Dimensions		
1	Organizational Culture	# of items	Cronbach alpha
1.1	Involvement	10	0.733
1.2	Consistency	9	0.860
1.3	Adaptability	9	0.854
1.4.	Mission	9	0.732
	Overall	37	0.795
2	Organizational performance		
2.1	Customer satisfaction	7	0.726
2.2	Internal process	6	0.880
2.3	Learning and growth	8	0.824
	Overall	21	0.81

Source: Survey data from private banks (2022)

3.5 Data Analysis and discussion

As part of analysis techniques, quantitative data analysis method was employed in this study. To accomplish this, the data was entered into SPSS Version 24 and prior to analysis necessary assumptions were tested. In terms of statistical analysis, this study used both descriptive and inferential statistics. In particular, from descriptive statistics, frequency and percentage were used to describe respondents background information, mean and standard deviation were used to see status of bank's organizational culture and organizational performance, while, from inferential statistics, correlation analysis was employed to see if there is a correlation between bank's organizational culture as function of involvement, consistency, adaptability and mission and organizational culture. Finally, multiple regression analysis was employed to examine how much variation in dependent variables (organizational performance) may be attributable to changes in independent variables.

4.1 Correlation analysis

Table 4:2 Correlation between Components of Organizational culture & OP

		Involvement	Consistency	Adaptability	Mission	Performance measure
Involvement	Pearson Correlation	1				
	Sig. (2-tailed)	.000				
	N	142				
Consistency	Pearson Correlation	.643**	1			
	Sig. (2-tailed)	.000				
	N	142	142			
Adaptability	Pearson Correlation	.502**	.726**	1		
	Sig. (2-tailed)	.000	.000			
	N	142	142	142		
Mission	Pearson Correlation	.522**	.767**	.782**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	142	142	142	142	
Performance measure	Pearson Correlation	.576**	.757**	.775**	.823**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	142	142	142	142	142

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

Source: Survey data (2022)

4.3 Regression Analysis

4.3.1 Multicollinearity Test

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are multicollinearity problem, there is “overlap” or sharing of predictive power. Multicollinearity occurs when the independent variables are not independent from each other and in this study it is tested using tolerance and variable inflammatory factors.

Tolerance and VIF measures the influence independent variables on each other. Tolerance is calculated with an initial linear regression analysis. Tolerance is defined as $T = 1 - R^2$ for these first step regression analysis.

As a rule of thumb, tolerance value greater than 1 is signals of a possible multi-collinearity problem. Variance Inflation Factor (VIF) of the linear regression is defined as $VIF = 1/T$. With $VIF > 10$ there is an indication for multi-Collinearity to be present and summary Multicollinearity test presented on 4.16 below

Table 4:3.2 Multicollinearity Test

Variables	Collinearity Statistics	
	Tolerance	VIF(s)
Involvement	.584	1.714
Consistency	.307	3.261
Adaptability	.349	2.868
Mission	.304	3.287

Source: Survey data (2022)

Results on table 4.3.2 depicted that value of VIF and tolerance for all independent variables are much lower than the limit 10 and 1 respectively. VIF less than 10 and tolerance value less than 1 depicted that independent variables in this study are not highly correlated. This confirms that there is no multicollinearity problem. Hence, assumption to use multiple regressions is satisfied.

4.3.3 Test of Normality

Normality is checked through computation of skewness of the data sets. For a given data set to be normally distributed the skewness must fall in between -1 and +1. To this effect, normality test was computed and the resulting skewness values are presented in *table 4.4* below.

Table 4.4 Test of Normality

Variables	Skewness		Kurtosis	
	Statistics	S. E.	Statistics	S. E.
Involvement	-.082	.203	-.499	.404
Consistency	-.294	.203	-.127	.404
Adaptability	-.212	.203	-.711	.404
Mission	-.528	.203	-.096	.404
Internal perspective	-.432	.203	-.590	.404
Innovation and learning perspective	-.359	.203	-.597	.404
Customer perspective	-.488	.203	.189	.404
Overall performance	-.327	.203	-.465	.404

Source: survey data (2022)

The resulting skewness values falls between -1 and +1. Besides, the resulting kurtosis values falls between -3 and 3. Hence, the assumption of normality is not violated, indicating that the data sets are normally distributed (Table 4.4).

4.5 Multiple Regression analysis

Multiple regressions is a statistical technique through which one can analyze the relationship between a dependent or criterion variable and a set of independent or predictor variables. As a statistical tool, multiple regressions are frequently used to find the best prediction equation for a set of variables; i.e., to predict how much of variation in dependent variable is due to predictors variables and to evaluate the contribution of a specific variable or set of variables,

i.e., identifying independent relationships. In short, the aim of multiple linear regressions (MLR) is to model the linear relationship between the explanatory (independent) variables and response (dependent) variable. In this study multiple regression analysis was employed to quantify variation in dependent variable due to independent variable. The predictor variables for the regression analyses were organizational culture (involvement culture, consistency culture, and adaptability culture and mission culture). Moreover as shown above a test of three assumptions underlying the regression analysis, namely, normality, linearity, and multicollinearity, revealed that no assumptions for multiple regressions were violated. Accordingly, Table 4.6 presents the results of the multiple regression models that measure the extent of relationship between the dependent variable and the independent variables. Goodness of fit(R-square) measures how well the regression model actually fits the data. It is the percentage of the dependent variable variation that a linear model explains and it is always between 0 and 100%. Higher R-squared values represent smaller differences between the observed data and the fitted values.

Effect of Organizational culture on organizational performance Table 4:6 Model summary information

Model summary			Anova table			
Model	R	R square	Adjusted R Square	Standard Error of the Estimate	F value	Sig.
1	.865	.749	.741	.30319	102.001	.000

- a. **Dependent Variable: Performance measure**
- b. **Predictors: (Constant), mission, involvement, adaptability, consistency**

Table 4.6 above shows important elements about model. R shows a significant positive relationship of 0.865 which is 86.5%. Goodness of fit(R-square) measures how well the regression model actually fits the data. It is the percentage of the dependent variable variation that a linear model explains and it is always between 0 and 100%. Higher R-squared values represent smaller differences between the observed data and the fitted values. In this study, the R^2 value =.749 indicates 74.9% of the variation in the model can be predicted using the independent variables that means in this study 74.9% of the change in organizational performance is explained by organizational culture. But, the remaining 25.1% changes in organizational performance are caused by other factors.

Table 4.7 ANOVA of Regression Analysis ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	37.505	4	9.376	102.001	.000 ^b
	Residual	12.593	137	.092		
	Total	50.099	141			

- a. **Dependent Variable: Performance measure**
- b. **Predictors: (Constant), Mission, Involvement, Adaptability, Consistency**

Source: own survey (2022)

Above table 4.7 show that the F- test is 102.001 and p-value associated with the F value (Sig. (p) = .000) is less than alpha level of 0.05. This revealed that F value is statistically significant. Therefore, we can conclude that the hypothesized independent variables (organizational culture) reliably predict the dependent variable. If the p-value were greater than 0.05, we would say that the group of independent variables do not reliably predict the dependent variable (Samuel, 2011).

Muijs (2004) described that goodness of fit value less than 0.1 is poor fit, 0.11 to 0.30 modest fit, 0.31 to 0.50 moderately fit, and > 0.50 is considered as strong fit. In this study the value of goodness of fit (R^2) is 0.749 which indicates the model is strongly fit to predict the dependent variable namely organizational performance.

Table 4: 8 Effect of Organization culture on organizational performance

Coefficients ^a							
Variables		Unstandardized Coefficients		St. Coefficie	T	Sig.	Zero- order (r)
		B	S. E	Beta			
	Constant	.113	.176				
	Involvement	.105	.051	.115	2.058	.041	.576
	Consistency	.165	.080	.159	2.052	.042	.757
	Adaptability	.249	.070	.258	3.557	.001	.775
	Mission	.439	.077	.440	5.659	.000	.823

Source: SPSS Output

In the above table 4.8, beta coefficients indicated how much the dependent variable varies with an independent variable, when all other independent variables are held constant. The beta coefficients indicated that how and to what extent the independent variables influence the dependent variable. Accordingly, the result of coefficient value of regression analysis indicated the highest determinant factor which affect organizational performance is involvement culture (at **(Beta value=.115)**), followed by consistency culture (**(Beta=.159)**), Adaptability culture (**(Beta=.258)**) and mission culture (**(Beta=.440)**). Thus, from the finding one can infer that Adaptability culture and mission culture are the most positive significant factors affecting organizational performance.

The intercept β_0 (the constant) is the expected mean value of the dependent variable when all the independent variables becomes zero. It is the constant value where the linear regression line intercepts the y- axis representing the amount of dependent variable, when all the independent variables are zero. In this study the value of β_0 (the constant) is **0.113**.

On the hand the P-value for each explanatory variable is less than alpha 0.05 which implied that t-value for each explanatory variable is statistically significant and this again attested that the variation in dependent variable due to each predictor variable is significant.

5. Conclusions

To realize the objectives of the study, four research questions were generated, correlation and multiple regression method were employed to answer the research objectives.

To assess the relationship between organizational culture and organizational performance of private banks. From the result the researcher concludes the following.

Based on the findings, organizational performance is a critical factor in every organization to be successful. This research work can justify that organizational performance has positive relationship and impact on organizational culture which comprises of involvement, consistency, mission and adaptability. As per the findings of this study on organizational performance, all the ratings show that employees have moderate level of ratings to their performance in private bank of Bule Hora town.

This study finding shows that involvement has moderate level of correlation with organizational performance, which means that employees are committed to their organizations when they are involved in decision making and also sense of ownership result a greater commitment to the organization.

Furthermore, teamwork, investment to develop the skills of employees, room to receive inputs from organizational members enhances both implementation process and organizational performance.

The organizational culture of involvement has a positive and significant effect on the performance of employees. The higher the level of the performance and the lower the level of adaptability the lower the level of the organizational performance. The result shows that for private banks the result of the mean score for the measures of mission was relatively high (**3.53**) which indicates that the majority of respondents have strong agreement on the measure of mission and the mean score for adaptability (**3.61**) exist in the level of medium. The result indicates that when high level of involvement is practiced in the organization which create teamwork, investment to develop the skills of employees, room to receive inputs from organizational members enhances both implementation process and organizational performance.

Mission, one of the other organizational culture traits, is found to be more practiced in the organization. This is asserted by the highest mean score of mission, which indicate employees agree with the measure of mission. The results of regression analysis indicated that mission is the second highest predictor of organizational performance and a positive and significant impact on the organizational performance.

The organizational culture of consistency has a significant effect on the private Bank performance. In the measures of consistency, majority of employees have medium level of agreement on private banks.

This is asserted by the mean score of consistency under medium level. The regression analysis depicts that there is a positive and significant effect on organizational performance.

Gender of the employees in those private banks could be potential contributory factor for the presence of significant difference in those four of the items designed to assess their awareness level regarding the actual practice of ethical business behavior. These items include: a written code of ethics, a set of values, managers' practice to set good example of ethical business behavior, and the practical demonstration of high ethical standards on the part of top managers and CEO of those banks.

In general as per the findings of the study, it can be concluded that organizational culture is important in improving the level of organizational performance which is asserted by the positive contribution of involvement, mission and consistency practice to organizational performance.

5.1 Recommendations

It is recommended that the private banks should continue focusing on the areas in which they are doing well and improve on those areas of weakness.

Thus, Banks should implement the balanced combination of Denison's four organizational culture traits (Involvement, Consistency, Adaptability and Mission) in order to bring superior operational performance, because of the following reasons:

- ❖ The results of regressions demonstrated that there is statistically significant positive relation between involvement culture and organizational performance, consistency culture and organizational performance, adaptability culture and organizational performance and mission culture and organizational performance.

- ❖ It provides organizations with an easy-to-interpret, business-friendly approach to performance improvement based on sound research principles.

- ❖ It links organizational culture to organizational performance metrics such as Sales Growth, Return on Equity (ROE), Return on Investment (ROI), Customer Satisfaction, Innovation, Employee Satisfaction, Quality and more.

- ❖ In the Bule Hora private banks, there is a gender disparity among the employees. Therefore, private bank managers and/or the concerned body would work to reduce this gender disparities in private banks in Bule Hora town.

- ❖ In the Bule Hora private banks, female employees are more aware of business ethics than males in those private banks. Therefore, private bank managers and/or the concerned body would work to create business ethics awareness among male employees in private banks.

- ❖ There are different models and framework that will help to study on the effect of organizational culture on organizational performance like cultural dimensions theory, Edger Schein model etc. This research study used Denison model, further research on the same organization can be done using different framework of organizational culture suggested above to bring depth understanding of the outcomes.

- ❖ In terms of involvement, consistency, adaptability and mission culture have Strong correlations with organizational performance. These positive relationships indicate that the organizational performance has increased due to the adequate level of practice of organization culture in case of private banks. This result is consistent with the study of Emmy and Charles, (2017) find out Involvement culture was positively correlated with organizational performance ($r = 0.576$, $p < 0.01$). This implies that involvement culture is expected to influence the organizational performance. Whereas, the mission, consistency and stability dimension, shows Strong level of positive correlation to organizational performance.

The other result also confirmed in the study of Suharno, Antonius and Evawati, (2017) the result depicts that mission and consistency has high level of correlation with the variables of organizational performance.

- ❖ A part from organizational culture influencing organizational performance, there are other things which should be seen like job satisfaction, organizational performance, leadership, organizational change and other. So, for future studies, it is recommended to focus on that relationship in order to broaden the subject matter.

5.2 Suggestions for Further Research.

The researcher suggests the under mentioned points to consider by the future studies. Denison's Model on organizational culture was used for this study whereas; further research on the same industry can be done using a different model of organizational culture (if any) to bring in-depth

understanding on the effects of organizational culture in the relationship between culture and organizational performance.

This study focuses on the “The effects of Organizational Culture on private banks Performance;” whereas it is suggested that future research to be done on the effects of organizational culture directly to the financial performance which is very visible and an interest of all stake holders. It is suggested that the study to be conducted in the future with the same or related topic is better to be use large sample size that means the whole industry including the governmental banks. Therefore, the result will be the more accurate and complete.

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