

**THE EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEES'
PERFORMANCE: THE CASE OF INDUSTRIAL PARKS DEVELOPMENT
CORPORATION, HAWASSA INDUSTRIAL PARK BRANCH OFFICE**

BY: SEBLE ATILE

ADVISOR: DR. ASHENAFI KEBEDE

CO-ADVISOR: DAWIT A. (MBA)



**HAWASSA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT**

**MAY, 2024
HAWASSA, ETHIOPIA**

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**A THESIS SUBMITTED TO HAWASSA UNIVERSITY SCHOOL OF
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REQUIREMENTS FOR THE AWARD OF MASTERS OF BUSINESS
ADMINISTRATION IN HUMAN RESOURCE MANAGEMENT**

**MAY, 2024
HAWASSA, ETHIOPIA**

DECLARATION

I hereby declare that this MBA thesis entitled “**The Effect of Organizational Culture on Employees’ Performance, the Case of Industrial Parks Development Corporation, Hawassa Industrial Park Branch Office**” is my work and has not been presented for a degree in any other university. All scholarly matter included in the thesis has been recognized through citation. I affirm that I have cited and referenced all sources used in this document. Every serious effort has been made to avoid any plagiarism in preparing this thesis.

Name: Seble Atile

Signature_____

Date: February, 2024

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This is to certify that the research entitled “**The Effect of Organizational Culture on Employees’ Performance, the Case of Industrial Parks Development Corporation, Hawassa Industrial Park Branch Office**”, submitted in partial fulfillment of the requirements for the degree of MBA in Human Resource Management, the graduate program of the department of management, and being carried out by Seble Atile, under our supervision. Therefore, we recommend that the student has fulfilled the requirements and hence, hereby can submit the thesis to the department of management.

Dr. Ashenafi Kebede

Name of principal Advisor

Signature

Date

Dawit A. (MBA)

Name of Co-Advisor

Signature

Date

HAWASSA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
EXAMINERS' APPROVAL SHEET

We, the undersigned, members of the Board of Examiners of the final open defence have read and evaluated his thesis entitled, **“The Effect of Organizational Culture on Employees’ Performance, the Case of Industrial Parks Development Corporation, Hawassa Industrial Park Branch Office”**, Therefore, we recommend that the student has fulfilled the requirements and hence, hereby can submit the thesis to the department of management.

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Name of Major Advisor	Signature	Date
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Name of Co-Advisor	Signature	Date
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Final approval and acceptance of the thesis is contingent upon the submission of the final copy of the thesis to the School of Graduate Studies (SGS) through the Department/School Graduate Committee (DGC/SGC) of the candidate’s department.

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LIST OF ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
HIP	Hawassa Industrial Park
IPDC	Industrial Parks Devolvement Corporation
OC	Organizational Culture
SPSS	Statistical Packages for Social Science

ABSTRACT

The primary objective of this research is to examine The Effect of Organizational Culture on Employees Performance in Industrial parks Development Corporation, HIP Branch Office. The research focuses on common types of cultural variables effect on employee's performance. Organizational culture is a set of shared values, beliefs, attitudes and policies that shows what are appropriate and inappropriate behaviors in an organization. In the study mixed research approach is applied. Both qualitative and quantitative data were used. Descriptive and explanatory research design was adopted. Close ended and open ended questionnaires were applied as a data collection tools. A sample of 151 was drawn by using precision level from the total populations of the study were 247 employees working in HIP Branch office. The study utilized simple random sampling techniques to draw a sample of 151 employees from the total population. Numerical data and hypotheses testing questions were analyzed by using descriptive statistical Packages for Social Science software (SPSS). Descriptive analysis like; Percentage, Mean and standard deviation were used to organize and summarize the sample data .Based on the descriptive analysis results, the mean values for clan culture, adhocracy culture, market culture and employees performance laid in the range of agreement while the hierarchy culture laid in the range of neutral. The correlation result indicated that two of the organizational culture dimensions do have statistically significant relationship with employees' performance. Based on the multiple linear regression analysis results, the four independent variables (clan culture, adhocracy culture, market culture, mission culture and hierarchy culture) can explain 79.5 % of the variability of employee's performance in the company. Furthermore, the regression analysis results showed that there is statistically significant effect of the three organizational culture dimensions (independent variables. Based on the results, a market culture is a most dominant organizational culture type in Hawassa industrial park followed by clan culture, and hierarchy culture. And all of the organizational culture types such as clan culture, adhocracy culture, market culture, and hierarchy culture were positive relationship with employee performance. Based on the result, the organization recommended maintaining good cultural practice by communicating its mission and vision to the newly hired employees consistently in order to enhance employee's performance, to have the ability to understand and react to the competitive environment etc...

Keywords: *Adhocracy culture, clan culture, employee's performance, hierarchy culture, market culture, Mission culture, Organizational culture,*

CHAPTER ONE

1. INTRODUCTION

This Chapter consists of the background of the study, statement of the problem, research objectives, hypotheses of the study, Significance of the study, scope of the study, Definition of key terms and chapter scheme.

1.1. Background of the Study

As organization incorporates a group of peoples who are working together for the achievement of organizational goals, there are different ways of approach of doing things and internal culture through which every employee of the organization communicates and understands each other in agreed up on manner. There are different employees on different levels holding specific thresholds of power and authority. There are also operational level employees whose daily task is engaging in the production or delivering the required results. The communication, belief, thinking and ways of handling different issues and other repeatedly reflected things identify the organizations culture. Organizational culture is pervasive and powerful. For the organizations, companies and business it is either a force for change or a definite barrier to it. For the employees, it is either the glue that bonds people or what drives them away, (Nkereuwem & Alfred, 2016).

Work place culture is a very powerful force that influences an employee's work life. It is the very thread that holds the organization together. Organizational cultures have been correlated with a variety of individual and organizational outcomes. Organizational culture for employees is either the determinant that links people to an organization or what drives them away (Agwu, 2014).An organizational culture and employee performance are defined in various ways .Many researchers investigated the relationship between organizational culture and employee performance. Depending on the type of culture that is created in an organization, it can have a positive or negative effect on employee performance (Arindam Nag, 2014). A positive and strong culture can make an average individual performance, whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement.

Organizational culture is a system of shared meaning held by members that distinguishes the organization from other organizations (Robbins & Judge, 2013). Thus, it is distinct personality of

an organization (Dolan & Lingham, 2012). The culture of an organization acquaints employees with the firm's history as well as current methods of operation that guide employees on expected and acceptable behaviors and norms.

From numerous "culture surveys, it has been claimed that employee performance can be improved by developing and creating certain kinds of organizational cultures (Sackman and Bertelsman, 2006; Denison, 1990). The ability of an organization to use its human capital as a core competency depends at least in part on the organizational culture that is operating (Florea et. al, 2011).

Most recent researches in the field of management and behavioral studies have an influence on conceptual and empirical linkage of organizational culture with organizational performance, as well as with individual employee performance (Info et al., 2021). However, most of these organizational culture studies were mainly elaborated within Western work environments.

Schein, (2006) highlights that one of the critical factors that give the company ability to overcome the challenges adjusts managerial procedures and achieves effectiveness is appropriate and solid corporate culture. Additionally, mentioned researchers state the culture likely enhances performance only if it corresponds with variations of environmental aspects in the framework. Recently, scientific research claims that cultural characters are not prone to copy and consequently, it can be the foundation of organization sustainability. According to Marttin & Terblanche, (2003) the common beliefs and values of employees in a company have a strong relationship with culture.

According to Magee, K.C (2002), the organization culture is fundamentally associated with the employee performance understanding of the organization of the culture sustainability will encourage the firm largely to improve its performance in the long term Hellriegel & Slocum, (2007). A number of theoretical models affirm that the companies that develop an effective human resource system by supporting the values, these systems possibly form a constructive influence on individuals' attitudes and comportment. According to Chayanoot Pungcharoenpong & Gary N. McLean, (2014) for more than thirty years, organizational culture has been important due to an increasingly competitive environment.

Relationship between the organizational culture and Employee performance was also investigated by the Awadh & Saad (2013). The result of the study revealed that there is a significant relationship between the norms of the employees and organization and the focus of the organization should be on designing the strategies that can play role in increasing the level of the employee performance

Finally, Rehman (2012) confirmed that there is a common believe that organizational culture has a great impact on the Employee performance of the organizations. The study further revealed that dimensions of the organizational culture that may play role in the performance of the employees within the organizations. This study also indicated that if the employees have same norms and values that organization then this will increase the performance of the employees towards achieving overall goals of the organization Rehman, (2012). Therefore, literatures suggest that organizational culture has an active and direct role in employee performance at large. As a result, this study seeks to find out which type of organizational culture affects employee performance.

Organizations, today, are increasingly challenged with changing their organization's culture to support ways of accomplishing work. It is a well-recognized measure which helps in understanding the organization's professed stability for the employee's incentive, encouragement and contentment with their job. Nevertheless, organizations are well aware of the fact that a strong, rigorous, accommodating, helpful and career oriented work environment should be provided to the employees so that valuable and competent work force can be accomplished, managed and maintained. This can only be made possible where there is a good organizational culture that encourages such activity in the work environment. In view of the above idea; this study tried to investigate the organizational culture effect of IPDC, Hawassa Indusial Park Branch office on its employee performance using four cultural dimensions.

1.2. Statement of the Problem

There are many factors that may contribute in promoting employee performance. But among others, organizational culture has its own significant influence up on creating a good kind and an acceptable level of employee performance. Accordingly, Hellriegel and Slocum (2009), organizational culture can enhance employee performance at large scale. This study revealed that the culture of an organization allows the employees to be acquainted with both the firm's history as well as current methods of operation and this specific direction endows the employees with guidance about expected and accepted future organizational behaviors and norms. Again a study by Denison (2013), found that organizations with participative cultures were performing better than those cultures that were not. In addition to Denison (2013), Burt, Gabbay, Holt, and Moran (2014), who hold that a feature of culture important for employee performance of both the organization and employees which is the extent to which the employees buy into it. Moreover, organizational culture has been found to predict employee performance (Pinho, Rodrigues & Dipp, 2014). Furthermore, Shahid & Azhar, (2013) also revealed that employee performance goes in hand and glove with organizational culture and they both predict how an organization will perform.

As far as locally conducted research works were concerned, studies conducted by Alemayehu (2016), Habtamu (2017) and Adamitu (2014) revealed that organizational culture and employee performance has strong relationship, but organizations with negative organizational culture faces poor employee performance. Alemayehu (2016) identified four dimensions of culture traits. These four dimensions used to differentiate between cultures are power distance, uncertainty avoidance, masculinity/ femininity and individualism/collectivism. Habtamu (2017) and Adamitu (2024) identified that club, role, task and person typologies of organizational culture models in order to extract the cultural values of the organization.

As the nature and context are different from organization to organization and country to country, the relationship of organizational culture and employee performance is worth to investigate for specific organization like AAAE. In order to meet its intended objectives and gain competitive advantage several researchers have described organizational culture and employee performance from other wider dimensions in other countries such as Nigeria, India and USA. However, a lot has not been done to establish the specific culture related factors that affect employee

performance. Organization culture research has not been effectively done in developing countries hence there exists a major gap in relevant literature of a country like Ethiopia. AAAE undertake quality improvement assessment of 25 randomly selected staff and the finding showed gaps in informality and inconsistency of communication, limited consultation and feedback, lack of transparency during Performance appraisal period.

Even though, organizational culture and performance relation has been examined by researchers (such as Hellriegel et al., 2009; Denison, 2013; Gabbay et al., 2014; Alemayehu, 2016, Habtamu 2017 and Adamitu, 2014), not much research has been done on organizational culture factor of employee performance. Besides, the above studies missed to investigate the employee performance on the four organizational culture dimensions as clan culture, market culture, and adhocracy and hierarchy culture. As far as this study is concerned, the focus goes to Industrial Parks Development Corporation which is a manufacturing organization and delivering a product and service. Hence, this study will focus on the IPDC's culture on its employee performance.

Different studies assess the organizational dimensions they found to be not relevant with the current context of the case study organization. Besides the objective of this study was conducted is to assess and come up with a clear information about the context of organizational culture that is being exercised in IPDC considered to affect the employee performance and disclose the findings to the concerned parties so that they can realize the areas up on which they need to act for the betterment of the things that are thought to be happened for the times to come ahead.

As per the researcher's' pilot Information from the organization revealed that there is inappropriate implementation of market culture, lack of appropriate use of information on hierarchal culture, informal communication with clan culture and lack of exercise on adhocracy culture that result an impact on the employees performance.

Thus the study would deeply identify by taking in to account the use of how much its organizational culture is impacting its employee performance and the researcher look for an organization for this study and both meet on the right time with right issue to find out a possible solution.

1.3. Research Questions

This study was address the following research questions.

1. What is the effect of Clan culture on employees' performance
2. What is the effect of Adhocracy culture on employees' performance
3. What is the effect of Market culture on employees' performance
4. What is the effect of Hierarchy culture on employees' performance?
5. What is the effect of mission culture on employees' performance?

1.4. Objectives of the study

1.4.1. General objective

The general objective of this study is to analyze the effect of organizational culture on employees' performance, the Case of Industrial Parks Development Corporation, Hawassa Industrial Park Branch Office.

1.4.2. Specific objectives

1. To determine the effect of Clan culture on employees' performance in the study area.
2. To identify the effect of Adhocracy culture on employees' performance in the study area.
3. To examine the effect of Market culture on employees' performance in the study area.
4. Analyze the effect of Hierarchy culture on employee's performance in the study area.
5. To pinpoint the effect of mission culture on employees' performance in the study area.

1.5. Research Hypotheses

H₀1: Clan culture has no statistically significant effect on employees' performance in HIP.

H₀2: Adhocracy culture has no statistically significant effect on employees' performance in HIP.

H₀3: Hierarchy culture has no statistically significant effect on employees' performance in HIP.

H₀4: Market culture has no statistically significant effect on employees' performance in HIP

H₀5: Mission culture has no statistically significant effect on employees' performance in HIP

1.6. Significance of the Study

The purpose of this study is to investigate the possible effect of organizational culture and employee performance. Furthermore, the results of this study would have the following importance: The Company might use the study finding as an input to amend its policy and procedure on organizational culture to improve employee's performance. The findings of the current study could serve as a stepping stone for further researchers who are interested to make further investigation on the topic.

1.7. Scope of the Study

The scope of the study is delimited geographically, conceptually, methodologically as well as time. Conceptually: This study only focuses on the cause and effect relationship between organizational culture dimensions (clan, Adhocracy, market, hierarchy and mission) and Employee performance. Geographically: in the case organization Hawassa Industrial Park. Hence, the study is delimited to address all departments in the park. From time scope, the study has been completed within the time period of March 2023 up to February 2024.

1.8. Limitation of the study

In conducting the research paper, the researcher would face with some limitations. One of the challenging problems difficulties may be to get factual data from respondents and researcher used convenient sampling method and focuses on IPDC, HIP Branch office and did not incorporate other parks. This ignores the idea and responses of employees of other industrial parks employees.

1.9. Operational definition of key terms

Culture: According to Awed A.M & Saad A.M (2013, p.169) culture is defined as combination of values, beliefs, norms, communications and common behavior of a group of people. And one of the basic features of culture is that it is shared through learning processes based on systematic allocation of resources. The simplest way to define culture is the general ways of life of identified group of people.

Employee performance: is referred to what extent an employee in a certain organization carries out his tasks as his responsibility according to what has been expected by the company. As cited by Nasution, Mariatin, and Zahreni, (2018).

Organizational Culture: It is a statement of beliefs and values of an organization and contributes for organizations a sense of identity and establishes, through the organization's rituals, legends, values, norms, meanings, beliefs, and languages, the manner in which functions are carried out (Schein, 2011). According to Armstrong (2011), Organizational or corporate culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organizations behave and things get done.

1.10. Organization of the Study

This research paper may consist of five chapters. The content of each chapter is as follows:

Chapter one: of the study present background of the study, background of the organization, statement of the problem, research questions, research objective, significance of the study, scope of the study, limitation of the study, definition of terms, and organization of the study. Chapter Two represents the combination of the study is composed of related literature review on organizational culture and employee performance with its relationship and effect. In addition, it includes empirical review made on previous studies on organizational culture on employee performance and conceptual framework. Chapter Three deals with the research methodology that is used and it encompasses introduction, descriptions of the study geographic area, research design and approach target population, data type and data sources data collection. Chapter Four describe the finding of analysis and interpretation of the study with sub topics introduction, res consecrate, demographic presentation, analysis on the three types of organizational culture, employee performance, and the interpretation on the relationship of organizational culture and employee performance. Chapter Five incorporated the implications based on the results; it would include summary of major findings, conclusions, recommendations and finally suggestion for further research.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

This section reviews the literature written by different authors and research works conducted by different scholars in relation to the study and present a summary of empirical studies and relevant conceptual framework of the study.

2.1. Theoretical Review

Under the following theoretical literatures relevant to the variables of the study were reviewed. It started with the concepts and definitions of employee performance and then organizational culture and its importance, characteristics of organizational culture, models of organizational culture, and functions of organizational culture. The chapter continues with the empirical review of different researchers' works regarding the relationship and effect of organizational culture on employee performance and then followed by the conceptual framework.

2.2. Organizational Culture

Organizational culture is the collection of values, expectations, and practices that guide and inform the actions of all team members. Think of it as the collection of traits that make your company what it is. A great culture exemplifies positive traits that lead to improved performance, while a dysfunctional company culture brings out qualities that can hinder even the most successful organizations.

Organizational culture as values, beliefs, attitude and behavioral patterns shared by organizational members in pursuit of organizational goals, which gives the organization a distinctive character Arnold (2005). Organizational culture includes an organization's expectations, experiences, philosophy, as well as the values that guide member behavior, and is expressed in member self-image, inner workings, interactions with the outside world, and future expectations. Culture is based on shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid (The Business Dictionary). Culture also includes the organization's vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits (Needle, 2004). Simply stated, organizational culture is "the way things are done around here" (Deal & Kennedy, 2000). While the above definitions of culture

express how the construct plays out in the workplace, other definitions stress employee behavioral components, and how organizational culture directly influences the behaviors of employees within an organization.

Under this set of definitions, organizational culture is a set of shared assumptions that guide what happens in organizations by defining appropriate behavior for various situations (Ravasi & Schultz, 2006). Organizational culture affects the way people and groups interact with each other, with clients, and with stakeholders. Also, organizational culture may influence how much employees identify with their organization (Schrodt, 2002).

According to Kokilia (2015), employees are the basic building blocks of an organization. The success and development of an organization depends on how effectively and efficiently its employee performs and culture is a means through which employees discover and correspond what is suitable or undesirable in an organization in the light of values and norms. Culture can be found in any organization, no matter how small or large the organization could be. Organization culture sets a framework within which individual and group behavior takes place in terms of employees 'communication whether it is open or closed or they are given autonomy or recognition for their achievements. The authors further described Organizational culture as it is the vital aspect of successful organization. There must be a positive culture to attract and retain loyal and committed employees, which, in turn, can strengthen relationships with customers and other partners. Just like any other asset, organizational culture must be monitored and nurtured to ensure that it reflects the organization and its vision. "Organizational or corporate culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organizations behave and things get done" (Armstrong 2009:120).

According to Kotter, (2012), it is also defined as a system of shared meaning held by members that distinguishes the organization from other organizations Robbins & Judge (2013). Organizational values and norms have a strong influence on employee behavior as well as organizational performance and helps employees to understand the functions of the organizations through the sharing of its vision, mission, norms, values, rules, and regulation. According to Agwu (2014), organizational culture was presented as it can be a source of powerful instruments for controlling behavior that how we can perceive our environment. Organizations do not exist in

a vacuum but in a specific culture or socio-cultural environment that influence the way their employees think, feel and behave. Work place culture is a very prevailing force that influences an employee's work life. Hence, managers and employees do not work in a value free environment; rather they are governed, directed and tempered by the organization's culture Ritchie, (2000). Thus, organizational culture has a strong influence on employees' performance and work attitude. For employees, it is like glue which has the strength to maintain their attachment with an organization or what drives them away. In the book which was written by Schien (2004) defined Culture as both a dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behavior, and a set of structures, routines, rules, and norms that guide and constrain behavior. Likewise, Ravasi and Schultz (2006) shared the concept and wrote that organizational culture is a set of shared assumptions that guide what happens in organizations by defining appropriate behavior for various situations.

According to (Martínez & Palomino, 2014), Organizational culture may spring from different sources, mainly from the beliefs of the founders. (Uddin& Hossian, 2013) noted that the source of organizational culture also includes the learning experience of group members, as well as the new beliefs and assumptions of new members and managers. Founders have an opportunity to introduce a strategy and direction of the organization at an early stage of the organization According to Flamholtz & Randle, (2012), founders of the organization are the primary source in establishing a new culture for the new organization. The impact of culture occurs when the founders implement their business strategy and operational assumptions. Toma and Marinescu, (2013) indicated that the founders' assumptions might develop because of their personal experience and cultural history.

Founders may impose their personal experience and culture on their employees and partners within the organization O'Reilly, Caldwell, Chatman, & Doerr, (2014).

For example, the founder of Apple, Steve Jobs imposed his personal experiences and assumptions on employees. Steve Jobs's experiences and assumptions contributed to creating an effective and productive culture at the Apple Corporation Kaliann. The organizational culture literatures contain information on how business managers use effective organizational culture to improve performance and productivity (Flamholtz & Randle, 2012; O'Reilly et al., 2014).

Business managers believe that effective organizational culture is an asset, and ineffective culture is a liability for organizational success (Flamholtz & Randle, 2011). Eaton and Kilby (2015) indicated that business managers use organizational culture to control and moderate the working environment throughout the organization.

Hartnell et al. (2011) noted that business managers use an effective organizational culture to:

- shape employee attitudes,
- improve operational effectiveness, and
- Increase financial performance in the organization.

Operational effectiveness contains information on how management uses an effective organizational culture to introduce and innovate new products and to improve process and service. Financial performance includes information regarding the achievement of profitability, productivity, and growth in the organization.

Effective organizational culture is a combination of strong and positive culture. In a strong culture, the organization members behave in a way consistent with organizational values (Flamholtz & Randle, 2011). In a positive organizational culture, employees share the goals and values of the organization (Flamholtz & Randle, 2012). Business managers may establish an effective organizational culture to improve performance and productivity in the organization (Inabiet & Ballaro, 2014). Givens (2012) noted that managers with effective organizational culture, business managers show employee-focused leadership, sound interpersonal relationship, and ethical decision-making processes (Engelen et al., 2014). Business managers use an effective organizational culture to maintain a positive work environment (Pinho et al., 2014). Effective organization culture is a collection of sub-organizational cultures. Such culture includes (a) healthy customer service, (b) employee-oriented management, (c) strong interpersonal relationship, (d) exemplary leadership, and (e) ethical decision-making process (Childress, 2013). Maintaining an effective organizational culture in the organization is essential to motivate employees (Berg & Wilderom, 2012). Managers with an effective organizational culture may improve performance in the organization (Shahzad et al., 2012).

In an effective organizational culture, employees share the organization's values and beliefs (Schein, 2010). When employees share the organization's value, they can perform better to achieve the organization's objectives.

Organizational culture showed that effective organizational culture includes shared values and common purpose to create a sense of teamwork in the organization (Flamholtz & Randle, 2011). Members of the organization use an effective organizational culture to develop teamwork and knowledge sharing culture (Wiewiora, Murphy, Trigunarsyah, & Brown, 2014). Schein (2010) indicated that managers with an effective organizational culture encourage teamwork to improve performance in the organization. Teamwork is an essential factor to achieve common organizational objectives. In an effective organizational culture, business managers and employees work together to improve performance and productivity in the organization Childress, (2013).) noted that effective organizational culture is important to motivate and retain competent employees in the organization.

Business managers with effective organizational culture give priority to excellent customer services (Berg & Wilderom, 2012). In most cases, organizational leadership contains outstanding customer service as part of a mission statement Miguel (2015) indicated that leadership must value good customer service as a source of sustainable competitive advantage. It was also noted that in an effective organizational culture employees share the organization's values and beliefs. When employees share the organizational values and beliefs, they motivate themselves to achieve organizational goals by providing caring and comfortable service for customers (Childress, 2013). In an effective organization culture, customer service is an essential responsibility for business managers (Berg & Wilderom, 2012).

In an effective organizational culture, business managers use employee-focused and transformational leadership to improve performance and productivity in the organization. Veisheh, Mohammadi, Pirzadian, and Sharafi (2014) found that the existence of a positive relationship between transformational leadership and organizational culture. Wiewiora et al. (2014) indicated that transformational business managers encourage collaboration and teamwork. When business managers encourage collaboration and teamwork in the organization, employees may benefit from shared experience and supportive alliance culture (Man & Luvison, 2014). In a supportive and collaborative culture, employees may develop a friendly environment in the organization (Veisheh et al., 2014). Wiewiora et al. (2014) noted that a friendly working environment is important to motivate employees for better performance.

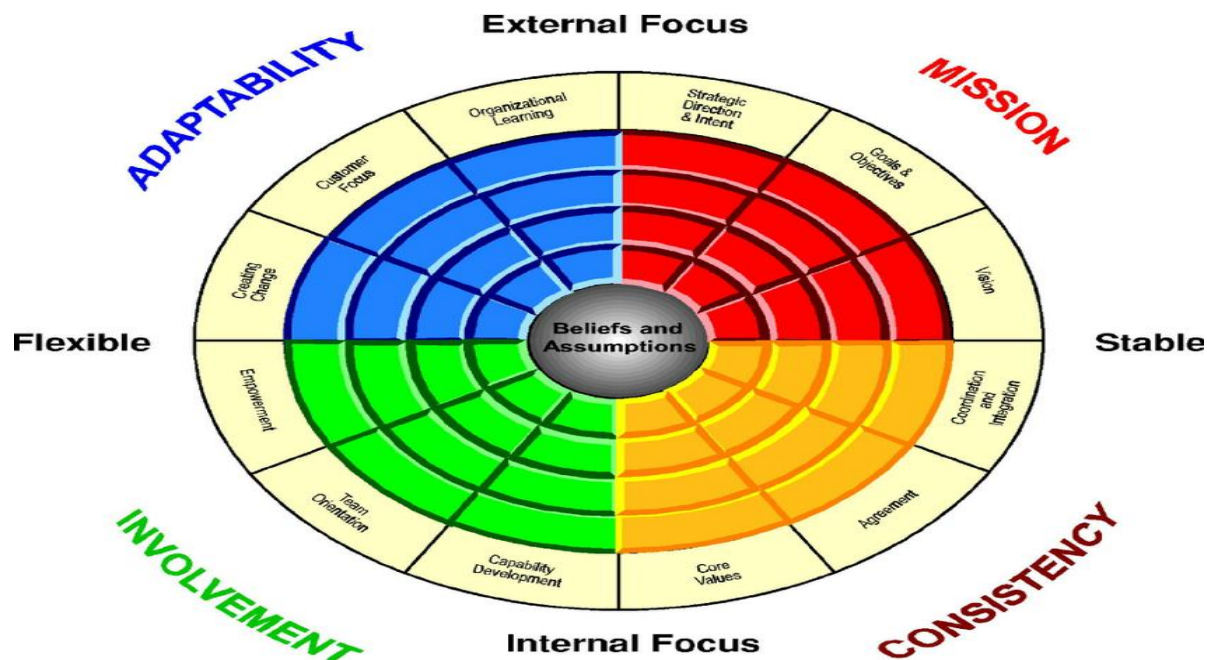
Quantitative research evidence in the field of organizational culture showed the existence of a positive relationship between high interpersonal relationship and organizational culture (Veisheh Et al., 2014). In an effective organizational culture, business managers encourage employee-centered interpersonal relationship in the organization (Engelen et al., 2014). Qualitative study results showed that a strong interpersonal relationship as a significant factor to improve employees' satisfaction in the organization (O'Reilly et al., 2014).

In an effective organizational culture, business managers may address employees' interest. The managers who understand the role of their company culture may respond appropriately to employees' interest. (Childress, 2013). Nongo and Ikyanyon (2012) indicated that when strong interpersonal relationships exist in the organization, employees could positively communicate and share Teide as with their managers. Schein, (2010) considered Apple as a good example to show how the founder's personal culture and assumptions profoundly influence the organizational culture. The other source of organizational culture is the learning experience. The learning experience derives from the social trends of the business environment (Nguyen & Aoyama, 2014). (Uddin et al. 2013) noted that managers in the organization adapt some attributes from the community and the business climate. Employees of the organization live in the community, and they can impose their culture on the organization culture.

2.3. Denison Model

The key function here is the four cultural factors of organization's competency identified by Denison are expressed in terms of a set of managerial practices and measured using the twelve indexes that make up the model (Denison & Neale, 2011): mission and consistency, adaptability and involvement: Mission is a categorization of organization's aims and directions to the concept which has been developed for future-oriented; Involvement is a state during which the employees feel that their activity is related with the goals of organization, that they have been authorized, that team work is to be appreciated and employees' competency is given the priority to the development of employees' competency; Using the views Denison model, Consistency is the high level of both incorporation and harmonization; Adaptability is a state within the frame of which the organization flexibly responds to costumers' requirements, learns from their own mistakes and is ready for better changes.

Figure 2.1. The Denison Organizational Culture Model



Source: D.R. Denison, Organizational Culture Survey Facilitator guide (2000)

Involvement: is the first cultural dimensions describes effective organizations empower their people, build their organizations around teams, and develop human capability at all levels. Executives, managers, and employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some input into decisions that will affect their work and that their work is directly connected to the goals of the organization, (Denison, 2000).

The indices of involvement dimension are: Empowerment, Team orientation, and Capability Development. First empowerment deals with individuals' authority, initiative and ability to manage their own work. Team Orientation stress on working cooperatively toward common goals for which all employees feels mutually accountable. Lastly, capability development explains the organization continually invests in the development of employees' skills in order to stay competitive and meet ongoing business needs.

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

Coordination and Integration, Agreement and Core Values are indices of the consistency dimension. Accordingly, coordination and integration clarify ability of different functions and units of the organization to work together well to achieve common goals. Organizational boundaries do not interfere with getting work done. The second indices is agreement in which is underlying level of agreement and the ability to reconcile differences when they occur. The last one core values stress in which members of the organization share a set of values that create a sense of identity and a clear set of expectations.

Adaptable: is the third dimension of organizational dimension s which is driven by their customers, take risks and learn from their mistakes, and has capability and experience at creating change. They are continuously changing the system so that they are improving the organizations' collective abilities to provide value for their customers.

The indices of the adaptability dimensions are: Creating Change, Customer Focus and Organizational Learning. Creating change deals with the ability of organization to create adaptive ways to meet changing needs. So organization will be able to read the business environment, quickly react to current trends, and anticipate future changes. Customer focus is the second indices which focus on the organization understanding and reaction to its customer and anticipation to future needs. Lastly, organizational learning reflected when on organization receives, translates, and interprets signals from the environment into opportunities for encouraging innovation, gaining knowledge and developing capabilities.

Mission: is the fourth dimension that refers defining a meaningful long-term direction for the organization. A mission provides a clear direction and goals that serve to define an appropriate course of action for the organization and its members. It provides purpose and meaning by defining a social role and external goals for the organization. A sense of mission allows an

organization to shape current behavior by envisioning a desired future state. Successful organizations have a clear sense of purpose and direction that defines organizational goals and strategic objectives and expresses a vision of how the organization will look in the future. When an organization's underlying mission changes, changes also occur in other aspects of the organization's culture.

Strategic Direction, Vision and Intent, Goals and Objectives are the indices of mission dimension. Thus, strategic direction and intent deals with clear strategic intentions convey the organization's purpose and make it clear how everyone can contribute. The second indices, goals and objectives, stress on a clear set of goals and objectives can be linked to the mission, vision, and strategy, and provide everyone with a clear direction in their work. Finally, vision ensures that organization has a shared view of a desired future state. It embodies core values and captures the hearts and minds of the organization's people, while providing guidance and direction.

2.4. Employee Performance

According to Mohammad, Rumana and Saad (2013) the word 'performance' can be used to describe different aspects such as societal performance, organizational performance, employee performance, and individual performance etc. Performance on the other hand refers to the ability (both physical & psychological) to execute a specific task in a specific manner that can be measured as high, medium or low in scale. Performance refers to the degree of achievement of the mission at work place that builds up an employee job. Different researchers have different thoughts about performance. Mostly researchers used the term performance to express the range of measurements of transactional efficiency and input & output efficiency. Performance is a continuous process to controversial issue between organizational researchers Fakhar, Rana and Ayesha (2012).

.According to Edgar Leonard Masoud (2013), an organizational culture where employees are considered an integral part of the growth process of the organization fosters employee commitment towards the organization. They align their goals and objectives with those of the organization and feel responsible for the overall well-being of the organization. As their efforts are in turn appreciated by the management and suitably rewarded, they have immense job satisfaction.

In organizations where managers are not facilitators but taskmasters, employees live with fear and distrust and work is nothing but a dreary chore. Since they are not involved in the overall organizational goals, they do not understand the implications of their tasks and hence may not be committed to achieving them. An organization where there is no cooperation between different departments ends up having employees working in silos or working towards undermining the efforts of the other departments which is detrimental to the overall health of the organization. Organizational culture to a large extent determines the performance of the employees.

An employee's ability to complete projects within deadlines and other time-sensitive expectations is another measure of their performance (Cascio, 2006). According to Cascio (2006), competency and efficiency are also crucial factors considered while measuring the employee's job performance. While competency measures the extent to which an employee demonstrates his/her ethical business practices and consistency between his/her values and performance, efficiency measures how effectively streamlined an employee's production facilities are in terms of the steps he/she needs to perform in order to accomplish a task (Cascio, 2006). Cascio (2006) cites other employee job performance indicators like job skills, an employee's work relationships, level of adaptability, self-motivation, creativity, stress tolerance among other factors.

Employee's performance means the ability of employees to attain goals either personal or organizational by using resources efficiently and effectively. Sometime the term performance mixed with productivity. Performance and productivity were two different things. Productivity means the ratio represents the volume of work done within the due to the period while performance is an indicator of productivity, consistency, and quality of work (Fakhar, Zahid & Muhammad, (2013).

According to Revanth Periyasamy (2020), Companies being thoughtful about how to engage their employees can make all the difference. There is no simple or easy way but there are certain key areas that can create powerful outcomes. The mantra is simple since we know the factors that have a positive impact on employee performance focusing on these factors will eventually increase employee productivity. Common ways to improve employee performance is to identify underperformance issues and match them according to your employee skills. You must enrich two-way communication to have a positive work environment. Set clear goals and achievable

milestones and effectively train employees to stimulate growth and achieve effective employee productivity and performance.

As of Revanth Periyasamy (2020) The key factors that influence employee performances are job satisfaction, training and development, employee engagement, goals and expectations, tools and equipment, morale and company culture out of which he focused on the following factors that he thought to be primary factors.

1. Training and Development,
2. Employee Engagement
3. Morale and Company culture

According to Digital Adoption Tea, (2019), worker performance doesn't just depend on their skill levels though proficiency does play a role. As per their view, there are 7 Biggest Factors that Influence employees Performance are ; Management styles

- The corporate culture
- The digital work environment
- The physical work environment
- Day-to-day job duties and workflows
- The employee experience

According to zeitgeist David Hassell, (2016), there have now been numerous studies showing the correlation between great culture and high performance,). According to David Hassell, (2016), there are three main factors that affect employee's performance as a whole out of which company culture is the foundation for all of others. The below picture is illustrated by him to show how much culture is important for the other inputs.

Figure 2.2. Three main factors that affect employee's performance,



Source: David Hassell, (2016),

According to Darrell Kidd (2020) the culture within company determines how well employees perform, their engagement at work, and the company's bottom line. Too often, our leaders are focused on quarterly earnings or making next week's payroll. They believe that if everyone is paid, they will be satisfied, and culture will take care of itself. This is not true; company culture starts at the top and trickles down through the organization, not the other way around. Successful organizations have a culture based on a firmly held and widely shared set of beliefs supported by strategy and structure. This causes three things to happen: Employees know how top management wants them to respond to any situation, employees believe the expected response is the proper one, and employees know they will be rewarded for demonstrating the organization's values.

Darrell Kidd (2020) saw in a paper entitled "Which comes first, organizational culture or performance?" published in the Journal of Organizational Behavior, researchers reported on the results of a six-year study on the culture and performance of 95 different automobile dealerships.

In their study, researchers looked at automobile dealerships that carried the same products. The dealers used the same performance metrics; however, each was owned and operated independently. As a result, there was consistency across multiple factors and data points.

2.5. Empirical Review

This section outlines the result of different researches on the topic ‘ ‘ the effect of Organizational Culture on Employee Performance’ ’ and it is tried to summarize below. According to Mohammad, Rumania and Saad (2013) studied in the field of the impact of organizational culture on employee 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 employee performances and productivities. It also indicated that organizational culture significantly influences employee 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 employees as well as organizational performance. It also asserted that organizational culture is an open system approach and it has interdependent and interactive association with organizations performance.

According to Bulloch, Lunenburg and Porter (2012), the effect of organizational culture on employee behavior and performance can be summarized as follows: First, knowing the culture of an organization allows employees to understand both the organization’s history and current methods of operation. Second, organizational culture can foster commitment to the organization’s philosophy and values. Third, organizational culture, through its norms, serves as a control mechanism to channel behaviors toward desired behaviors. Finally, certain types of organizational culture may be related directly to greater effectiveness and productivity than others. Lok and Crawford (2004) found a positive effect of organization culture on employee performance.

Njugi & Nickson (2014) found in their study that was done at World Vision Kenya, organization culture has a great influence on performance as it dictates how things are done, organization’s philosophy, work environment, performance targets, and organizations stability. Narayana, (2017) examined the effect of organizational culture on employee performance and its evaluation has been identified by certain researcher’s research. The owners and top management of an organization generally tends to have a large impact on establishing a culture. The organization’s culture results from the interaction between the top management’s assumptions and shared visions of cultural values and human behavior and what the employees of the organization learn

from their own experiences. Managers relate organizational culture and employee performance to each other as they help in providing competitive advantage to the organizations.

Hence Organizational culture plays a vital role in enhancing employee performance, must be binding on all members and employees of the organization to encourage uniformity among members of the organization and to enhance commitment, group efficiency and overall performance of employees.

Uddin, Luva, and Hossian, (2013) examined the impact of organizational culture on employee performance and productivity from the perspectives of multinational companies operating especially under the telecommunication sector of Bangladesh in South Asia. The paper has applied qualitative methodology focusing on a case study of Gramen phone (a subsidiary of Teleron in Norway), the leading telecommunication based subsidiary in Bangladesh. The paper argues that organizational culture significantly Influences employee performance and productivity in the dynamic emerging context.

Shahzad, Iqbal, and Gulzar, (2013) conducted a research to find the influence of organizational culture on employee performance within software houses working in Pakistan. Customer service, employee participation, reward system, innovation & risk- taking and communication system, are considered variables for this study. Sample size is (n=110) therefore, descriptive statics, correlation and regression analysis have been used. The overall results support that culture of organizations has the significant positive impact on employee's job performance at selected software houses in Pakistan. Employee's participation is a most important factor for achieving organizational goals. Thus, all of the above mentioned empirical studies have increased the confidence level of the researcher that the effect of organizational culture is highly influential factor that can best enhance employee performance.

The relationship between organizational culture and employee performance has remained a significant area of research. This is because, organizational culture significantly affects workplace ethical behavior, attitudes, and organizational values to Evaluate and relate the empirical clarifications of different cultural dimensions, the researcher considers the four different organizational culture types (Mission, Adaptability, Involvement and Consistency) developed by Denison (2000). The four different organizational culture types are most appropriate for this study.

The good reason for adopting this cultural perspective is their ability to shape or nurture employee attitudes and behavior towards the understanding of total customer satisfaction; which is also important for sustainability in the organization (Denison, 2000). Therefore, Organization Culture helps employees to direct their ideas towards the set of principles (Ramos, 2006).

A culture of an organization can encourage high performance or low performance. It is the organizational culture that helps to influence the behavior of the employees towards this. Martins and Terblanche (2003) agreed that organizational culture plays an indirect role in influencing behavior by using reasonable managerial tools, such as strategic direction, goals, tasks, technology, structure, communication, decision-making, cooperation and interpersonal relationships, and so forth, which are all designed to do things. According to Denison model, the comparison between organizations is made according to the surface-level values and their manifest practices. The organizational culture model of Denison is based on four cultural traits: involvement, consistency, adaptability and mission. All these traits have been shown to have an influence on organizational performance (Denison, 2000).

The keys of involvement dimension are: Empowerment, Team orientation, and Capability Development. First empowerment deals with individuals' authority, initiative and ability to manage their own work. Team Orientation stress on working cooperatively toward common goals for which all employees feels mutually accountable. Lastly, capability development explains the organization continually invests on the development of employees' skills in order to stay competitive and meet ongoing business needs.

Okecuku (2014) , made a study on the "Organizational Culture on employee performance in the National Agency for food and Drugs Administered and Control (NAFDAC) in Nigeria. It assumes that positive organizational culture will enhance employee 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 employees' commitment in NAFDAC and the last result ,there is a significant relationship between organizational culture and increased employees, productivity in NAFDAC.

Ojo (2009) analyzed and assessed empirically the impact of corporate culture on employee job performance as well as organizational productivity 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 the majority of the respondents strongly agreed that corporate culture has the effect on employees job performance, therefore and that majority of the employees respondents agree that corporate culture has effect that determines the productivity level of the organization.

According to Bulach, Lunenburg and Porter (2012), the effect of organizational culture on employee behavior and performance can be summarized as follows:

First, knowing the culture of an organization allows employees to understand both the organization's history and current methods of operation.

Second, organizational culture can foster commitment to the organization's philosophy and values.

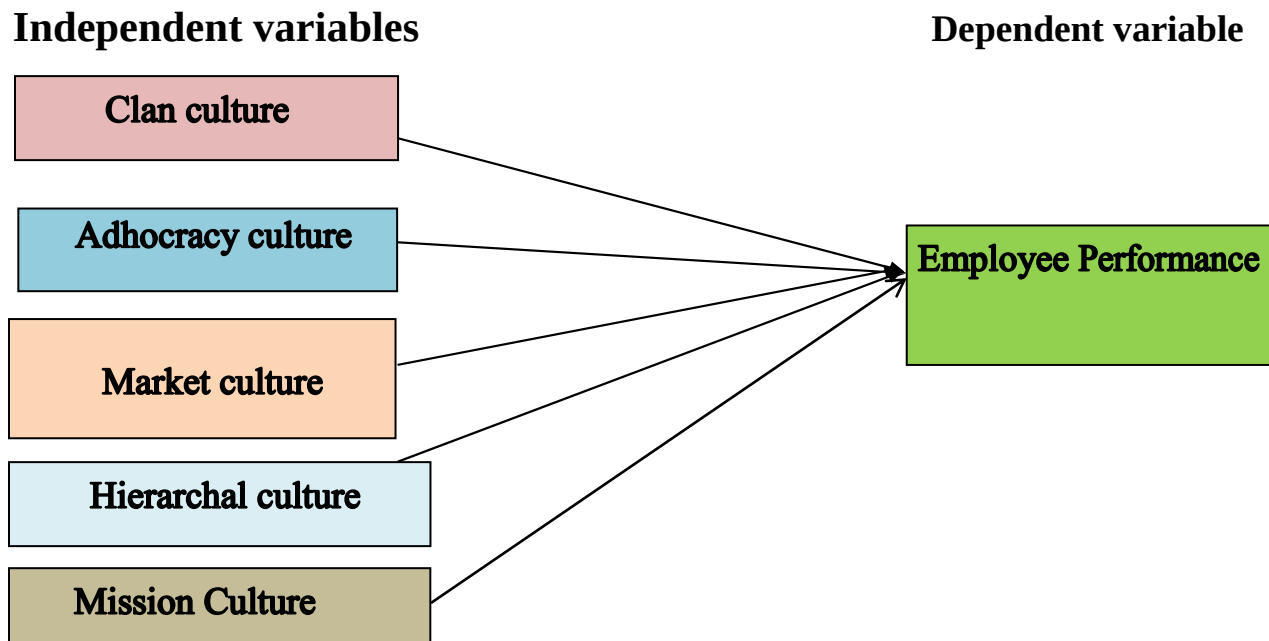
Third, organizational culture, through its norms, serves as a control mechanism to channel behaviors toward desired behaviors. Finally, certain types of organizational culture may be related directly to greater effectiveness and productivity than others.

Lok and Crawford (2004) found a positive effect of organization culture on employee performance.

2.6. Conceptual Framework of the study

After having reviewed different articles, researches and writings on organizational culture models, the researcher carefully studied the information to address the current need of Industrial Parks Development Corporation so as to create relevant variables and respond the current performance related issue. As part of the conceptual frame work, this study included four independent and one dependent variable which is employee performance. The Independent variables are selected based on the overall current organizational status and sought need. There are different models and dimensions that can be used to measure organizational culture; However According to Kate Heinz (2019), organizational cultures are divided in to five items.

Figure 2.3. Conceptual framework of the study



Source: Heinz (2019) and modified by the researcher (2023)

CHAPTER THREE

3. RESEARCH METHODOLOGY

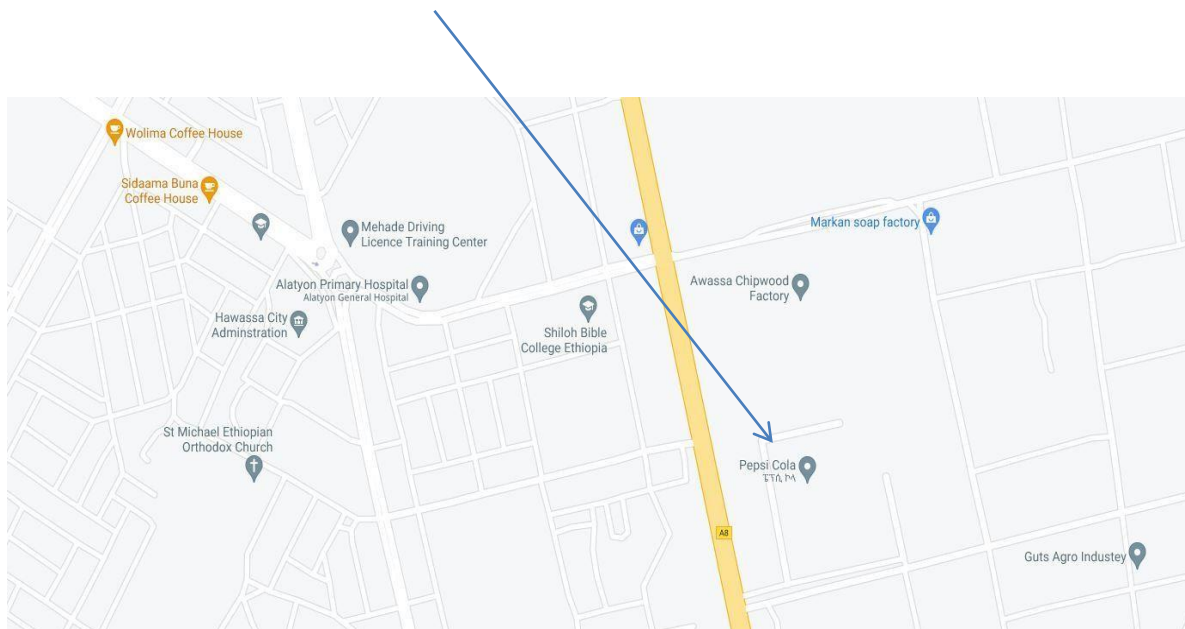
3.1 Introduction

This chapter presents a detail discussion about the type of research design employed in the study. Moreover, topics related to the target population and sample size, method of data collection, data analysis and interpretation tools are included. It also included explanation about validity, and reliability.

3.2 Description of study Area

Hawassa Industrial Park (HIP) is located at the heart of Hawassa, the capital city of the Sidama National Regional State and a premium holiday destination. Known for its hospitality, Hawassa is home to a diverse group of people. Hawassa added to its profile a state-of-the-art and the country's flagship industrial park constructed at the cost of more than US \$250 million in the year 2017. HIP covers a land area of 1.3 million square meters, of which 300,000 square meters is factory built up area with 52 factory sheds, more than 18 Kms of asphalt road, over 21.5 kms of electric line, close to 16 kms of telecom line and over 23 kms of fresh water supply pipelines.

Figure 3.1. Hawssa city Google map



Source: - Hawssa city Google map (2022).

3.3. Research Design

The study focused on measuring the effect of organizational culture on employee performance in IPDC, HIP. The study would be employ explanatory research design because it attempts to identify cause-effect relationships between organizational culture and employee performance. The study also employs mixed approach to research in order to collect both quantitative and qualitative data from the relevant sources using proper tools for data collection. The study also uses cross-sectional survey design as it is planned to collect data at one point in time and Conduct analysis on that once collected data to arrive at the findings.

3.4. Research Approach

Researcher used both quantitative and qualitative approaches in the study. Quantitative research is based on measurement of quantity or amount it is applicable to that can be expressed in terms of quantity, whereas qualitative method produces narrative or textual descriptions of the phenomena under study. Therefore, throughout this study the researcher used quantitative method to compute and interpret numerical information and qualitative methods to narrate and explain the information obtained from qualitative data. This is because employing the mixed approach helps to cover or confirm findings from different data sources (Catherine, 2002).Hence, the researcher motive for using mixed approach is that both quantitative and qualitative research which provides an in-depth look at context, processes, interactions and precise measurement of attitudes and outcomes and also a better understanding of the research problem, than just utilizing one approach alone. According to Gibson, (2017) the use of both qualitative and quantitative approach is deemed to eliminate the weakness of one approach by being complimented by another approach.

3.5. Data source

Different types of data with various collection techniques used in this study both primary and secondary data would be used in this study.

3.5.1 Primary Data

Primary data involve direct experience and observation and thus, distortions by other observers are avoided and therefore reliable. These data were obtained through interviews conducted by the researcher, and questionnaires.

3.5.2. Secondary Data

Secondary data include all data obtained from the reviewing of literatures, through internet searching, documentation, academicians, surveys, and government surveys. Secondary data is important to be used since statistical information and records may be of particular use for answers of research questions and objectives. They also needed fewer expenses because they have already been prepared.

3.6. Target population of the Study

As per the report of the organization (Hawassa Industrial Park 2023), the number of the employees working in Hawassa Industrial Park branch office of IPDC 247. To determine sample size the study used sample size determination formula.

3.7. Sample Design

3.7.1. Sample size Determination

For this research, the sampling frame was considered from the list of employees working in IPDC, HIP would be determined by Kothari formula (2004).

$$n = \frac{z^2 p * q (1-p) N}{e^2 (N-1) + z^2 p * q (1-p)}$$

Where

P=proportion estimated

N=total population i.e. employees in, Hawassa Industrial Park =247

n= total sample size

e= error (5%=0.05). Acceptable error

q=1-p

Z= value on standard normal distribution curve corresponding to the level of significance; (the level usually is 5 % and the corresponding Z value is 1.96)

$$\frac{1.96^2 * 0.5(1-0.5) * 247}{(0.05)^2 * (247-1) + 1.96^2 * 0.5 * 0.5} = 151$$

Therefore, the required sample size for this study will be 151.

3.7.2 Sampling Technique

After determining the sample size, the respondents have been selected in proper ways to avoid biases. Hence, the researcher intends to use systematic random sampling since the employees of the company are systematically sorted by the HRD. Therefore, the selection was based on the k^{th} element and k is calculated as;

$K = N/n = 247/151 = 2$. Hence, the selection of respondents started from the second employee and continuous with multiples of 2 until the required sample size is reached.

K = systematic sampling interval

N = total population

n = sample size

3.8. Data Collection Instrument

3.8.1 Questionnaires

The researcher used this technique as questions were assigned to bring out silent aspects of the research which is not covered in interviews. Questionnaires were distributed to those respondents who can read and answer on their own. Standardized questionnaires were adopted in this study. The respondents would have a period of one week to fill and return the questionnaires to the researcher.

3.8.2. Interviews

The researcher uses this as it is important for collection of primary data. The interviewees were chosen randomly from the sample selected from different departments especially HR Department. It was important as it allowed immediate response as compared to questionnaires.

3.9. Reliability and Validity of data Gathering instrument

3.9.1 Reliability Test

Reliability was used to show an attribute in which data collection procedures could be repeated with the same results. According to Kothari (2004), measuring instrument was reliable providing that it offered consistent results. During the preparation of the questionnaires, researcher would apply advisor suggestions and comments to improve questions reliability. The researcher also compared and contrasted the respondents' answers with the organization and HRD reports, plans

and document sources. In addition to this, the researcher provided explanations about the purpose of study and the content of questions for the respondents before they had been given answer for questionnaires. The researcher confirmed questionnaire instrument which would be understood by the respondent using reliability test. Questionnaires would distributed to the respondents the participant was selected from organization systematic sampling. Then returned the data collections from sample respondents were coded and a Cronbach's Coefficient Alpha test would be employed by SPSS Version 25.

Table 3.1. Measure of internal Consistency-Cronbach's alpha

Construct	No of items	Cronbach's alpha	Remark
The clan culture	11	.787	Accepted
Adhocracy Culture	10	.777	Accepted
Hierarchy Culture	10	.727	Accepted
Market Culture	8	.878	Accepted
Mission Culture	5	.740	Accepted
Employee Performance	9	.865	Accepted
Entire(Overall)	52	.916	Accepted

Source: Pilot Survey 2023

3.9.2 Validity Test

Validity referred to the extent to which the instrument measures what the researcher(s) actually wish to Measure (Kothari, 2004). Validity is the most critical criterion and indicates the degree to which an instrument measures what it will be supposed to measure. In order to ensure the quality of this research, content of the research questionnaires was verified by the advisor of this research, who looks into other researchers was done since it is another way of checking the appropriateness of questions. Previous developed standard questionnaires are used by both adopting and adapting. Validity Test of the instrument before dispatching the questionnaire to

gather information its validity and reliability was checked. This partially close and open ended questionnaire was given to human resource expert to check the content validity

3.10. Method of Data Analysis

To collect all necessary data, appropriate data analysis methods would be employed. These include both descriptive and inferential statistical methods. Descriptive statistics include frequencies, percentages, ratios, means and standard deviations. Inferential statistics in its hand will include correlation analysis and multiple regression models that would be utilized to regression the dependent variable with that of the independent or explanatory variables.

To this effect, the researcher employed the following regression model which enables the researcher to measure the effect of each independent variable on the dependent variable. The model is described as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where:

Y = Dependent variable

β_0 = constant

X_1, X_2, X_3, X_4 , and X_5 = independent variables

$\beta_1, \beta_2, \beta_3, \beta_4$ and β_5 = coefficients of independent variables

ε = error term

3.11 Ethical Considerations

Some of the expected tenets (principles) of ethical behavior that is widely accepted within the scientific community are: voluntary participation and harmlessness, anonymity and confidentiality, disclosure, analysis and reporting (Bhattacharjee, 2012). Therefore, the researcher of this study attempts to consider these issues in respect of each as follows.

Voluntary participation and harmlessness: Subjects in a research must be aware that their participation in the study is voluntary, that they have the freedom to withdraw from the study at any time without any unfavorable consequences, and they would be harmed as a result of their participation or non-participation in the study. To this effect, the researcher gives freedom to the respondents and they would freely exercise their rights on the given questionnaire.

Anonymity and confidentiality: to protect subjects' interests and future well-being, their identity will be protected in a scientific study. This would be done using the dual principles of anonymity and confidentiality. Anonymity implies that the researcher or reader of the final research report or paper cannot identify a given response with a specific respondent. Confidentiality means the researcher can identify a person's responses, but promises not to divulge (reveal) that person's identity in any report, paper, or public forum.

Disclosure: usually, the researcher has an obligation to provide some information about his/her study to potential subjects before data collection to help him/her decide whether or not they wish to participate in the study. For instance, who is conducting the study, for what purpose, what outcomes are expected, and who would benefit from the results. Guided by this ethical principle, the researcher will disclose about the content and purpose of the study. Moreover, the benefit of the research after finalization would be well-disclosed to the respondents.

Analysis and reporting: it has been evident that the researcher also has ethical obligations to the scientific community on how data is analyzed and reported in the study. Accordingly, genuine information would be forwarded not to mislead the scientific community.

CHAPTER FOUR

4. RESULTS AND DISCUSSION

4.1. Introduction

The collected data have been summarized, analyzed and interpreted in this chapter based on the postulated objectives and hypotheses. It consists of the personal characteristics of the respondents, descriptive statistics of identified factors with respect to the items of the main variables, measure in frequency tables, percentages, mean and standard deviations. One hundred fifty one (151) hard copies of the questionnaires were distributed to the target respondents. Out of the total questionnaires 150 of them were filled and received back indicating 99 Percent response rate.

4.2. Personal Characteristics of Respondents

Table 4.1 Personal Characteristics of Respondents

Characteristics		Frequency	Percent
Age	18-25 years	28	18.7
	26-35 years	40	26.7
	36-45 years	58	38.7
	46-55 years	24	16.0
	Total	150	100.0
Level Education	Diploma	64	42.7
	Undergraduate	62	41.3
	Postgraduate	24	16.0
	Total	150	100.0
	Total	124	100.0
Gender	Male	88	58.7
	Female	62	41.3
	Total	150	100.0
Income level	3501-10,000br	49	32.7
	10,001-25,000br.	83	55.3
	More than 25,000	18	12.0
	Total	150	100.0

Source: Field Survey, 2023

Concerning the age of respondents, the results in table 4.1 above revealed that 18.7 % of the total respondents were between 18 and 25 years, 26.7 % were between 26 and 35 years, 38.7 % were between 36 and 45 years, 16.0 % were greater than or equal to 46 years. This indicates that majority of the work force of the organization is composed of productive age groups.

Moreover, the results revealed that; out of the total 150 respondents, 42.7 % were diploma holders, 41.3 % were first degree and 16 % were postgraduates. Out of the total 150 respondents, 58.7% were male and 41.3% were females. This sample result shows that most of the male respondents (58.7%) were dominated in the survey.

As far as the monthly income of the respondents is concerned, the result in table 4.1 above indicates that; 32.7 % of them earn monthly income of Birr 3501-10,000, 55.3 % of them earn Birr 10,001-25,000 and the remaining 12 % of the respondents earn more than 25,000 within a month.

4.3. Descriptive Statistics of Variables

While making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear (Al-Sayaad, Rabea, & Samrah, 2006). As cited by (Bassam, 2013). Hence, this reassignment is considered as a rule of thumb to interpret the mean score values of the sub-variables of the main variables.

Table 4.2 Five Scaled Likert decision Rule of Thumb

No.	Mean range	Response Option
1	1 to 1.80	Strongly disagree
2	1.81 to 2.6	Disagree
3	2.61 to 3.4	Neutral
4	3.41 to 4.20	Agree
5	4.21 to 5.00	Strongly Agree

Source: (Bassam, 2013).

4.3.1. Clan culture Related Analysis

In this part 11 questions with 5-point likert scale have been incorporated to measure the clan culture with employee performance. The summary of the descriptive statistics for each item and the main variable are depicted by table 4.3 below.

Table 4.3. Descriptive Statistics of Clan Culture

Statements	N	Minimum	Maximum	Mean	Std. Deviation
My organization is a friendly work place where leaders act like father figures.	150	1	5	3.82	1.259
My organization is associated with positive employee attitude.	150	1	5	3.30	1.252
My organization is associated with negative employee attitude.	150	1	5	3.57	1.217
The intent of my organization is associated with product and service quality.	150	1	5	3.33	1.219
My organization trusts its committed employees.	150	1	5	4.16	1.237
My organization is appreciated for its collaborative culture with strong commitment to the people of the organization and their development.	150	1	5	3.11	1.096
In my organization, employees work in semiautonomous teams and are rewarded based on production and goals achieved as a team.	150	1	5	3.52	1.168
My organization does not give focus to individual production and achievement.	150	1	5	3.57	1.178
My organization encourages Employees to actively participate in the development of the organization.	150	1	5	3.45	1.201
Managers in my organization do not focus on empowering employees and help them develop their skills.	150	1	5	2.51	1.208
In my organization, there is good fit between the organization and employees.	150	1	5	3.21	1.329
Grand Mean	150			3.41	1.21

Source : Field Survey, 2023

A table 4.3 result presents the minimum values, maximum values, mean values and the values of the standard deviation of the independent variable clan culture. Mean value provides the idea about central tendency of the values of a variable. The number of observations of each variable is 150, and the table summarizes the level of agreements of the respondents towards the issues related with clan culture culture practiced by IPDC, Hawassa Industrial park branch office. As table 4.3 above portrays, in the first statement, it is evident that majority of the respondents agreed that the use of point of sale is reliable. Result was ranged from the lowest mean 2.51 (Managers in my organization do not focus on empowering employees and help them develop their skills. to the highest mean 4.16 (My organization trusts its committed employees.). Besides, the average level of agreements of the respondents on clan culture dimension scored 3.41 mean with 1.21 of standard deviation; it is within the range of 3.41 to 4.20. This implies that most of the respondents agreed on the clan culture practices of the organization.

4.3.2 Adhocracy culture Related Analysis

In this section of the study, the summary of the descriptive statistics related with Adhocracy culture practices are discussed in detail as presented below in table 4.4 and followed by the discussions.

Table 4.4 Descriptive Statistics of Adhocracy Culture

Statements	N	Minimum	Maximum	Mean	Std. Deviation
In my organization, leaders are responsible to stimulate innovation and creativity.	150	1	5	2.47	1.208
In my organization people stick out their necks to take risks.	150	1	5	3.59	1.100
In my organization, leaders are innovators and risk takers.	150	1	5	3.73	1.230
In my organization, the emphasis of leaders is on being the leading edge.	150	1	5	3.62	1.151
The long term emphasis of my organizations is on growth and acquiring new resources.	150	1	5	2.39	1.086
The culture of my organization boosts it to focus on innovation and creativity.	150	1	5	2.80	1.269

The culture of my organization promotes entrepreneurship, innovation, and unique ways to meet challenges and stay on the leading edge.	150	1	5	3.27	1.305
In my organization, creativity of managers is necessary as to take risk in order to live and work in the environment.	150	1	5	2.73	1.185
In my organization managers are dynamic and produce solutions to new challenges quickly.	150	1	5	2.77	1.328
My organization interacts with the external environment to exploit the opportunities thereby defending threats.	150	1	5	2.64	1.228
Grand Mean	150			3.001	1.209

Source: Field Survey, 2023

Table 4.4 results present the minimum values, maximum values, mean values and the values of the standard deviation of the independent variable adhocracy. Mean value provides the idea about central tendency of the values of a variable. The number of observations of each variable is 150, and the table summarizes the level of agreements of the respondents towards the issues related with adhocracy culture practices in the organization. As depicted by table 4.4, in the first statement, it is evident that majority of the respondents agreed that the use of point of sale is reliable. Result was ranged from the lowest mean 2.39 (The long term emphasis of my organizations is on growth and acquiring new resources) to the highest mean 3.73 (I In my organization, leaders are innovators and risk takers). And, the average level of agreements of the respondents on adhocracy culture dimension scored 3.001mean with 1.209 of standard deviation; it is within the range of 2.61 to 3.40. This implies that most of the respondents were not sure to judge on the practices of adhocracy culture. Being at indifferent status may emanate from either from lack of understanding about the practices or respondents might chose to stay abstained.

4.3.3. Hierarchy culture Related Analysis

Table 4.5. Descriptive Statistics of Hierarchy culture

Statements	N	Minimum	Maximum	Mean	Std. Deviation
My organization is well-structured and formalized workplace where leaders act like coordinators.	150	1	5	2.67	1.157
Stability in my organization helps it to carry on its performance with efficiency and smooth operation.	150	1	5	3.39	1.370
My organization is totally focused on internal stability.	150	1	5	2.57	1.262
The culture of my organization is made up of a formal structured chain of command and control that emphasizes constancy, predictability, and efficiency.	150	1	5	3.11	1.337
In my organization, there are clear decisions, rules and procedures that control and govern all aspects of the organization.	150	1	5	3.13	1.294
My organizations will act rationally in order to maximize production through labor division and specialization.	150	1	5	2.59	1.243
Managers in my organization will focus on maintaining unity and control to meet internal goals of production and effectiveness.	150	1	5	2.84	1.188
The culture of my organization is characterized by external focus of managers to address organizational problems.	150	1	5	3.03	1.305
If my organization is to address efficiency problems, it has to exercise hierarchy culture.	150	1	5	3.01	1.440
Grand mean	150			2.94	1.29

Source: Field Survey, 2023

The Table 4.5 above, results shows the level of agreements of the respondents to wards hierarchy culture dimension. The dimensions result was ranged from the lowest mean 2.57 (My organization is totally focused on internal stability.) which is under the category of neutral to the

highest mean 3.39 (Stability in my organization helps it to carry on its performance with efficiency and smooth operation.) s per the rule of thumb presented in table 4.2 above, all of the mean values rested under the category of neutral. Thus, the average level of agreements of the respondents on hierarchy dimension scored 2.94 mean with 1.29 of standard deviation; it is within the range of 2.61to 3.40. This implies that most of the respondents were neutral on the hierarchy culture related practices of the organization.

4.3.4 Market culture Related Analysis

Table 4.6. Descriptive Statistics of Hierarchy culture

Statements	N	Minimum	Maximum	Mean	Std. Deviation
The market culture of my organization is about external focus and control.	150	1	5	3.09	1.274
The market culture of my organization is about internal focus and control.	150	1	5	3.25	1.310
In my organization, leaders are hard drivers in competitive work place.	150	1	5	3.57	1.200
The cultures of my organization are strongly related with innovation and financial effectiveness criteria.	150	1	5	3.26	1.167
In this culture, clear goals and contingent rewards motivate employees to aggressively perform and meet stakeholders' expectations.	150	1	5	4.43	1.095
In this culture, the organization produces and markets what the community needs and wants.	150	1	5	3.13	1.137
The effort of culture in my organization is to provide quality product and service to grow the number of customers served.	150	1	5	3.53	1.180
The organizational culture of my organization is result-oriented to increase the productivity of the organization.	150	1	5	3.71	1.173
Grand Mean	150			3.50	1.19

Source: Field Survey, 2023

The Table 4.6 above, results shows the level of agreements of the respondents to wards Market culture dimension. The dimensions result was ranged from the lowest mean 3.09 (The market culture of my organization is about external focus and control) which is under the category of

neutral to the highest mean 4.43 (In this culture, clear goals and contingent rewards motivate employees to aggressively perform and meet stakeholders' expectations.). Thus, the average level of agreements of the respondents on Market dimension scored 3.50 mean with 1.19 of standard deviation; it is within the range of 3.41 to 4.20. This implies that most of the respondents agreed towards the practices of market culture.

4.3.5. Mission Culture Related Analysis

Table 4.7. Descriptive Statistics of Hierarchy culture

Statements	N	Minimum	Maximum	Mean	Std. Deviation
There is a clear mission that gives meaning and direction to our work in an organization.	150	1	5	3.33	1.168
There is a clear strategy for the future in integrated management communication.	150	1	5	2.51	1.225
The organization continuously tracks employees' progress against their stated goals.	150	1	5	3.40	1.311
Everyone in the organization shared the vision of what the company will be like in the future.	150	1	5	2.43	1.212
The organization's vision creates excitement and motivation on employees work performance.	150	1	5	3.51	1.104
Grand Mean	150			3.036	1.204

Source: Field Survey, 2023

The Table 4.7 above, results shows the level of agreements of the respondents to wards mission culture dimension. The dimensions result was ranged from the lowest mean 2.43 (Everyone in the organization shared the vision of what the company will be like in the future.) which is under the category of neutral to the highest mean 3.51 (The organization's vision creates excitement and motivation on employees work performance which is under the category of agree as per the rule of thumb presented in table 4.7 above, all of the mean values rested under the category of neutral. Thus, the average level of agreements of the respondents on hierarchy dimension scored 3.036 mean with 1.204 of standard deviation; it is within the range of 2.61 to 3.40. This implies that most of the respondents were neutral on the mission culture related practices of the organization.

4.3.6. Level of Employee performance

For measuring the level of employee performance in this part the 9 questions with 5-point likert scale have been incorporated to measure the employee performance study comprised a question that asked the expectation and perception level of the respondents with a statement.

Table 4.8. Descriptive Statistics of employee performance

Statement	N	Minimum	Maximum	Mean	Std. Deviation
Employees in my organization are highly committed to increase the productivity of the organization.	150	1	5	3.75	1.204
Employees in my organization perform their work wisely to achieve the goal of the organization.	150	1	5	3.88	.989
In my organization, Employees perform well to help the organization achieve its goals and objectives efficiently.	150	1	5	2.53	1.197
My organization motivates its employees properly to increase their performance from time to time.	150	1	5	3.05	1.382
In my organization, Employee performance could be defined as the record of outcomes achieved, for each job function, during a specified period of time.	150	1	5	3.12	1.290
Good performance by employees makes an organization more successful in its operation.	150	1	5	2.76	1.191
My organization should get its employees trained how to perform to increase their performance.	150	1	5	2.97	1.310
My organization cannot perform by itself without employees.	150	1	5	3.22	1.181
My organization considers employees as an integral part of the growth resulted from their committed performance.	150	1	5	3.47	1.139
Grand Mean	150			3.19	1.21

Source: Field Survey, 2023

The above table 4.8 shows at the mean of employees' performance 4.19 and standard deviation of 1.21 .Employees' of IPDC's Hawassa Industrial Park branch office performance response rate was assessed with nine performance indicator parameters. The sampled employees were asked to indicate whether they agreed or disagreed with the statements to rate with a five-scale agreement and it was presented in the above table. As shown in the Table 4.8 above, it is evident from the respondents that the performance levels of employees were at medium level starting with the Employees performance of the organization.

4.4. Correlation and Regression Analysis

4.4.1. Correlation Analysis

When there are two or more than two independent variables, the analysis concerning relationship is known as multiple correlations and the equation describing such relationship as the multiple regression equation. In the context of this study the researcher explains multiple correlations and regression taking only four independent variables and one dependent variable. In this situation the results are interpreted as shown below in line with the rule of thumb indicated in Table 4.10. According to Karen (2005), the rule of thumb for interpreting the size of a Correlation Coefficient is as indicated below in the table.

When there are two or more than two independent variables, the analysis concerning relationship is known as multiple correlations and the equation describing such relationship as the multiple regression equation. In the context of this study the researcher explains multiple correlations and regression taking only five independent variables and one dependent variable. In this situation the results are interpreted as shown below in line with the rule of thumb indicated in Table 4.10. According to Karen (2005, as cited in Yonas, 2018) the rule of thumb for interpreting the size of a Correlation Coefficient is as indicated below in the table.

Table 4.9. Rule of Thumb for Interpreting the Size of a Correlation Coefficient

Size of Correlation	Interpretation
.90 to 1.00 (-.90 to -1.00)	Very high positive (negative) correlation
.70 to .90 (-.70 to -.90)	High positive (negative) correlation
.50 to .70 (-.50 to -.70)	Moderate positive (negative) correlation
.30 to .50 (-.30 to -.50)	Low positive (negative) correlation
.00 to .30 (.00 to -.30)	Little if any correlation

Source: Yonas, 2018)

Table 4.10. Results showing correlation analysis

		Employee performance	Clan	Adhocracy	Hierarchy	Market	Mission
Employee performance	Pearson Correlation	1	.775**	.032	.724**	.337**	.132
	Sig. (2-tailed)		.000	.699	.000	.000	.106
	N	150	150	150	150	150	150
Clan	Pearson Correlation	.775**	1	-.104	.453**	.122	.002
	Sig. (2-tailed)	.000		.207	.000	.138	.978
	N	150	150	150	150	150	150
Adhocracy	Pearson Correlation	.032	-.104	1	.002	-.069	.007
	Sig. (2-tailed)	.699	.207		.978	.399	.928
	N	150	150	150	150	150	150
Hierarchy	Pearson Correlation	.724**	.453**	.002	1	.303**	.167*
	Sig. (2-tailed)	.000	.000	.978		.000	.041
	N	150	150	150	150	150	150
Market	Pearson Correlation	.337**	.122	-.069	.303**	1	.610**
	Sig. (2-tailed)	.000	.138	.399	.000		.000
	N	150	150	150	150	150	150
Mission	Pearson Correlation	.132	.002	.007	.167*	.610**	1
	Sig. (2-tailed)	.106	.978	.928	.041	.000	
	N	150	150	150	150	150	150
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

As it is shown in the above table, each variable is perfectly correlated with itself indicating that $r=1$ along the diagonal of the table. The results indicate positive and significant relationship between variables as stated here: clan culture and employee performance ($r = .775^{**}$, $p < 0.01$).

According to the rule of thumb set table 4.10, the relationship between the two variables is strongly positive. This implies that as the practices of clan culture increases the performance of the employees of the firm would increase accordingly.

The correlation coefficient between employee performance and adhocracy culture is positive but significant with a value of ($r = .032$, $P > 0.01$). According to the rule of thumb the relationship is almost negligible the relationship between the two variables is positively but it is too weak. This implied that there is a positive correlation between employees' performance and adhocracy culture which implies that as the practices of adhocracy increases in the firm the performance of employees improves insignificantly.

As summarized in the table 4.10, there is a significant and positive relationship between Hierarchical Culture and Employee work performance ($r = .724^{**}$, $p < 0.01$). As per the rule of thumb indicates the level of correlation falls in strong positive level of correlation. This indicates that the increasing of Hierarchical Culture moderately boosts the employees' work performance in IPDC.

According to table 4.10 the results depicted that the two variables Market culture and employees performance are positively correlated ($r = .337^{**}$, $n = 150$, $p < 0.01$). And, as per the rule of thumb presented in table 4.10, the relationship between the two variables is weak. The positive correlation means market culture practices result in increasingly positive employees' work performance increment. The magnitude of relationship between the two variables was weak.

The correlation coefficient between employee performance and mission culture is positive but significant with a value of ($r = .132$, $P > 0.01$). According to the rule of thumb the relationship is almost negligible the relationship between the two variables is positively but it is too weak. This implied that there is a positive correlation between employees' performance and mission culture which implies that as the practices of mission culture increases in the firm the performance of employees improves insignificantly.

4.4.2. Multiple Linear Regression Analysis

Regression analysis is asset of statistical methods used for the estimation of relationships between a dependent variable and one or more independent variables. More specifically,

regression analysis helps one understand how the typical value of the dependent variable changes when any of one of the independent variables is varied, while the other independent variables remain constant (Bhattacharjee , 2012).

The multiple regression analysis enables you to assess the strength of relationship between a numerical dependent variable and two or more numerical independent variables. Calculating a multiple regression coefficient and regression equation using two or more independent variables is termed multiple regression analysis. The coefficient of determination (represented by R^2) can take on any value between 0 and +1. It measures the proportion of the variation in a dependent variable that can be explained statistically by the independent variables (Saunders et al., 2009).

The aim of this analysis is to examine the dimensions of organizational culture (Clan Culture, Adhocracy culture, Market culture, Hierarchical Culture and Mission culture) towards the employees' performance in Industrial parks development corporation, Hawassa Industrial Park Branch office.

Prior to running the analysis of multiple regression models, it is mandatory to assess whether the collected data violate some key assumptions of the standard linear regression models because an assumption violation can result in distorted and biased parameter estimates. The assumptions include; continuousness of the dependent variable, sample size, normality, multi-collinearity is crucial to confirm them.

Assumption 1 – The dependent variable should be continuous

According to Gujarati (2006, as cited in Yonas, 2018), in order to run multiple linear regressions, the continuous variable must be in a continuous nature. In this case, although the original nature of the data is ordinal scale, it would be very necessary to transform in to ration scales using transformation (computation) technique. Hence, this assumption was validated using such technique.

Assumption 2 – Sample Size

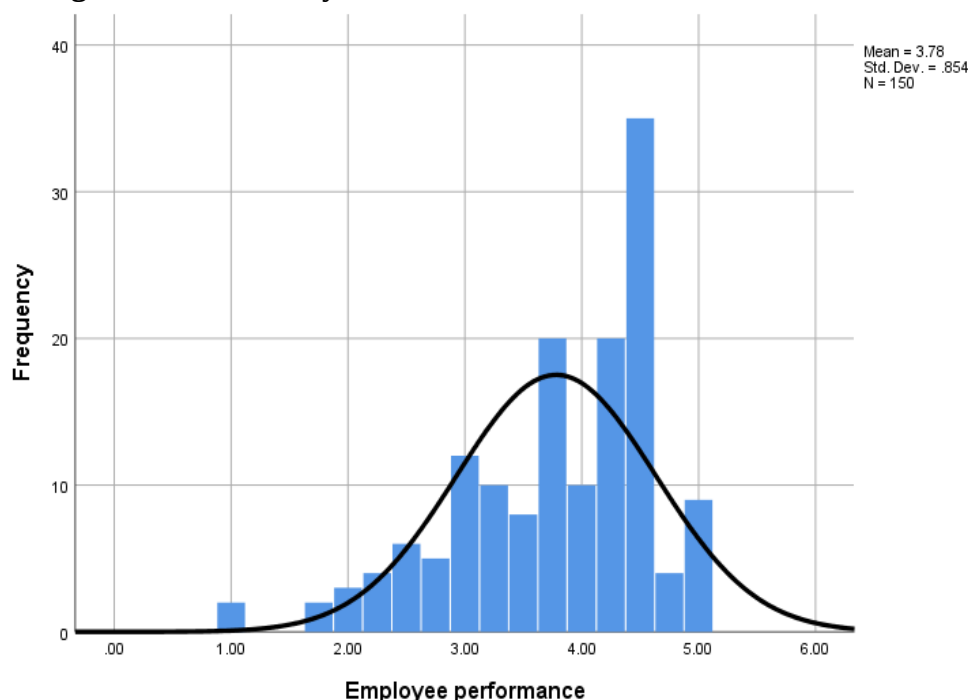
Regression analysis is often sensitive to sample sizes. The common rule of thumb floating about the sample size in standard linear regression is fifteen (15) cases of data per predictor (Field, 2009). According to (Green, 1991 as cited in Field 2009), to test the overall model the recommended minimum sample size of $N=50+8k$, where k is the number of independent

variables. Taking into account the five (5) number of independent variables in the present study; $50 + 8(5) = 90$ which is less than observed respondents/sample size/. i.e. $50 + 8(5) = 90 < 150$. Based on the criteria, the sample size exceeds the minimum to run the standard multiple linear regressions.

Assumption 3 – Normality Test

Screening for normality is an important step when conducting a multiple regression as assuming residuals are normally distributed (Stevens, 2009; Tabachnick&Fidell,2006).Non-normal distributions that are positively or negatively skewed, contain large kurtosis, or have extreme outliers can distort the obtained significance levels of the analysis, resulting in the standard errors becoming biased (Osborne & Waters, 2002). Though a multiple regression is generally consider quite robust to violations of normality, a small sample size can actually increase the seriousness of non-normality of a distribution (Osborne & Waters, 2002). Outliers may have stronger influence on normal distribution when the sample size is small, whereas standard errors for both skewness and kurtosis decrease with larger samples, as there will most likely be only minor deviations from normality (Tabachnick&Fidell, 2006). Figure 4 below shows the histogram which indicated the normality test of the dependent variable.

Figure 4.1. Normality Test



Assumption 4- Multicollinearity

In multiple regression model, before making a regression analysis it is important to test the multicollinearity test. The multi-collinearity test is a test to identify a strong correlation between two or more predictors in a regression model. This assumption can be assessed by examining tolerance and the variance inflation factor (VIF). And by using correlation matrix VIF values well below 10 and the tolerance statistics well above 0.2 can safely to conclude that there is no collinearity within the data (Field, 2009). And also the correlation between the independent variable lies less than 0.90 is an indicator of absence of multi-collinearity with in the data thus the model is pass both test. A small tolerance value indicates that the variable under consideration is almost a perfect linear combination of the independent variables already in the equation and that it should not be added to the regression equation. A good regression model must not have a strong correlation among its independent variables or must not have a multi-collinearity problem and that the value of variance inflation factor (VIF) must have a value between 1 and 5 and the tolerance level should be more than 0.20.

Table 4.11. Results of multi-collinearity test.

Model		Unstandardized Coefficients		Sig.	Collinearity Statistics	
		B	Std. Error		Tolerance	VIF
1	(Constant)	-2.022	.366	.000		
	Clan	.726	.055	.000	.777	1.286
	Adhocracy	.042	.042	.320	.978	1.023
	Higherarchy	.662	.069	.000	.728	1.374
	Market	.233	.068	.001	.581	1.721
	Mission	-.076	.084	.368	.621	1.610

According to the table 4.11, results revealed that tolerance for all independent variables is more than (0.20) and VIF for independent variables is less than the limited value (5.0), and so that there is no multi collinearity between the independent variables of the model.

Assumption 5: Linearity Assumption test

In linear regression analysis it is assumed that there is a linear relation between the predictors and the dependent variable. This study measured the linearity by testing the goodness of fit of the model by conducting ANOVA test.

Table 4.12. ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	86.435	5	17.287	111.995	.000 ^b
	Residual	22.227	144	.154		
	Total	108.662	149			
a. Dependent Variable: Employee performance						
b. Predictors: (Constant), Mission, Clan, Adhocracy, Hierarchy, Market						

As indicated the above table 4.12, the p-value, 0.000 is less than = 0.05. This result implies that a linear relation assumption is fulfilled since the p-value, 0.000 is less than 0.05.

The last assumption for multiple regressions is the independence of residuals. The independence of the residuals can be measured by Durbin-Watson statistics. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are independent (not correlated from one observation to the other one) if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50 (Muluadam, 2015). For this study table- 4.13, the output value of Durbin-Watson is 1.760; approximate to 2, indicating that there is no correlation among the residuals.

Table 4.13. Durbin-Watson Statistics for Independence of Residuals

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.892 ^a	.795	.788	.39288	1.760
a. Predictors: (Constant), Mission, Clan, Adhocracy, Hierarchy, Market					
b. Dependent Variable: Employee performance					

The R value (0.892) indicates that the presence of strong correlation between predictors and dependent variable. Adjusted R^2 is a measure of the loss of predictive power or shrinkage in regression. The adjusted R^2 indicates us how much variance in the outcome would be considered for if the model had been derived from the source population from which the sample was taken Adjusted R-squared is always smaller than R-squared, but the difference is usually very small

unless you are trying to estimate too many coefficients from too small a sample in the presence of too much noise. The model summary indicated that Organizational culture dimensions (Clan Culture, Adhocracy culture, Market culture Hierarchical Culture and Mission culture) explained 79.5% of the variation in employees' performance and the remaining 20.5% of the variation of employees performance was explained by other factors that are not included in this model. This indicates that the employees' performance can be determined by numerous factors in addition to organizational culture.

According to (Birhanu, 2016; Armstrong, 2012), there are certain factors individually and collectively affect the performance of employees positively or negatively, including; Reward, training, motivation, Employees related factors (demographic, Personal factors) etc. Therefore, further researchers are expected to investigate the other factors that affect employees' performance in the study area.

The value of adjusted R square (.788) gives some idea of how well the model generalizes and ideally one would like its value to be the same, or very close to, the value of R square. In the present study, the difference between the values of R square and the adjusted R square is $.785 - .788 = .003$ (about 0.3 percent) which is almost negligible. This shrinkage means that if the model was derived from the population rather than from the sample it would account for approximately 0.3 percent less variance.

The standard error of the estimate is a measure of the variability of the multiple correlations. Therefore, as shown in the model summary for the regression analysis table above, the standard error of the estimate of this model is .39288. This implies that the variability of the multiple correlations is as much as this numeral.

The next part of the output, the Coefficients table, shows which variables are individually significant predictors of the dependent variable. The Unstandardized Coefficients B column, gives the coefficients of the independent variables in the regression equation including all the predictor variables.

Table 4.14. Coefficients Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.022	.366		-5.519	.000
	Clan culture	.726	.055	.567	13.257	.000
	Adhocracy culture	.042	.042	.038	.999	.320
	Hierarchy culture	.662	.069	.423	9.574	.000
	Market culture	.233	.068	.169	3.423	.001
	Mission culture	.076	.084	.043	.902	.368

The Standardized Beta Coefficient column shows the contribution that an individual variable makes to the model. The beta weight is the average amount the dependent variable increases when the independent variable increases by one standard deviation (all other independent variables are held constant).

t- Tests are performed to test the two-tailed hypothesis that the beta value is significantly higher or lower than zero. This also enables us to see which predictors are significant.

The Unstandardized Coefficients Std. Error column provides us with an estimate of the variability of the coefficient (Karen, 2005). Each of the beta values has an associated standard error indicating to what extent these values would vary across different samples, and these standard errors are used to determine whether or not beta value differ significantly from zero.

Beta values were calculated to examine the individual contributions of the independent variable towards dependent variable. It was calculated by relating independent variable towards dependent variable. It was calculated by relating variable jointly with independent variable, and also t-value was calculated to know the significance of the level of the independent variables to be explained individually. T-value in this model was calculated by taking each independent variable separately with dependent variable. As the model clearly shows, t-values in all cases support the hypothesis of the study according to statistical rule which says, if t-value is greater than two (2), then hypothesis can be accepted (Bryman& Bell, 2009).

Beta coefficient

To compare the different variables it is important that you look at the standardized coefficients, not the unstandardized ones. ‘Standardised’ means that these values for each of the different variables have been converted to the same scale so that you can compare them. If you were interested in constructing a regression equation, you would use the unstandardized coefficient values listed as B (Pallant, 2016).

Unstandardized Beta Coefficient

By recalling the model specifications of the variables from the chapter three of methodology part, the unstandardized coefficients (β_1 up to β_5) are the coefficients of the estimated regression model.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where, Y = Dependent Variable (Employee Performance)

β_1 = unstandardized regression coefficient of clan culture

β_2 = unstandardized regression coefficient of Adhocracy culture

β_3 = unstandardized regression coefficient of Hierarchical Culture

β_4 = unstandardized regression coefficient of Market culture

β_5 = unstandardized regression coefficient of Mission culture

ε = error term

Considering the results from table 4.15, the regression equation for the study turned out to be as follows:

$$Y = -2.022 + .726X_1 + .042X_2 + .662X_3 + .233X_4 + .076X_5 + .366$$

Model interpretation

According to (Hair, 2006) the test will be significant if the p-value is less than 0.05. The beta coefficient is used to determine which independent variables have the most influence on the dependent variable. Variable with Beta Coefficient indicates the highest contribution of that independent variable to the variability of the Dependent variable.

Keeping all other variables Constant and unavailable,

- ✓ For every one-unit improvement on clan culture practices, the percentage of employee performance increases by 72.6 percent in average.
- ✓ For every one-unit improvement on adhocracy culture practices, the percentage of employee performance increases by 4.2 percent in average.
- ✓ For every one-unit improvement on hierarchical culture practices, the percentage of employee performance increases by 66.2 percent in average.
- ✓ For every one-unit improvement on market culture practices, the percentage of employee performance increases by 23.3 percent in average.
- ✓ For every one-unit improvement on mission culture practices, the percentage of employee performance increases by 7.6 percent in average

4.4.3. Hypothesis Testing

Hypothesis testing is the method of testing whether claims or hypothesis regarding a population are likely to be true. The goal of hypothesis testing is to determine the likelihood that a population parameter. Here there are two hypotheses: null (H_0), and alternative (H_a). The significance (sig.) value expresses a value to accept or reject the (null) hypothesis. It is also called the P-value. The P-value is the probability that the correlation is one just by chance. Therefore, the smaller the P-value, the better will be. The general rule is reject H_0 if $P < .05$ and accept H_0 if $P \geq .05$ (Pallant, 2016).

In this part of the study, proof of the null hypothesis is made based on table 4.15 results below for the variables. Because, to test the research hypothesis already postulated in chapter one, it is possible to find out if the independent variables are significant predictors of the dependent variable.

H₀₁: Clan culture has no significant effect on employee performance.

In the first case, the researcher tried to investigate whether clan culture has a statistically significant effect on employees' performance in the study area. (Reject H_{01} if $p < 0.05$) otherwise accept it. From Table 4.15 above, the significant value for clan culture is 0.00 which is less than

p value of 0.05. Therefore, Ho1 is rejected which indicates that clan culture has statistically significant effect to vary the employees performance in the study area.

Ho₂: Adhocracy culture has no significant effect on employee performance.

In the second case, the researcher tried to investigate whether adhocracy culture has a statistically significant effect on employees' performance in the study area. (Reject Ho2 if $p < 0.05$) otherwise accept it. From Table 4.15 above, the significant value for adhocracy culture is 0.320 which is greater than p value of 0.05. Therefore, Ho2 is not rejected which indicates that adhocracy culture has no statistically significant effect to vary the employees performance in the study area.

Ho₃: H_{o3}: Hierarchy culture has no statistically significant effect on employees' performance in HIP.

Concerning the third hypothesis, the researcher analyzed the effect of Hierarchy culture on employees' performance in the study area. As per the result presented in table 4.15 above, the p-value for the aforesaid variable is 0.000 which is less than the level of significance 0.05 and this indicates that the third hypothesis is rejected meaning that Hierarchy culture is a determinant and significant factor for employees performance in the study.

Ho₄: Market culture has no significant effect on employee performance.

The fourth hypothesis is about the effect market culture on employee performance in the study area. As Table 4.15 depicts, the p-value of the variable is .001 and it is less than 0.05 which shows market culture has a significant effect on employees' performance in the study area. Hence, the fourth hypothesis is rejected.

Ho₅: Mission culture has no significant effect on employee performance.

(Reject Ho2 if $p < 0.05$) otherwise accept it. From Table 4.15 above, the significant value for Mission culture is 0.368 which is greater than p value of 0.05. Therefore, Ho5 is not rejected which indicates that mission culture has no statistically significant effect to vary the employees performance in the study area.

Table 4.15: Summary of hypothesis testing

No.	Hypothesis	Tool	Result	Reason
H ₀₁	Clan culture has no significant effect on employee performance	MLR	Rejected	P<0.05
H ₀₂	Adhocracy culture has no significant effect on employee performance	MLR	Accepted	P>0.05
H ₀₃	Hierarchical culture has no significant effect on employee performance	MLR	Rejected	P<0.05
H ₀₄	Market culture has no significant effect on employee performance	MLR	Rejected	P<0.05
	Market culture has no significant effect on employee performance	MLR	Accepted	P>0.05

Source: Field survey, 2023

4.5 Results of Interview Analysis

In order to triangulate the quantitative aspects of the study, qualitative aspects deemed necessary to be conducted by the researcher. Accordingly, personal Interviews with the personal senior HRM officer and the human resource manager of the Hawassa Industrial Park were undertaken to support the quantitative findings. More people participating in organizational culture.

On the other hand, some new employees are hearing their coworkers talk about organizational culture. The current organizational market culture is currently operating in the factory at the organization as well as mission culture is also very important.

Employee performance and organizational culture have a good association, which was evident during the interview. The performance appraisal system is utilized by each employee on the job once every six months. It is related to organizational culture and uses incentives and new system development to make work easier and faster.

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS ANDRECOMMENDATIONS

This chapter summarizes the research findings, conclusions, suggestions and future research directions. Conclusions and recommendations are given in light of the major discoveries and outcomes. Interventions to enhance employee performance in the investigated firm were suggested, as well as opening the door for additional research.

5.1. Summary of Major Findings

The findings derived from the data analyzed by using descriptive statistics, correlation and regression were presented below.

Out of the total respondents, 18.7 % of the total respondents were between 18 and 25 years, 26.7 % were between 26 and 35 years, 38.7 % were between 36 and 45 years, 16.0 % were greater than or equal to 46 years. Out of the total respondents, 42.7 % were diploma holders, 41.3 % were first degree and 16 % were postgraduates. Out of the total 150 respondents, 58.7% were male and 41.3% were females.

From the arithmetic mean values generated by the descriptive statistics, it shows that the three independent variables, Clan culture ($M=3.41$; $SD=1.1.21$), adhocracy culture ($M=3.001$; $SD=1.209$), Hierarchy culture ($M=2.99$; $SD=1.1.29.$), market culture ($M= 3.50$ $SD=1.1.19$) and Mission culture (3.036 , $SD = 1.21$). From the result, it is clear that clan culture and market culture got high mean score and Market culture is highest among the five dimensions. This indicates that organizational cultural dimensions were practiced Hawassa Industrial branch office. In which market cultural dimension is being predominantly practice among others dimensions. Moreover, its importance contribution to employees' performance that confirmed as per the perception of employees in this study.

The Pearson correlation analysis results revealed that the relationship between each organizational culture and employees performance of Industrial parks corporation, Hawassa Branch. Clan culture and employee performance ($r = .775^{**}$, $p < 0.01$), adhocracy culture is positive but significant with a value of ($r= .032$, $P>0.01$), Hierarchical Culture and Employee work performance ($r=.724^{**}$, $p< 0.01$) and mission culture is positive but significant with a

value of ($r = .132$, $P > 0.01$). Market culture and employees performance are positively correlated ($r = .337^{**}$, $n = 150$, $p < 0.01$).

The model summary indicated that Organizational culture dimensions (Clan Culture, Adhocracy culture, Market culture Hierarchical Culture and Mission culture) explained 79.5% of the variation in employees' performance and the remaining 20.5% of the variation of employees performance was explained by other factors that are not included in this model.

5.2. Conclusion

The goal of the study was to determine how organizational culture affected employee s' performance in Hawassa Industrial Park Branch office. The study also investigated how the four organizational cultural dimensions—market, clan culture, adhocracy, mission culture and hierarchy—affect employee performance. To address the research topics that this study aimed to address, the researcher deduced the following conclusions based on a summary of the study's findings.

The study found that a market culture is a most dominant organizational culture type in the study area followed by clan mission culture, adechracy culture, and hierarchy culture. In addition, this study found that all of the organizational culture types such as clan culture, adhocracy culture, market culture, and hierarchy culture were positive relationship with employee performance. Clan culture, adhocracy culture, and market culture was statically significant at p-value of 0.000 which is significant at $P < 0.01$ level. The overall result showed that all organizational culture types have an effect on employee performance in Hawassa Industrial Park Branch office. .

The findings in correlation analysis of Pearson coefficient correlation result indicated that all organizational culture types such as clan culture, adhocracy culture, market culture, and hierarchy culture have appositve correlation with employee performance within the range. Hence, it can be concluded that the concept of organizational culture is vital for employees' performance in the study area.

In addition, based on the finding the multiple regression analysis result showed that all organizational culture types (market, adhocracy, clan, and hierarchy culture) influence employee performance. From these organizational culture types, the adhocracy culture and market culture

had a greatest effect on overall employee performance with the value of positive regression coefficients.

5.3. Recommendations

In this section, some important suggestions were made on the basis of the findings of the study. Therefore, in view of finding of the study, the researcher recommends the followings.

- As per the finding of this study, market and adhocracy cultural dimension have significant effect on employees performance that IPDC, HIP Branch.
- Needs to maintain good cultural practice by communicating its mission and vision to the newly hired employees consistently in order to enhance employee's performance.
- As organizations are expected to have the ability to understand and react to the competitive environment, IPDC, HIP Branch.
- Requires to encourage and reward innovation and risk taking adaptability strategy to enhance employees' confidence and organization be more proactive for changes.
- As it is observed from the result of this research paper, 79.5 % of the variation of employees' performance were predicted by the independent variables of the study (i.e. Market, clan culture adhocracy, hierarchy, mission). This implies that there were also other contributing factors (indicated by the remaining 20.5% of variation) which were related to employee' performance. These may be job satisfaction, employee rewards, employee' motivation, employee' engagement etc.

5.3. Implications For further Studies

The current study is restricted to a single organization and even has a small sample size; hence, future researchers should also make their studies to take into account various industries in order to extend empirical data in the field. In addition to the current model, future researchers can also use different kinds of organizational culture models developed by various authors. The study should also include participant responses from other job groups, such as consultants, independent contractors, fellows, and interns with temporary contracts. It is advised that researchers base their studies on employee performance appraisal results rather than on employees' performance and organizational culture.

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APPENDICES

Appendix 1A: Questionnaire



HAWASSA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

A QUESTIONNAIRE TO RESPONDENTS

Dear respondents,

I am currently the student of Hawassa University in the department of Management and doing my MBA Thesis on “**The Effect of Organizational Culture on Employees’ Performance: The Case of Industrial Parks Development Corporation, Hawassa Industrial Park Branch Office.**”

The purpose of this questionnaire is to gather adequate information from the respondents on the effect of organizational culture on employee performance. In order to make the study more fruitful, the researcher highly demands your frank and cooperative response to the given questions. All your response to the given question would be used for the research purpose only and will be kept confidential. I highly appreciate your cooperation and say thank you in advance.

SECTION A: Basic Information of Respondents

Please answer the questions on the space provided ticking on the appropriate space.

1. Your age is:

- | | | | |
|----------------|--------------------------|-----------------|--------------------------|
| a) 18-25 years | ☐ | b) 26-35 years | ☐ |
| c) 36-45 years | ☐ | d) 46-55 years | ☐ |
| | | e) 56 and above | ☐ |

2. Your level of education:

- | | | | |
|------------------------|--------------------------|-----------------|--------------------------|
| a) Secondary education | ☐ | b) Diploma | ☐ |
| c) Undergraduate | ☐ | d) Postgraduate | ☐ |

Others: _____

3. Sex: a) Male ☐ b) Female ☐

4. Monthly income 3500 br. or less ☐ 3501-10,000br. ☐
 10,001-25,000br. ☐ More than 25,000 ☐

SECTION B: Organizational Culture Dimensions Related

This part of the questionnaire consists of items taken from Organizational Culture Assessment Instrument (OCAI). The main purpose of the instrument is to assess five dimensions of institutional culture in the organization i.e. the clan culture, adhocracy culture, the hierarchy culture, mission culture and the market culture and employee performance. To this effect, use the following rating scale, and put “√” mark for each rating: 1. *Strongly Disagree*, 2. *Disagree*, 3. *Neutral*, 4. *Agree* and 5. *Strongly Agree*

1	The clan culture	1	2	3	4	5
1.1	My organization is a friendly work place where leaders act like father figures.					
1.2	My organization is associated with positive employee attitude.					
1.3	My organization is associated with negative employee attitude.					
1.4	The intent of my organization is associated with product and service quality.					
1.5	My organization trusts its committed employees.					
1.6	My organization is appreciated for its collaborative culture with strong commitment to the people of the organization and their development.					

1.7	In my organization, employees work in semiautonomous teams and are rewarded based on production and goals achieved as a team.					
1.8	My organization does not give focus to individual production and achievement.					
1.9	My organization encourages Employees to actively participate in the development of the organization.					
1.10	Managers in my organization do not focus on empowering employees and help them develop their skills.					
1.11	In my organization, there is good fit between the organization and employees.					
2	Adhocracy Culture	1	2	3	4	5
2.1	In my organization, leaders are responsible to stimulate innovation and creativity.					
2.2	In my organization people stick out their necks to take risks.					
2.3	In my organization, leaders are innovators and risk takers.					
2.4	In my organization, the emphasis of leaders is on being the leading edge.					
2.5	The long term emphasis of my organizations is on growth and acquiring new resources.					
2.6	The culture of my organization boosts it to focus on innovation and creativity.					

2.7	The culture of my organization promotes entrepreneurship, innovation, and unique ways to meet challenges and stay on the leading edge.					
2.8	In my organization, creativity of managers is necessary as to take risk in order to live and work in the environment.					
2.9	In my organization managers are dynamic and produce solutions to new challenges quickly.					
2.10	My organization interacts with the external environment to exploit the opportunities thereby defending threats.					
3	Hierarchy Culture	1	2	3	4	5
3.1	My organization is well-structured and formalized workplace where leaders act like coordinators.					
3.2	Stability in my organization helps it to carry on its performance with efficiency and smooth operation.					
3.3	My organization is totally focused on internal stability.					
3.4	The culture of my organization is made up of a formal structured chain of command and control that emphasizes constancy, predictability, and efficiency.					
3.6	In my organization, there are clear decisions, rules and procedures that control and govern all aspects of the organization.					
3.7	My organizations will act rationally in order to maximize production through labor division and specialization.					
3.8	Managers in my organization will focus on maintaining					

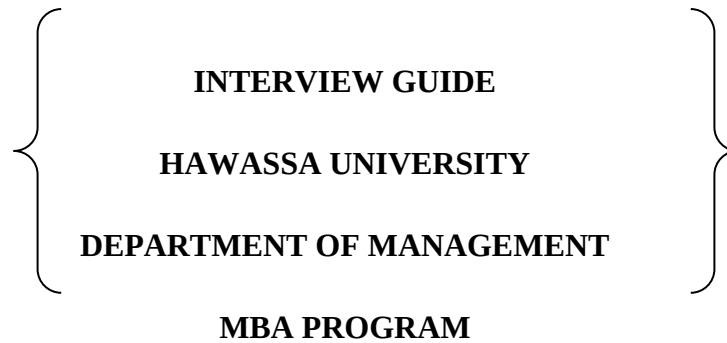
	unity and control to meet internal goals of production and effectiveness.					
3.9	The culture of my organization is characterized by external focus of managers to address organizational problems.					
3.10	If my organization is to address efficiency problems, it has to exercise hierarchy culture.					
4	Market culture	1	2	3	4	5
4.1	The market culture of my organization is about external focus and control.					
4.2	The market culture of my organization is about internal focus and control.					
4.3	In my organization, leaders are hard drivers in competitive work place.					
4.5	The cultures of my organization are strongly related with innovation and financial effectiveness criteria.					
4.6	In this culture, clear goals and contingent rewards motivate employees to aggressively perform and meet stakeholders' expectations.					
4.7	In this culture, the organization produces and markets what the community needs and wants.					
4.8	The effort of culture in my organization is to provide quality product and service to grow the number of customers served.					
4.9	The organizational culture of my organization is result-					

	oriented to increase the productivity of the organization.					
5	Mission Culture					
5.1	There is a clear mission that gives meaning and direction to our work in an organization.					
5.2	There is a clear strategy for the future in integrated management communication.					
5.3	The organization continuously tracks employees progress against their stated goals.					
5.4	Everyone in the organization shared the vision of what the company will be like in the future.					
5.5	The organization's vision creates excitement and motivation on employees work performance.					
6	Employee Work Performance	1	2	3	4	5
6.1	Employees in my organization are highly committed to increase the productivity of the organization.					
6.2	Employee's in my organization perform their work wisely to achieve the goal of the organization.					
6.3	In my organization, Employees perform well to help the organization achieve its goals and objectives efficiently.					
6.4	My organization motivates its employees properly to increase their performance from time to time.					
6.5	In my organization, Employee performance could be defined as the record of outcomes achieved, for each job					

	function, during a specified period of time.					
6.6	Good performance by employees makes an organization more successful in its operation.					
6.7	My organization should get its employees trained how to perform to increase their performance.					
6.8	My organization cannot perform by itself without employees.					
6.9	My organization considers employees as an integral part of the growth resulted from their committed performance.					

Thanks for your esteemed cooperation

Appendix 1B: Interview Guide



Your position in the factory -----

You experience in the factory

1. What do you understand about organizational culture?

2. How often do you introduce your organizational culture to new employees? -----

3. How do you explain the existing organizational culture with respect to the organizational culture dimensions: Clan Culture, market, Hierarchy, adhocracy?

4. How do you perceive the relationship between organizational culture and employee Performance? Why? -----

5. How do you perceive the effect of organizational cultures on your employees' performance? Why?

6. What improvements are required to build a strong organizational culture in order to enhance employees' performance?-----

7. How do you rate the level of employee's performance in relation with organizational culture?

