

# Innovations

## **The effect of organizational culture on employee's commitment: the case of commercial bank of Ethiopia in Gondar city; Gondar**

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### **Abstract**

*The main objective of this study was to examine the effect of organizational culture on employee's commitment in Commercial Bank of Ethiopia at Gondar City branches. The researcher used explanatory research design with quantitative research approach in order to meet the objective of the study. The target populations of the study were 564 professional employees of Commercial Bank of Ethiopia at Gondar city. A standardized questionnaire which was adopted from previous scholars on Likert scale foundation was used to collect data from 222 sample respondents. In addition, random sampling technique was undertaken to select respondents from each branch of Commercial Bank of Ethiopia at Gondar City. Pearson Correlation analysis was used and it was obtained that there was direct and significant relationship between all the four dimensions of organizational culture and employee commitment in the Bank. Besides, the regression result revealed that all the four dimensions measuring organizational culture were found to have their own positive and significant effect on employees' commitment in Commercial Bank of Ethiopia. Consistency was found to be the most contributing organizational culture dimension in the prediction of employee's commitment. The remaining three dimensions, involvement, adaptability and mission had significant contribution in predicting employees' commitments in their respective order. The overall finding of the study revealed that all the four dimensions of organization culture dimensions had positive significant effect on employee commitment and the researcher concluded that organizational culture had a significant effect in improving the level of employee commitment in Commercial Bank of Ethiopia at Gondar city. Based on the finding of the study, the researcher recommended that Commercial Bank of Ethiopia should give priority to all selected organizational culture traits i.e., involvement, consistency, adaptability and mission which had strong influences on employees' commitment.*

**Key words:** *-Organizational culture, adaptability, involvement, consistency, mission, affective commitment, normative commitment, continuance commitment, Employee commitment.*

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## Introduction

Understanding organizational culture is very important for the progress of organization because it impacts on employee commitment. The organizational culture that organizations practice is a powerful and pervasive force for commitment as well as a definite barrier for it. The interest in this topic is due to the fact the employee commitment is an important element which is compulsory for organizational success. When employee is strongly committed with an organization then there are fewer chances for disloyalty with company. Employee empowerment, job satisfaction, performance appraisal and employee retention formulates a strong foundation for organizational commitment. According to Astri (2012), organizational commitment is very important for managers in organization either government organization or private sector for their success. Because of the importance of employee commitment several research studies has been conducted to check out the effect of organizational culture and employee commitment in the business and service-oriented organization across the world.

Mashithoh and Sunarsih (2016) Organizational culture has a positive and significant effect on the organizational commitment of the staff of Universities Terbuka. This finding demonstrates that the stronger the organizational culture adaptability, the higher the organizational commitment. Mousa (2017) found involvement, consistency, adaptability, and mission had a strong effect on employee's commitment approaches (affective commitment, continuance commitment, & normative *commitment*). Therefore, and He concluded that all organizational culture components had significant effect on employee commitment. Similarly, Nongo and Ikyanyon (2012), depicted a significant effect of corporate culture on organizational commitment on which the study was designed as an explanatory research whereby it was conducted to examine and analyze the influence of organizational culture and ability on organizational commitment and performance in the study area.

Even though various studies had been done in the past related to the effect of organizational culture on Employee commitment, they came up with some different findings which result in theoretical discourses and inconsistency. Therefore, still there is a need to expand the study on the effect of organizational culture on employee commitment. As it had been stated by various scholars above and other related literature reviews the subject employee commitment is the crucial factor influencing the success of business organizations especially banking Industries and organizational culture had a strong influence on employee commitment. Thus, examine the effect of organization culture on employee commitment is believed to generate strong evidence that helps the efforts to improve employee commitment and company success.

In Ethiopia, Banking Industry is increasing in number and the competitions among banks are getting a great attention. Thus, the workforce and human resource systems to produce corporate- level competencies that create sustainable competitive advantage are the key factors of winning the competition. They need to have employees who are excited about their work and strive to take their organization to greater heights.

In our country context there are few researchers who had conducted on the effect of organizational culture on employee commitment. Tilahun (2020) on his study on the effect of organizational culture on employee commitment found that there is positive and significant effect of the three organizational culture dimensions and employee commitment. The three organizational culture dimensions (i.e., involvement, adaptability and mission) had an effect on employee commitment but consistency had a negative nearer to zero which means culture had insignificant impact towards employee commitment. Furthermore, as far as the researcher knowledge is concerned, very scant research has been conducted on the effect of organizational culture on employee commitment in Ethiopia and no other research conducted on commercial bank of Ethiopia in Gondar city as a case study.

In the contemporary business environment Commercial Bank of Ethiopia had been faced huge competition from other private banks in the country. Therefore, it needs to have corporate culture which enables its employee to be committed and loyal to the bank as well as it enablesthe organization to have competency in the banking industry. However, some employee blame the banks organizational culture by stating that the bank's culture does not invite employee involvement in various decisions, lack consistency and lack of understanding and clarity in the mission and strategic directions of the bank as a result, studying organizational culture based on Denison's cultural model dimensions (involvement, consistency, adaptability and mission) and its effect on employee commitment(Affective, Continuance and Normative Commitment) is compulsory in commercial bank of Ethiopia. Due to the above-mentioned research problem and related research gaps, the researcher interested to conduct a study on the effect of organizational culture on employee commitment in Commercial bank of Ethiopia in Gondar city.

### **Objective of the study**

The general objective of this study was to examine the effect of organizational culture on organizational commitment in commercial Bank of Ethiopia at Gondar city. Based on the general objectives the following specific objectives were derived; to identify the effect of involvement on employee's commitment, to examine the effect of consistency on employee's commitment, to determine the effect of Adaptability on employee's commitment in and to examine the effect of mission on employee's commitment in Commercial Bank of Ethiopia at Gondar City.

## Related literature review

### Theoretical literature review

Managers, today, are increasingly challenged with changing corporate culture to support new ways of accomplishing work. According to Bitsani (2013), organizational culture is a system of common values which we can estimate that employee's accept similar organization culture even with different culture within the organization. Cristian-Liviu (2013) observes that culture can be strong but can also be a weak. As a strength, culture can facilitate communication, decision making and control, and create cooperation and commitment. As a weakness, culture may obstruct the smooth implementation of strategy by creating resistance to change. An organization's culture could be characterized as weak when many subcultures exist, few values and behavioral norms are shared, and traditions are rare. In such organizations, employee's do not have a sense of commitment, loyalty, and a sense of identity (Ng'ang'a & Wesonga, 2012).

Although organizational culture has been deemed as one of the main areas in mainstream management literature for more than two decades, it seems that there is no consensus among researchers regarding an appropriate definition for the construct. However, the literature shows that there are a number of models and proposed dimensions to assess the concept of organizational culture, which is theoretically and conceptually divergent, but basically related to each other. Social scientists have explored the notion of organizational culture as a perspective in organizational theory over the past decades.

The origin of organizational culture from a national culture point of view, organizational culture is seen as being central to organizational success rather than factors such as structure, strategy or politics. As a result the attention shifted away from national cultures and focused more on organizational culture. Interests in organizational culture from the human resource management and performance point of views stems from the fact that organizational culture was perceived to be offering a non-mechanistic, flexible and imaginative approach to understanding how organizations work. Consequently, organizational culture is considered to be the great "cure-all" for most organizational problems Wilson (2001)). Other theoretical development of the concept organizational culture includes studies conducted within the field of organizational theory.

On the other hand, Employee commitment has been one of the research areas which attract the attention of social scientists in the 1980s and 1990s and their interest has been expressed in both theoretical efforts to explain the construct and empirical efforts to determine the antecedents of commitment. The concept of employment commitment lies at the heart of any analysis of Human Resource Management. Despite many studies on commitment, very little is understood of what manager's mean by the term „commitment“ when they evaluate someone's performance and motivation.

The link between organizational culture and organizational commitment is theoretically driven from popular writings of Ouchi and Wilkins (1985). They suggested that organizational culture affects a range of organizational and individual outcomes including productivity, performance, commitment and self-confidence. This theoretical proposition has spurred many subsequent empirical studies to investigate the relationship between organizational culture and Employee commitment.

There are two major approaches adopted by researchers in investigating the effect of organizational culture on Employee commitment. The first approach contends that there are a few types of organizational cultures, where one can compare which type of culture would have positive effects on organizational commitment. The second approach explores cultural dimensions and its significant effect on the organizational commitment. Despite the different approaches, there is substantial evidence derived from both approaches that organizational culture is related to organizational commitment.

### **Empirical Literature Review**

Empirical Review of the Study Organizational culture and organizational commitment are the most extensively researched concepts in management studies, yet the two concepts still remain elusive as ever. Not only that, as depicted on the problem statement of this study, the effect of different organizational culture traits on organizational commitment investigated and concluded by different researchers was inconsistent. In line with the specific objective of the study, the coming paragraphs showed research findings of different scholars who tried to investigate the effect of organizational culture dimensions (involvement, consistency, adaptability and mission) on employee commitment. Even though not much direct studies on the effect of organizational culture dimensions on employee commitment, there is certain previous researches have devoted a great deal of attention to the effect of organizational culture on employee commitment. As the effect of organizational culture on commitment had been reported in the organizational and management literatures. They tried to shows organizational Culture has an influence on employee organizational commitment.

Certain studies revealed a positive and significant effect of organizational culture on employee commitment. For instance, A Nigeria research conducted by Okocha and ELETU (2016) examined the effect of corporate culture on employee commitment of selected supermarkets in Port Harcourt. The instruments used for data collection were questionnaire and oral interview and 52 copies of survey instruments were analyzed. The findings revealed that corporate culture had an effect on employee commitment. Based on the finding of the study Involvement is one of the most important dimensions of organizational culture and it has great role in fulfillment of employee affective

commitment in selected supermarkets in Port Harcourt. Azadi et al. (2013) research finding depict that there is significant effect of organizational culture dimension and on employee's commitment. The study by Asghar and Sadeghi (2015) used explanatory research design and based on limited study population, total count sampling was used. The model used by them was Denison's cultural model using the four cultural dimensions i.e. Involvement, Consistency, Adaptability and Mission which is similar with this study work and the data collection instrument was also using standard questionnaire. Therefore, they concluded that all organizational culture components had an effect on employee commitment. Another study in Benue State University, Nigeria by Nongo and Ikyanyon (2012) examined the impact of four corporate cultural variables namely, involvement, consistency, adaptability and mission on employee commitment to the organization.

### Conceptual Framework

Based on the overall review of related literatures and the theoretical framework, the following conceptual framework had been developed. Therefore, in this study employee commitment had taken as dependent variable while, Organizational culture was considered as independent variable. In the independent variable organizational culture includes four dimensions such as involvement, consistency, adaptability and mission dimension of organizational culture on the other side the dimension of outcome variable includes affective commitment, continuous and normative dimensions of employee commitment. Among various models of organizational culture, Denison model of organizational culture is a base to select the four cultural dimensions emphasized under this study and would have been modified to see the effect of the four cultural dimensions on employee commitment. The conceptual framework would be shown below: -

#### Organizational Culture Dimensions

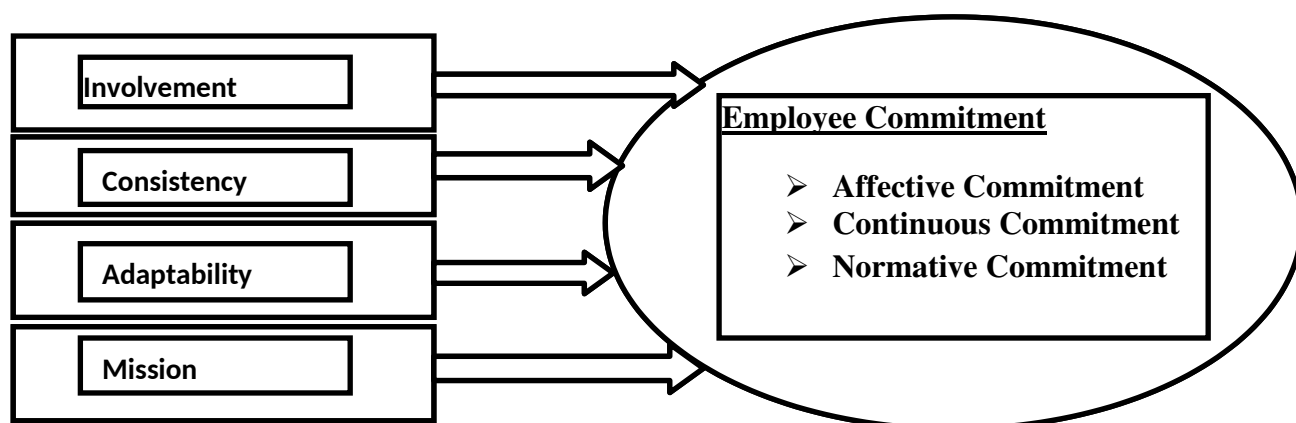


Figure 2.1 Conceptual framework

Source: Adapted from; Literature Review

### **Research Hypothesis**

Based on the literature review and the hypothesized connections presented in the conceptual framework the following hypotheses were formulated:

H1: Involvement has a positive and significant effect on employee's commitment in Commercial Bank of Ethiopia, at Gondar City branches.

H2: Consistency culture has a positive and significant effect on employee's commitment in Commercial Bank of Ethiopia, at Gondar City branches.

H3: Adaptability has a positive and significant effect on employee's commitment in Commercial Bank of Ethiopia, at Gondar City branches.

H4: Mission has a positive and significant effect on employee's commitment in Commercial Bank of Ethiopia, at Gondar City branches.

### **Research Approach**

Dawson (2002) further argued that Quantitative research generates statistics through the use of large-scale survey research, using methods such as questionnaires or structured interviews. This type of research reaches many more people, but the contact with those people is much quicker than it is in qualitative. Under this particular study, quantitative research approach was adopted because the researcher was able to collect numerical data through questionnaires which provides an immediate picture of the phenomena under studied.

### **Research Design**

The aim of this study was to examine the effect of organizational culture on employee commitment. Therefore, the study adopts explanatory type of research design because explanatory research design used to examine the relationship exists between each organizational culture dimension and employee commitment. By doing so, it helps to identify if there are any causal links between the variables of organizational culture and employee commitment and thereby answer what does seem the effect of organizational culture on employee's commitment in commercial Bank of Ethiopia. Beside this, the researcher applied quantitative research method to answer the research questions and in order to achieve objectives of the study. The rationale behind using quantitative research method was the nature of the research hypothesis and it is the most appropriate method to address the research objectives.

### **Population**

A population is the total collection of elements about which inferences are made and refers to all possible cases which are of interest for a study (Sekaran, 2008). The total population of the study was permanent employees who are currently working in

Commercial Bank of Ethiopia in Gondar city. In Gondar City there are around 22 branches of Commercial Bank of Ethiopia which contains a total of 564 professional Employee's.

### **Sampling Technique**

Sampling is defined as any procedure that draws conclusions based on measurements of a portion of the population. For this research purpose and simple random sampling technique had been employed. This method yielded equivalent proportion to ensure the representativeness of the sample to the general population as suggested by Creswell (2003). The respondents from each branch were identified using simple random sampling so that every respondent had an equal chance of being selected to participate in the study. The technique was the most appropriate in that it allowed the researcher to use statistical methods to analyze sample results.

### **Variables of the Study and Measurement**

Mainly there are two types of study variables those include dependent and independent variables. An independent variable does not depend on anything else and while dependent variable depends on something else. For this particular study organizational culture is predictor variable whereas, employee commitment was considered like outcome variable. In relation to measurement of variables, there are various instruments developed by various scholars, for this study the four cultural dimension including adaptability, involvement, consistency and mission which had been developed by Denison and Neale (2011), had been used as measurement of organizational culture. On the other hand, employee commitment was measured in terms of three dimensions which include Affective, Normative and continuance commitment which had been adopted from a measurement model of (Allen and Mayer, 1990).

### **Method of Data Analysis**

The collected data through questionnaire were coded, cleaned, and entered in to computer and presented and analyzed with the help of SPSS version 20 and Microsoft Excel. Descriptive analysis was done to check for the meaning of the data provided using percentages and summaries. Pearson Correlation analysis also was used to test for the association among the dependent variables and independent variables for the study. Thereafter, regression analysis was used to test for the effect of the independent variable of the organizational culture on the dependent variable (employee commitment).

### **Descriptive analysis of organizational culture measure and Employee commitment**

The respondents were asked to indicate their level of agreement or disagreement with different statements. The results are summarized by using the mean and standard



deviation. The mean shows the extent to which respondents averagely agree or disagree with the organizational culture statement. So, the higher the mean indicates that the majority of sample respondents agree with statements while the smaller mean indicates that the majority of the respondents disagree with different statements. According to Zaidaton and Bagheri (2009), the Mean score below 3.39 is considered as low, the mean score value from 3.40 to 3.79 is considered as moderate and the Mean score value above 3.8 is considered as high.

<b>Involvement Culture</b>	N	Minimum	Maximum	Mean	Standard deviation
<i>Empowerment</i>	222	1	5	3.84	.839
<i>Team Orientation</i>	222	1	5	3.71	.785
<i>Capability development</i>	222	1	5	4.03	.881
Grand Mean and Standard deviation				3.86	.835

**Table 4.3: Descriptive Analysis of involvement culture trait**

Source: Own Survey, computed in SPSS, 2021

From the above table majority of the respondents agreed that Capability development was considered as the first option, since it is clearly best to ensure involvement of employees, as shown by a mean of 4.03 and a standard deviation of 0.881. Empowerment of the employees show that their responses are aimed for the same goal as shown by a mean of 3.84 and a standard deviation of 0.839 and ultimately capability development also indicates in ensuring maximum degree of involvement since cultivating a culture of involvement among employees is very high as shown by a mean of 4.03 and a standard deviation of 0.881. In general capability development is higher than empowerment and team orientation, this can be an indication that the organization does not entrust capable employees with important decision making that impact their work.

**Table 4.4: Descriptive Analysis of Consistency culture trait**

<b>Consistency Culture</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Standard deviation</b>
<i>Core Values</i>	222	1	5	3.79	.841
<i>Agreement</i>	222	1	5	3.83	.583
<i>Coordination and Integration</i>	222	1	5	3.84	.799
Grand Mean and Standard deviation				3.82	.741

Source: Own Survey, computed in SPSS, 2021

The above table sought that majority of the respondents agreed that Coordination and Integration is a key trait in consistency culture and should be of paramount consideration as shown by a mean of 3.84 and a standard deviation of 0.799. Agreement between employees is also an important factor to be considered in consistency culture as shown by a mean of 3.83 and a standard deviation of 0.583 and Core Values as shown by a mean of 3.79 and a standard deviation of 0.841. Generally, when agreement is lower than core values and coordination, this tends to indicate that the organization may have good intentions, but may become unglued when conflict or differing opinions arise.

**Table 4.5: Descriptive Analysis of Adaptability culture trait**

<b>Adaptability culture</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Standard deviation</b>
<i>Creating changes</i>	222	1	5	3.64	.861
<i>Customer focus</i>	222	1	5	3.83	.795
<i>Organizational learning</i>	222	1	5	3.78	.864
Grand Mean and Standard deviation				3.75	.840

Source: Own Survey, computed in SPSS, 2021

The above table sought that most of the respondents agreed that Customer focus is a key adaptability culture trait in commercial Bank of Ethiopia at Gondar city as shown by a mean of 3.83 and a standard deviation of 0.795. Organizational Learning by the organization is also important in ensuring adaptability culture dimensions by a mean of 3.78 and a standard deviation of 3.864 and lastly Creating Change in the organization is also important that ensure new methods practiced thus resulting adaptability culture traits as shown by a mean of 3.64 and a standard deviation of 0.861. When customer focus is higher than creating change and organizational learning, this signifies that the organization may be good at meeting customer demands currently, but is unlikely to be planning for future customer requirements or leading customers to what they may want in the future.

**Table 4.6. Descriptive Analysis of mission culture trait**

<b>Mission Culture</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Standard deviation</b>
<i>Strategic Direction and Intent</i>	222	1	5	3.89	.795
<i>Goal and Objective</i>	222	1	5	3.63	.721
<i>Vision</i>	222	1	5	3.61	.722
Grand Mean and Standard deviation				3.71	0.746

Source: Own Survey, computed in SPSS, 2021

Finally the above table sought that majority of the respondents agreed that the organization's strategic intent is a major concern in ensuring the mission dimension of organizational culture by employee's as a mean of 3.89 and a standard deviation of 0.795, taking into account Goals and Objectives to be achieved by a mean of 3.63 and a standard deviation of 0.721 and utmost the management should monitor its employees so as to ensure its Vision is achieved in the long run as shown by a mean of 3.61 and a standard deviation of 0.722, When goals and objectives are higher than strategic direction, intent and vision, this often indicates that the organization is good at execution but lacks a real sense of direction, purpose or long-range planning.

**Descriptive Analysis of Employee Commitment**

In this particular section descriptive analysis of Employee Commitment was analyzed using mean score value and Standard deviations. The interpretation of the descriptive

result was based on the Mean Score value determination suggested by Zaidaton and Bagheri (2009), which is the mean score value less than 3.39 considered as low, 3.40 to 3.79 considered as moderate, and the mean score value greater than 3.8 considered as high.

**Table 4.7: Descriptive Analysis on Employees Commitment Measures**

Variables	N	Minimum	Maximum	Mean	Standard deviation
<i>Affective Commitment</i>	222	1	5	3.46	.852
<i>Continuance Commitment</i>	222	1	5	3.13	.813
<i>Normative Commitment</i>	222	1	5	3.64	0.921
Grand Mean and Standard deviation				3.41	.862

Source: Own Survey, computed in SPSS, 2021

The above table 4.3 shows that the mean score of 3.46 on the total average variables under affective commitment shows that the sample respondents moderately agreed 0.852 standard deviation which indicates that variables have variation in respondent's perception for these study questions. In addition, Mean/average value of 3.13 implies that the respondents moderately agreed on the item of continuance commitment and 0.813 standard deviation reveals that respondents were insight for the questions. Relatively the highest mean score of 3.64 on the total average variables under normative commitment than other commitment variables which indicates that the sample respondents moderately agreed on the normative commitment and 0.921 standard deviation which reveals that variables have variation in respondent's perception for these study questions in Commercial Bank of Ethiopia at Gondar city. Generally, the researcher summarizes that relatively among employee's commitment variables normative commitment had higher mean score 3.64 followed by affective commitment and continuance commitment mean score 3.46 and 3.13 respectively which implies that the employee continues to work in the bank because they feel a sense of moral obligation to remain. The total grand mean value 3.41 and standard deviation 0.862 of employee commitment reveals that respondents were moderately agree and variables have variation in respondent's perception for these study questions respectively.

**Table 4.8. Descriptive statistics for Mean Scores and standard deviation of organizational Culture dimensions and Employee Commitment**

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Involvement	222	1	5	3.86	.835
Consistency	222	2	5	3.82	.741
Adaptability	222	1	5	3.75	.840
Mission	222	2	5	3.71	.746
Commitment	222	1	5	3.41	0.862

Source; Own Survey computed in SPSS, (2021)

As it can be seen the findings on Table 4.9 above descriptive analysis shows the total means and standard deviation of each organizational culture dimension and employee commitment. The comparison of the four organizational culture traits helps the researcher to determine the existing dominant culture type of the Commercial bank of Ethiopia. The organizational culture trait Involvement, had a total mean of 3.86 with a standard deviation of 0.835, Consistency culture trait had a total mean of 3.82 with a standard deviation of 0.741, Adaptability culture trait had a total mean of 3.75 with a standard deviation of 0.840, and finally Mission culture trait had a total mean of 3.71 with a standard deviation of 0.746. The greater mean value of involvement type culture trait indicates that the majority of respondents perceived the existing organizational culture and understands the empowerment, team orientation, and capability development of Commercial Bank of Ethiopia. Therefore, the greater total mean score reveals that involvement culture trait is the existing dominant cultural type practiced in Commercial Bank of Ethiopia at Gondar city.

**Association between organizational Culture Dimensions and Employee’s commitment**

The correlation analysis was conducted to know the relationship between organizational culture and employee commitment in CBE in Gondar City branches. Correlation analysis had been undertaken here to know there lationship between organizational culture and employee commitment. The researcher used Pearson correlation analysis to find out whether dependent variables of employee’s commitment is correlated with each independent variable including involvement, consistency adaptability, and mission, or not. Correlation analysis is a technique used to indicate the relationship of one variable to another and can be considered as a standardized

covariance that shows the extent to which a change in one variable corresponds systematically to a change in another (Zikmund, Carr, & Griffin, 2013). This study was employed correlation analysis, which investigates the strength of the relationships between organizational culture dimensions (involvement, consistency, adaptability and mission) and employee commitment. The strength of the relationship between the variables is obtained through correlation coefficient,  $r$ . The value of correlation coefficient,  $r$  normally varies between -1.0 to 1.0. The coefficient ( $r$ ) revealed the magnitude and direction of relationships. The sign indicates whether there is a positive correlation (as one variable increase, the other also show increment) or negative correlation (as one variable increase, the other decrease) and it also shows the intensity of the relationship. Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, DeMatteo, & Festinger, 2005).

**Table 4.9. The Correlations between Dimension of Organizational Culture and Employee Commitment**

		Involvement	Employee commitment
Involvement culture	Pearson correlation	1	.735**
	Sig.(2-tailed)		.000
	N	222	222
		Consistency	Employee commitment
Consistency culture	Pearson correlation	1	.762**
	Sig.(2-tailed)		.000
	N	222	222
		Adaptability	Employee commitment
Adaptability culture	Pearson correlation	1	.682**
	Sig.(2-tailed)		.000
	N	222	222
		Mission	Employee commitment

Mission culture	Pearson correlation	1	.643**
	Sig.(2-tailed)		.00
	N	222	222

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

Source: Own survey computed in SPSS, (2021)

To determine the relationship between the four cultural dimensions(i.e. involvement, consistency, adaptability and mission) and employee commitment, Pearson correlation was computed Table 4.9, presents the results of Pearson correlation matrix on the relationship between the organizational culture dimensions (i.e. involvement, consistency, adaptability and mission) and employee commitment. According to Cramer (2003)Strength of relationship was  $r=0.10$  to  $0.29$  is weak relationship;  $r = 0.30$  to  $0.49$  is medium correlation and  $r = 0.50$  to  $1.0$  is strong relationship among variables. If there is too much correlation, value greater than  $0.9$ , this means absolute correlation and significant less than  $0.05$  is significant and above  $0.05$  values is insignificant. As Cramer, Pearson’s correlation is the ratio of the variance shared by two variables. These results were presented in table 4.9 Above.

**Table 4.14: Regression coefficients**

Coefficients <sup>a</sup>						
Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.489	.121		3.613	.000
	Involvement	.160	.167	.176	0.836	.015
	Consistency	.213	.215	.217	2.569	.000
	Adaptability	.162	.063	.174	0.343	.001
	Mission	.156	.163	.172	2.753	.003

a. Dependent Variable: Employee Commitment

Source: Own Survey, computed in SPSS, 2021

The standardized coefficients are useful to know which of the different independent variables was more important. They are used to know of effect of any independent variable on the dependent variable. Hence, the strength of each independent (predictor) variable influence on the criterion (dependent) variable can be inquired by standardized Beta coefficient. Thus, as indicated in coefficients table (table 4.14) above, Consistency is the most contributing organizational culture traits in the prediction of employee commitment with beta value of (B=.217) followed by involvement (B=.176) adaptability (B=.174) and mission (B=.174) that the variables are making significant to the prediction of employee commitment. As it can be seen from the regression coefficient table, all the four selected organizational culture dimensions including involvement, consistency, adaptability and mission had statistically significant effect on employee commitment at 95% confidence level, since their p-values are .015, 0.000, 0.001, and.003 respectively and the significance level was less than 0.05 ( $p < 0.05$ ). In general, consistency is the most significant independent variable which had significant effect on employee's commitment with p-value of 0.00

**Summary of hypotheses testing**

Table 4.15: Table Summary of hypotheses

No	Hypotheses	Tests	Result	Implication
H <sub>1</sub>	Involvement has positive and significant effect on employee's commitment.	<i>Standardized Coefficients (<math>\beta = 0.176</math>, <math>p = 0.015</math>), <math>P &lt; 0.05</math></i>	Accept the Alternative hypothesis	This shows that involvement had significant effect on employee's commitment in Commercial Bank of Ethiopia at Gondar City.
H <sub>2</sub>	Consistency has positive and significant effect on employee's commitment	<i>Standardized Coefficient (<math>\beta = 0.217</math>, <math>p = 0.000</math>), <math>P &gt; 0.05</math></i>	Accept the Alternative hypothesis	This implies that consistency had significant effect on employee's commitment in Commercial Bank of Ethiopia at Gondar City.



H <sub>3</sub>	Adaptability has a positive and significant effect on employee's commitment.	<i>Standardized Coefficient</i> ( $\beta = 0.174, p = 0.001$ ), $P < 0.05$	Accept the alternative hypothesis	This confirms that adaptability had significant effect on employee's commitment in Commercial Bank of Ethiopia at Gondar City.
H <sub>4</sub>	Mission has appositive and significant effect on employees' commitment.	<i>Standardized Coefficient</i> ( $\beta = 0.172, p = 0.003$ ), $P < 0.05$	Accept the alternative Hypothesis	This indicates that mission had significant effect on employee's commitment in Commercial Bank of Ethiopia at Gondar City.

### Conclusions

The main objective of the study was to examine the effect of organizational culture on employee commitment in Commercial Bank of Ethiopia. Based on the above finding concluded that consistency is the most significant independent variable which has an effect on employee commitment. If there is a consistent set of values, clear agreement, coordination and integration among employees, they become more committed to the Commercial bank of Ethiopia. When employees internalize and identify the core values, ways of reaching a consensus even on conflicting issues and coordination and integration, it significantly contributes to employee commitment in the bank.

Adaptability is the second predictor of employee commitment and has significant effect on employee's commitment. Therefore, the researcher can conclude that the more the organization learn to changing circumstances, customer focus and promoting organizational learning, the more employees were committed to the company. Consequently, employees believe that the organization ability to respond to internal customers has an effect on their commitment. Furthermore, organizations capacity to restructure a set of behaviors, ability to perceive and respond to the external environment enhances employee's commitment.

Involvement Culture traits can also have important effect employee's commitment concludes that directors, 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 inputs into decisions that will affect their work and that their work is directly linked to the goals of the organization. When capability development is higher than empowerment, this can be a sign that the organization does not assign capable employees with important decision making that influence their work.

Mission Culture traits had significant contribution to employee commitment. This indicates that the degree to which employee's know and share the purpose, the goals and the vision of their organization (Mission) which tells that as the employee's understand the mission, their commitment increases. The researcher concluded that when an organization underlying mission changes, changes also occur in other aspects of the organizations culture. Generally, on the basis of the findings of this study, the researcher concluded that the organizational culture could have positive significant effect in improving the level of employee's Commitment. Generally, the above clearly stated conclusions of the entire study confirmed that all selected organizational culture variables (involvement, consistency, adaptability and mission) have positive significant effect on employee commitment in the Commercial Bank of Ethiopia at Gondar city branches.

### **Recommendations**

Depending on the findings of the study and conclusions that had been stated above, the researcher came up with some important recommendations which would help the organization to focus on organizational culture that can largely contribute to the improvement level of employee commitment. Since consistency culture has a dominant contribution towards employee commitment, Commercial Bank of Ethiopia is advised to maintain its consistency culture through developing the key management tools like; implementation of corporate governance, company policies and procedures, managing risk and compliance, developing internal audit guideline, developing company's code of conduct to bring consistent work practices for all the functions of its departments so that all work together contribute well to achieve common goals. Commercial Bank of Ethiopia should also maintain the consistency, so that employees can understand the shared system of values in their organization and are able to act in expectable way and in planned way even when facing difficult condition.

The bank should observe the all the four dimensions of organizational culture and should check whether the cultures they have consistent approach to doing business are making their employee's more committed or not. This is especially important for business organizations like Commercial Bank of Ethiopia. Commercial Bank of Ethiopia should give priority to all selected organizational culture traits i.e. involvement, consistency, adaptability and mission which had significant effect on employee Commitment.

### Future Research Directions

This particular study was conducted in Commercial Bank of Ethiopia at Gondar city branch. Future researchers should also make their researches in different banking institutions and other related sectors by increasing the sample size and diversify organization types in order to broaden empirical evidences in the area. Future researchers can also apply various types of organizational culture models formulated by different authors other than the Denison model; therefore, their perspectives regarding organizational culture will be widened. This study delimited to investigating the effect of organizational culture on employee Commitment

The culture of an organization may affect other aspects of the organization like, job satisfaction, job evaluation, and others. So, the researcher recommended future studies focus on these areas. The current study focused only on the quantitative measure, so future approach should also include a qualitative inquiry for a better understanding of the issue under study. Future researchers can also apply various types of organizational culture models formulated by different authors other than the Denison model; therefore, their perspectives regarding organizational culture will be widened.

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