

# The Impact of Organizational Culture Practices on Organizational Performance: Evidence from Commercial Bank of Ethiopia, Gondar City Branches

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## Article

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# Abstract

Despite these efforts, the Commercial Bank of Ethiopia (CBE) is still experiencing a number of problems such as employee attrition and low level of organizational commitment that have been linked to cultural gaps, which negatively impact on the performance of the institution. The study aims at exploring the overall effect of the seven dimensions of organizational culture as proposed by Robbins and Judge on organizational performance in CBE Gondar city branches. The type of the research was quantitative using the descriptive and explanatory designs. A total population of 511 were targeted and 225 were selected by simple random sampling using Yamane's formula from the 23 branches and one district office. The data were gathered using a structured self-questionnaire which was closed-ended, with a Likert scale that has been developed, and tested for reliability and content validity. Descriptive statistics, Pearson correlation, and multiple linear regression using SPSS version 26 were used for data analysis. Innovation and Risk-Taking, Attention to Detail, Outcome Orientation, People Orientation, Team Orientation, Aggressiveness and Stability were all positively and statistically significantly related to organizational performance. The full model explained 82.4% of the variance in organizational performance (Adjusted  $R^2 = 0.818$ ;  $F(7,192) = 128.505$ ;  $p < 0.001$ ). Attention to Detail was the best single predictor ( $\beta = 0.331$ ), followed by Outcome Orientation ( $\beta = 0.310$ ) and People Orientation ( $\beta = 0.216$ ). All the assumptions of the Classical Linear Regression Model were satisfactorily tested. The seven cultural dimensions should be developed in an organization to improve performance. Attention to Detail and Outcome Orientation are the two most influential and should get the most strategic attention. Recommendations for management are to create quality programs concentrating on precision, to institute a performance management system based on the Balanced Scorecard and on outcomes, and to invest in employee development and in participatory decision making. Future research should use mixed methods and longitudinal designs, and consider mediating and moderating variables like leadership and employee engagement.

## 1. Introduction

Organizations today face a fast-changing technology landscape, intensifying global competition, and shifting stakeholder priorities and expectations, which require them to constantly realign their strategies, structures and internal cultures so they can maintain competitive advantages [1]. Organizational culture is one of the numerous internal factors that influence Long Term Organizational Effectiveness, and is a factor that has been studied over and over by scholars as one of the key influences of employees' behavior, the quality of their decisions and performance of the organization [2, 3, 4]. Culture influences the meaning and action of employees of the organization in the workplace and, when managed well, serves as an invisible but powerful tool that helps to coordinate action and maintain performance in multiple work contexts [6].

Founded as a share company in 1963, the Commercial Bank of Ethiopia (CBE) is the main financial institution in the country, with more than 1,824 banks and 70,000 employees serving more than 35 million account holders in 2022. This central role of CBE in the financial architecture of Ethiopia also

brings significant contribution to mobilizing national economy and allocation of the credit. Despite its size and historical power, CBE is facing substantial internal issues. In recent years, employee turnover to private and foreign-owned banks has been increasing, partly due to the lack of recognition, career development, and organizational fairness culture perceptions. Some employee groups have recorded reduced organizational commitment and this has been correlated with cultural gap defined as lacking the shared values and behavioral norms that underlie high-performance organizations [5]. These are not only HR challenges, but are related to the quality of customer service, innovation capability and long-term institutional effectiveness.

The impact of organizational culture on performance is thus an important theory and practice for CBE. The theoretical underpinning for this research is based on the seven dimensions of organizational culture identified by Robbins and Judge [6] that are Innovation and Risk-Taking, Attention to Detail, Outcome Orientation, People Orientation, Team Orientation, Aggressiveness and Stability. This is a framework that has been well established in organizational behavior research and applied in a variety of institutional settings worldwide. However, its application to a large public-sector bank located in Sub Saharan Africa seems under investigated. Previous research in Ethiopia has focused on less than the seven dimensions [5, 7] and on measuring cultural states without providing direct empirical connections to outcomes of performance [8]. The study has examined all the seven Robbins dimensions in a single attempt for the first time in the Ethiopian banking sector, by employing a rigorous regression analysis.

In this study, the seven cultural dimensions have been investigated in the context of the operation of CBE Gondar city branches, where all of these are represented, which is a typical situation of the Ethiopian public banks undergoing digital transformation and competition. The study also makes a contribution to the organizational culture–performance literature, as the first comprehensive seven dimension empirical test conducted in an African public banking environment, giving actionable results for CBE's strategic management.

## 1.1. Literature Review

### **Organizational Culture: Understanding the Conceptual Foundations.**

Organizational culture is the most widely accepted definition as the shared assumptions, values, beliefs, and norms of behavior that members of an organization have developed over time, and that set it apart from other organizations [9]. Schein [34] defined three types of culture artifacts (visible structures and processes), espoused values (strategies and goals) and underlying assumptions (unconscious beliefs) as a popular framework for understanding the nature and mechanism of culture, which is not visible to human senses. Empirically Kotter and Heskett [3] showed that there is a 10-year time lag prior to significant positive financial performance. They found that strong organizational cultures, those in which there is alignment, consistency and adaptability, significantly outperform weaker cultures or misaligned cultures in terms of long-term financial performance. Cameron and Quinn [10] expanded on this idea by demonstrating that there is a different performance profile for each cultural type (clan, adhocracy,

market, hierarchy) and that culture focusing on innovation, adaptability, and human development, are more likely to produce better results in volatile environments.

Hellriegel and Slocum [11] also showed that cultural fit – with the internal party (employee) and the external party (customer and regulators) – is essential to the long-term success of any service-oriented organization. These core contributions coalesce around a key proposition: organizational culture is not a descriptive attribute, but an asset of deliberate and strategic management that can influence and drive performance pathways.

### **Utilizing Cultural Dimensions in the context of Organizational Performance**

**Innovation and Risk-Taking.** In recent years, there has been a consistent association between organization culture and growth rate, product innovation, and financial performance [12, 13] that have been linked with cultures that are creative, experimental, and tolerant of ambiguity. Hofstede [12] recognized uncertainty avoidance as a crucial cultural dimension both at national and institutional levels between high-innovation and low-innovation organizations. In the financial sector, in particular, the innovation culture has been linked to the use of new financial technologies, service diversification and customer acquisition [7]. An employee who feels that their organization is encouraging risk taking will be more likely to advocate process changes and be proactive in service behaviors, all of which will increase the competitive advantage of the institution.

**Attention to Detail.** Attention to Detail culture is defined as the extent to which workers are expected to demonstrate precision, analytical rigor and thoroughness in performing their duties [6]. It has been proven by Detert et al. [14] that precision-oriented cultures can lower operational error rates and enhance the quality of the service, especially in businesses where process precision has financial and reputational consequences. A similar finding was reported by Marcoulides and Heck [28] who associated cultures with thoroughness with higher organizational effectiveness for a number of performance measures. In Banking, where accuracy of transactions, regulatory compliance, and integrity of financial reporting are critical, Attention to Detail is likely the most important cultural dimension: consistent with its appearance as the strongest predictor in this study.

**Outcome Orientation.** Outcome Orientation refers to the degree of emphasis placed on results and performance, not on techniques and processes to get results [6]. The GLOBE study [15] shows that societies and organizations that perform well have more effective leadership systems and better economic performance, which is a closely related construct. Judge et al. [29] also showed that goal-oriented organizational contexts enhance individual work performance and organizational level accountability systems. Goal structures have the potential to enhance organizational performance by helping employees direct daily actions toward strategic goals, minimizing goal ambiguity, and facilitating the decisions about how resources are used.

**People Orientation.** The extent to which management decisions consider the impact on organizational members is called People Orientation [6]. In other words, a firm's commitment to investing in employees'

development, wellbeing, and voice leads to a long-term competitive advantage, as demonstrated in a compelling argument by Pfeffer [30]. Wright et al. [31] extended this to a resource based view, which shows that the human capital can be a source of sustainable competitive advantage just because it is hard to replicate. The CBE's commitment to the concept of People Orientation is relevant in Ethiopia's banking environment where employee attrition has been a major problem for the bank to maintain service quality and retain skilled workforce.

**Team Orientation.** Team Orientation measures how team-oriented the work activities are, as opposed to being individual-oriented [6]. Salas et al. [32] showed that a well-designed team structure positively impacts collective problem-solving, knowledge sharing, and innovation results. Wang and Hsieh [33] also identified that team-oriented cultures lead to trust and engagement through their positive relationship to performance. A geographically dispersed institution such as CBE with branches in 23 different locations in the city of Gondar benefits from the team-based work design, which aids in coordination, uniformity in service provision and the establishment of learning communities for responding to customer needs.

**Aggressiveness.** In the approach of Robbins and Judge [6] “aggressiveness” is the degree to which organizational members are competitive and aggressive or cooperative and easy-going. In the study conducted by Taras et al. [19] it was revealed that the performance effect of assertiveness is context specific and is moderated by the national cultural norms, industry type and management practices. Similarly, House et al. [15] pointed out that assertiveness cultures can foster individual success and competitiveness in the marketplace, but can also cause interpersonal conflict if not handled properly. The nuance is reflected by the CBE, where Aggressiveness ( $\beta = 0.092$ ) exerts a moderate but positive impact: while a competitive mind-set can motivate staff and make them more responsive to the market, it can also create counter-productive internal competition, which is why this impact is considered moderate.

**Stability.** Stability refers to how much organizational tasks focus on maintaining the status quo, being predictable, and providing security [6]. Cameron and Quinn [10] found that stability-oriented cultures were positively correlated with organizational effectiveness, especially in regulated and risk-sensitive settings, while Denison and Mishra [13] discovered a similar positive relationship between stability-oriented culture and organizational effectiveness in regulated and risk-sensitive organizations. In large financial institutions with central bank oversight, procedural uniformity and operational stability become vital to regulatory compliance, risk management and employee gains of trust. Internal stability gives organizations identity and continuity in times of external disruption, especially when a digital transformation is underway in the banking sector, as is happening in Ethiopia.

## Research Gaps

The findings from the previous studies conducted in Ethiopia are insightful and useful in describing the organizational culture of certain institutions, yet there are certain areas that warrant exploration. Yemisrach [8] examined organizational culture at CBE, but failed to make any direct links between it and performance outcomes. Fikremariam [5] explored cultural dimensions at CBE Debre Birhan branches,

which tested less than all the seven Robbins dimensions and identified three. Alemu and Kassahun [7] did not consider manufacturing companies but financial institutions. None of these studies used all seven dimensions of Robbins in a multi-branch banking setting as predictors of organizational performance with multiple regression. The present study fills this gap directly and is based on a comprehensive multi-dimensional empirical test with high explanatory power (Adjusted  $R^2 = 0.818$ ) and in a little-studied institutional context.

## **1.2. Research Objectives and Hypotheses**

This research aims to explore the effects of organizational culture practices on organizational performance in Commercial Bank of Ethiopia, Gondar city branches in general. The specific objectives are: (1) To describe the situation of the organizational culture practice and the situation of organizational performance at CBE Gondar; and (2) To investigate the individual and joint effect of all seven dimensions of organizational culture on organizational performance.

The following alternative hypotheses were drawn up on the basis of the theoretical and empirical literature:

The result shows that all the seven organizational culture dimensions Innovation and Risk-Taking ( $Ha_1$ ), Attention to Detail ( $Ha_2$ ), Outcome Orientation ( $Ha_3$ ), People Orientation ( $Ha_4$ ), Team Orientation ( $Ha_5$ ), Aggressiveness ( $Ha_6$ ), and Stability ( $Ha_7$ ) have statistically significant positive effect on organizational performance at CBE Gondar city branches.

## **2. Materials and Methods**

### **2.1. Research Design and Approach**

The method of research in this study was quantitative research that used descriptive and explanatory research design [20]. Descriptive design was used to describe the current practice of organizational culture and performance level of the CBE Gondar branches using frequencies, means and standard deviations. To explore the causal relationships among the seven cultural dimensions (independent variables) and organizational performance (dependent variable) inferential analysis was used to investigate them. The quantitative approach was chosen because it allows their findings to be generalizable and is used to test directional hypotheses using standard, validated instruments [21]. This is in line with the positivist epistemological tradition of organizational performance research that allows for the rigorous statistical testing of the proposed theoretical relations.

### **2.2. Population, Sampling, and Procedure**

This target population consisted of all 511 professional employees (persons with first degree or above) who were located in CBE's Gondar city district office and 23 CBE branch offices. The study population was professional employees because they are directly involved in the strategic and operational decision making processes, where their cultural perceptions are relevant to outcomes of performance. The

sampling frame was developed based on official employee listing from CBE's Gondar district human resources office.

The sample size was calculated based on Yamane's (1967) finite population formula:

$$n = N / [1 + N(e)^2] = 511 / [1 + 511(0.05)^2] \approx 225$$

where  $N = 511$  (total population) and  $e = 0.05$  (margin of error at 95% confidence level). The employees were sampled by simple random sampling technique, which gave an equal and independent selection probability to every member of the population, and a sample size of 225 employees was drawn [22]. This was suitable for the relatively uniform professional characteristics of the population and the fact that the sampling frame was complete. Sampled employees were contacted in all branch locations to fill out questionnaires. In total, 225 questionnaires were sent out, with a response rate of 200 (88.88%) which is well above the 60% threshold which is generally regarded as acceptable in organizational research studies [27].

## 2.3. Measurement Instrument

A structured self-administered questionnaire has been designed and adapted from O'Reilly, Chatman and Caldwell [23] and Denison and Mishra [13] to collect primary data. The questionnaire had two sections. The 7 independent variables – organizational culture dimensions – were measured by 35 items, each with a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), in Part I. The items were selected from the cited and validated instruments in the organizational behavior literature and contextualized based on the banking environment in Ethiopia after expert review. The items were selected from the cited and validated instruments in the organizational behavior literature and contextualized after the expert review in the Ethiopian banking environment.

The dependent variable was organizational performance as measured using 19 items that fit the framework of the Balanced Scorecard (BSC) [24] and included four performance areas: financial performance (revenue growth, cost efficiency, profitability), customer performance (customer satisfaction, customer retention, service quality), internal process performance (operational efficiency, process innovation, compliance), and learning and innovation performance (employee development, knowledge management, organizational learning). The BSC was chosen as the performance measurement system because it allows the simultaneous assessment of the organization's performance in various non-financial and financial areas, provides a balance of lagging and leading indicators and can be applied to the private and public sectors, both in the formal and informal sectors [1, 24]. A five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) was used for all performance items.

## 2.4. Reliability and Validity

Content validation involving two experienced academics in organizational behavior and one district management official in CBE, was used with the initial questionnaire to evaluate the relevance, clarity and

representativeness of the items. Ambiguities or items that would not fit were revised before the pilot-test.

After the pilot test with 20 randomly selected employees, instrument reliability was tested using Cronbach's alpha coefficient. In the case of the variables presented in Table 1, all Cronbach's alpha values were found to be higher than the generally accepted level of 0.70 [25] indicating good internal consistency within all scales. Ranges of values were from 0.719 (Attention to Detail) to 0.860 (Stability), implying a consistent and coherent measurement of each underlying construct.

Table 1  
Reliability statistics for measurement instruments.

| Variable                   | Cronbach's Alpha | No. of Items |
|----------------------------|------------------|--------------|
| Innovation and Risk-Taking | 0.727            | 5            |
| Attention to Detail        | 0.719            | 5            |
| Outcome Orientation        | 0.768            | 5            |
| People Orientation         | 0.770            | 5            |
| Team Orientation           | 0.780            | 5            |
| Aggressiveness             | 0.740            | 5            |
| Stability                  | 0.860            | 5            |
| Organizational Performance | 0.830            | 19           |

## 2.5. Data Analysis

IBM SPSS Statistics 26 was used to enter, clean, and analyze data. The analysis was done in three phases. Descriptive statistics such as minimum and maximum values, means and standard deviations were calculated for all the research variables to describe the distribution of the sample and to determine the level of the performance in terms of the cutpoint framework of Pihie and Akmaliah [26] which is Low (< 3.40), Medium (3.40–3.79), and High (> 3.79). Second, a Pearson correlation analysis was conducted to examine the bivariate relationships among the seven culture dimensions and organizational performance and inter-predictor correlation for multicollinearity assessment. Thirdly, multiple linear regression analysis was performed to explain the simultaneous predictive power of all seven cultural dimensions on organizational performance model:

$$OP = \beta_0 + \beta_1 IRT + \beta_2 ATD + \beta_3 OO + \beta_4 PO + \beta_5 TO + \beta_6 AGG + \beta_7 ST + \varepsilon$$

where OP is Organizational Performance, IRT is Innovation and Risk-Taking, ATD is Attention to Detail, OO is Outcome Orientation, PO is People Orientation, TO is Team Orientation, AGG is Aggressiveness, ST is Stability and  $\beta_0$  is the constant and  $\varepsilon$  is the stochastic error term.

Before interpreting the results of the CLRM, six assumptions of the Classical Linear Regression Model were systematically checked: 1) constant error; 2) normality of the residuals (histogram); 3) linearity of the regression (normal P-P plot); 4) homoscedasticity of the residuals (scatterplot of the standardized residuals); 5) independence of errors (Durbin-Watson statistic); and 6) lack of multicollinearity (Variance Inflation Factor –  $VIF < 10$ ).

## 2.6. Ethical Considerations

The study was reviewed and approved by the Institutional Review Board (IRB) of the Department of Accounting and Finance, College of Business and Economics, Debark University (IRB Protocol No. DKU/CBEAF/IRB/6/17/2026 approved on 17th June 2026). All research methods were done following the Declaration of Helsinki and the ethical guidelines of Debark University. All subjects were thoroughly briefed on the nature of the study, their right not to participate and the confidentiality of the responses given. There was no coercion or incentive to participate among the participants. All data gathered was anonymised as it was collected and was only used for the specific academic research purpose. Data files were kept securely and will be destroyed at the end of the study period as indicated by the IRB.

## 3. Results

### 3.1. Respondent Profile

A total of 200 questionnaires were collected (88.88%) from the 225 questionnaires sent out. Most of the sample consisted of males (69.5%) and females (30.5%). The largest age group was 26–35 years (55.0%), followed by 36–45 years (27.0%) and below 26 years (12.5%). When it comes to work experience, 50.5% had over five years, 30.5% had between 3–5 years, and 19.0% had less than 3 years. The majority of the participants had a bachelor's degree (75.0%) and a quarter had a postgraduate qualification (25.0%). As for marital status, 59.0% married and 41.0% single. 56.0% of the respondents reported their income in the range of ETB 10,001–20,000 per month. The profile of these employees, drawn from middle-size Ethiopian commercial bank branches, is a typical profile of the professional bank staff.

### 3.2. Descriptive Statistics

Descriptive statistics for all the research variables are shown in the Table 2. For the Innovation and Risk-Taking, the highest mean rating ( $M = 4.12$ ,  $SD = 0.465$ ) was high, which implies that CBE employees feel high encouragement for innovative activities and tolerance for well thought-out risks. The results for People Orientation ( $M = 3.76$ ,  $SD = 0.374$ ), Team Orientation ( $M = 3.42$ ,  $SD = 0.510$ ), and Aggressiveness ( $M = 3.43$ ,  $SD = 0.512$ ) were all of medium to moderate level, indicating moderate endorsement of employee centered management, collaborative work structures, and competitive drive respectively. The areas of Attention to Detail ( $M = 3.39$ ,  $SD = 0.347$ ), Outcome Orientation ( $M = 3.37$ ,  $SD = 0.435$ ) and Stability ( $M = 3.34$ ,  $SD = 0.422$ ) were rated low, indicating strategic opportunities for enhancing precision-oriented work practices, goal alignment systems and operational consistency. The overall organizational

performance was rated in the medium range ( $M = 3.53$ ,  $SD = 0.322$ ), signifying moderate effectiveness in the four perspectives of BSC. It is especially notable that the attentional skills of Attention to Detail, Outcome Orientation, and Stability include two of the top three regression predictors, and that these ratings were low. The ratings for targeted cultural interventions in these areas could have disproportionate positive outcomes.

Table 2  
Descriptive statistics of research variables (N = 200).

| Variable                   | Min  | Max  | Mean   | Std. Deviation |
|----------------------------|------|------|--------|----------------|
| Innovation and Risk-Taking | 2.60 | 5.00 | 4.1150 | 0.4648         |
| Attention to Detail        | 2.20 | 4.20 | 3.3900 | 0.3466         |
| Outcome Orientation        | 2.20 | 4.40 | 3.3700 | 0.4346         |
| People Orientation         | 3.00 | 4.80 | 3.7590 | 0.3737         |
| Team Orientation           | 2.20 | 4.20 | 3.4180 | 0.5101         |
| Aggressiveness             | 2.20 | 4.60 | 3.4300 | 0.5115         |
| Stability                  | 2.20 | 4.20 | 3.3410 | 0.4224         |
| Organizational Performance | 2.84 | 4.21 | 3.5295 | 0.3220         |

### 3.3. Correlation Analysis

The Pearson correlation among all the study variables is presented in Table 3. Based on Sekaran and Bougie's classification (weak: 0.10–0.29; moderate: 0.30–0.49; strong: 0.50–1.00), all the variables, namely Team Orientation ( $r = 0.663$ ), Attention to Detail ( $r = 0.654$ ), Outcome Orientation ( $r = 0.641$ ), People Orientation ( $r = 0.600$ ), and Innovation and Risk-Taking ( $r = 0.554$ ) had strong positive correlation with Organizational Performance ( $p < 0.01$ ). There was a moderate positive correlation between Stability and the other two variables ( $r = 0.420$ ,  $p < 0.01$ ;  $r = 0.267$ ,  $p < 0.01$ , respectively), as well as a weak + statistically significant correlation between Aggressiveness and the other two variables. The seven alternative hypotheses were supported by all bivariate correlations between the cultural dimensions and the organizational performance, suggesting that all seven alternative hypotheses could be accepted as being empirically supported and thus warranted the subsequent regression analysis.

Inter-predictor correlations were low to moderate ( $r$  from 0.001 to 0.468) and did not exceed a traditional limit of 0.80 that would suggest problematic multicollinearity. This first inspection was confirmed by the regression diagnostics performed on the VIF.

Table 3

Pearson correlation matrix (N = 200). \*\* p < 0.01; \* p < 0.05. IRT = Innovation and Risk-Taking; ATD = Attention to Detail; OO = Outcome Orientation; PO = People Orientation; TO = Team Orientation; AGG = Aggressiveness; ST = Stability; OP = Organizational Performance.

| Variable | IRT     | ATD     | OO      | PO      | TO      | AGG   | ST | OP      |
|----------|---------|---------|---------|---------|---------|-------|----|---------|
| IRT      | 1       |         |         |         |         |       |    | 0.554** |
| ATD      | 0.329** | 1       |         |         |         |       |    | 0.654** |
| OO       | 0.408** | 0.248** | 1       |         |         |       |    | 0.641** |
| PO       | 0.306** | 0.369** | 0.272** | 1       |         |       |    | 0.600** |
| TO       | 0.338** | 0.387** | 0.468** | 0.438** | 1       |       |    | 0.663** |
| AGG      | 0.065   | 0.204** | 0.161*  | 0.122   | 0.107   | 1     |    | 0.267** |
| ST       | 0.254** | 0.224** | 0.210** | 0.359** | 0.387** | 0.001 | 1  | 0.420** |

### 3.4. CLRM Assumption Tests

Prior to interpreting the results of the regression, all six of the CLRM assumptions were systematically checked. A histogram of the standardized residuals revealed approximately zero centered, bell-shaped, and symmetric distribution, indicating that the error terms were approximately normally distributed, thus the normality assumption was met. The normal probability–probability (P-P) plot was used to test the linearity assumption, where the observed residuals were distributed closely to the diagonal reference line and had no systematic deviation, supporting the linearity assumption between the predictors and dependent variable.

The scatter plot of the standardized predicted values and residuals was used to test for homoscedasticity, and showed no funnel or curvature in the plot, indicating that the variance of the residuals was equal over the range of fitted values. The Durbin-Watson statistic (DW = 1.796), which is in the conventionally acceptable range of 1.50–2.50, is close to the ideal value of 2.0 and showed no problematic autocorrelation.

Variance Inflation Factors (VIF) were calculated for each of the seven predictors to check for multicollinearity. All the VIF values were well below the conservative cutoff value of 5.0 and liberal cutoff value of 10.0 [27] with values varying from 1.067 (Aggressiveness) to 1.649 (Team Orientation). Tolerance values (1/VIF) also suggested that there was no linear dependence between predictors. Lastly, a constant term ( $\beta_0 = -0.282$ ) was added to the model to meet the assumption of zero mean error. All the CLRM assumptions are successfully verified, and as such, the ordinary least-squares estimates are the Best Linear Unbiased Estimators (BLUE) and the regression results are statistically valid and meaningful.

### 3.5. Multiple Regression Results

### 3.5.1. Model Fit

The model summary is provided below in Table 4. The regression model resulted in  $R = 0.908$ , which means there is a very strong linear relationship between the seven cultural dimensions as a whole and the organizational performance. The  $R^2$  (coefficient of determination) value is 0.824, which signifies that 82.4% of the variance in organizational performance is shared by the seven predictors. Adjusted  $R^2 = 0.818$  is the reflection of number of predictors and sample size which indicates that the adjusted model does not overfit and still has good explanatory power. The standard error of the estimate (0.137) is high, given the mean of the dependent variable ( $M = 3.53$ ), demonstrating good prediction accuracy. The results of the ANOVA with the overall model as a dependent variable also confirmed overall model significance:  $F(7, 192) = 128.505$ ,  $p < 0.001$ , which means the joint predictive contribution of the seven cultural dimensions is highly unlikely to be due to chance, or sampling error.

Table 4  
Model summary.

| Model | R     | R Square | Adjusted R Square | Std. Error | Durbin-Watson |
|-------|-------|----------|-------------------|------------|---------------|
| 1     | 0.908 | 0.824    | 0.818             | 0.137      | 1.796         |

Table 5  
ANOVA results.

| Regression | Sum of Squares | df       | Mean Square  | F              | Sig.        |
|------------|----------------|----------|--------------|----------------|-------------|
|            | <b>17.001</b>  | <b>7</b> | <b>2.429</b> | <b>128.505</b> | <b>.000</b> |
| Residual   | 3.629          | 192      | 0.019        |                |             |
| Total      | 20.630         | 199      |              |                |             |

### 3.5.2. Regression Coefficients

Table 6 shows the unstandardized ( $B$ ) and standardized ( $\beta$ ) regression coefficients along with their standard errors ( $SE$ ) and  $t$ -statistics, significance values, and VIF values for all predictors. All seven cultural dimensions were statistically significant in predicting an organization's performance, supporting hypotheses  $Ha_1$  through  $Ha_7$ .

The strongest individual predictor was Attention to Detail ( $\beta = 0.331$ ,  $B = 0.308$ ,  $t = 9.474$ ,  $p < 0.001$ ), meaning that, with all other predictors held constant, a one SD increase in Attention to Detail culture corresponds to an increase of 0.331 SD in organizational performance. Outcome Orientation ranked second ( $\beta = 0.310$ ,  $B = 0.230$ ,  $t = 8.569$ ,  $p < 0.001$ ), followed by People Orientation ( $\beta = 0.216$ ,  $B = 0.186$ ,  $t = 6.022$ ,  $p < 0.001$ ), Team Orientation ( $\beta = 0.198$ ,  $B = 0.125$ ,  $t = 5.103$ ,  $p < 0.001$ ), Innovation and Risk-Taking ( $\beta = 0.157$ ,  $B = 0.109$ ,  $t = 4.493$ ,  $p < 0.001$ ), Aggressiveness ( $\beta = 0.092$ ,  $B = 0.058$ ,  $t = 2.939$ ,  $p = 0.004$ ), and Stability ( $\beta = 0.087$ ,  $B = 0.066$ ,  $t = 2.547$ ,  $p = 0.012$ ). The fitted regression model is:

$$OP = -0.282 + 0.109(IRT) + 0.308(ATD) + 0.230(OO) + 0.186(PO) + 0.125(TO) + 0.058(AGG) + 0.066(ST)$$

Table 6  
Regression coefficients. Dependent Variable: Organizational Performance.  $R^2 = 0.824$ ;  
Adjusted  $R^2 = 0.818$ .

| Variable                 | B      | Std. Error | $\beta$ (Beta) | t      | Sig.  | VIF   |
|--------------------------|--------|------------|----------------|--------|-------|-------|
| (Constant)               | -0.282 | 0.140      |                | -2.008 | 0.046 |       |
| Innovation & Risk-Taking | 0.109  | 0.024      | 0.157          | 4.493  | .000  | 1.338 |
| Attention to Detail      | 0.308  | 0.032      | 0.331          | 9.474  | .000  | 1.332 |
| Outcome Orientation      | 0.230  | 0.027      | 0.310          | 8.569  | .000  | 1.429 |
| People Orientation       | 0.186  | 0.031      | 0.216          | 6.022  | .000  | 1.402 |
| Team Orientation         | 0.125  | 0.025      | 0.198          | 5.103  | .000  | 1.649 |
| Aggressiveness           | 0.058  | 0.020      | 0.092          | 2.939  | 0.004 | 1.067 |
| Stability                | 0.066  | 0.026      | 0.087          | 2.547  | 0.012 | 1.261 |

## 4. Discussion

The current study focused on the joint effect of all seven organizational culture dimensions of Robbins and Judge [6] on organizational performance of the branch offices of the CBE, Gondar city. The overall model fit is very good (Adjusted  $R^2 = 0.818$ ), suggesting the seven-dimension cultural model is very explanatory in this institutional setting. All seven alternative hypotheses were supported, thus establishing organizational culture in its entirety multidimensionality as a powerful and pervasive driver of performance. These results support the theoretical positions of Kotter and Heskett [3] and Cameron and Quinn [10] that a powerful and coherent organizational culture yields long-term benefits.

### Innovation and Risk-Taking ( $\beta = 0.157$ )

The organizational performance was found to be significantly predicted by the Innovation and Risk-Taking ( $B = 0.109$ ,  $p < 0.001$ ), supporting  $H_{a1}$ . The results are consistent with the work of Cameron and Quinn [10] and Alemu and Kassahun [7] who showed that innovative cultures are associated with a number of positive outcomes for an organization, including improved responsiveness, operational efficiency and competitive differentiation. Relative to other dimensions, CBE employees' score is relatively high for this dimension ( $M = 4.12$ ) which is noteworthy. The moderate standardized coefficient ( $\beta = 0.157$ ), however, indicates that the concept of innovation culture is well established but its implementation and measurable performance effects could potentially be limited by structural factors such as bureaucratic decision making processes, inadequate reward systems for taking risks, or limited avenues for employee innovation to reach the implementation level. The finding has direct implications for CBE's current journey for digital banking innovation where embedding innovation as a cultural value and as a structured operational process (via innovation labs, protected time for experimentation, and leadership modeling) could further bolster the performance pathway.

### **Attention to Detail ( $\beta = 0.331$ )**

The strongest predictor of organizational performance was indeed Attention to Detail, supporting  $H_{a2}$ , and finding the greatest practical value for the study was this construct ( $B = 0.308$ ,  $p < 0.001$ ). The findings are similar to those of Detert et al. [14] and Marcoulides and Heck [28] who found that cultures that emphasize precision consistently lower the number of errors, increase the quality of the process, and increase customer satisfaction. This discovery holds significant implications in the context of Ethiopian banking, where the accuracy of transactions is closely tied to customer confidence, regulatory adherence, and financial integrity. Of particular interest, the mean ( $M = 3.39$ ) for the descriptive items for Attention to Detail was low, indicating it as an area of cultural weakness for CBE. With the current and maximum impact on performance, there is a strong argument for focussed cultural intervention; the biggest performance gains from any cultural dimension might be to improve precision culture from low to medium or high. Such interventions could involve developing a series of quality assurance procedures, conducting regular checks on accuracy, implementing a system of feedback based on precision, and providing training specifically designed to teach attention to detail as a core part of a professional job.

### **Outcome Orientation ( $\beta = 0.310$ )**

Outcome Orientation was the next best predictor ( $B = 0.230$ ,  $p < 0.001$ ) to support  $H_{a3}$ . This finding aligns with the results of the GLOBE study [15] and Judge et al. [29] which showed that organizational cultures with a strong focus on goals enhance accountability systems, the quality of decision making and the levels of employee orientation toward the organization's goals. The low mean score for Outcome Orientation ( $M = 3.37$ ) again underlines that this is a cultural dimension in which the current practice is below its performance potential in the CBE context. The Balanced Scorecard's successful application at CBE would be translated into cascading the departmental and individual performance targets that would be relevant to their departments from the strategic objectives and these would be regularly reviewed, this would directly reinforce the culture of Outcome Orientation. If it's obvious that what they do on the job is directly tied to a result, so is their accountability and their discretionary effort [1, 29]. Outcome Orientation is ranked second in the list of top strategic cultural intervention priorities for its combination of high beta and low current.

### **People Orientation ( $\beta = 0.216$ )**

People Orientation significantly correlated with performance ( $B = 0.186$ ,  $p < 0.001$ ) which supported  $H_{a4}$  and was consistent with the human capital and strategic HRM literatures [30, 31]. This conclusion is in line with Pfeffer's [30] argument that people centred management practices create competitive advantage, which was also confirmed in the Ethiopian public banking environment. CBE has encountered reports of its inability to retain employees at private banks where there are higher wages, better promotion opportunities, and more collaborative management environments. The medium level mean of People Orientation ( $M = 3.76$ ) indicates that employees feel some consideration is being shown by management for their wellbeing, but there is still a significant area for development. Culture of People

Orientation can be reinforced through specific interventions such as structured mentorship programmes, clear performance evaluation, goal setting and performance based rewards.

### **Team Orientation ( $\beta = 0.198$ )**

Organizational performance was positively and significantly predicted by Team Orientation ( $B = 0.125$ ,  $p < 0.001$ ), which supported  $H_{a5}$ . This is in line with Salas et al. [32] and Kirkman and Shapiro [17] who found that team-oriented cultures enhance problem-solving ability, knowledge sharing and innovation because of collaborative team interactions. The value of Team Orientation is increased in the CBE's distributed branch structure; if branch teams are organized as intact teams with shared branch goals and shared accountability, the standardization of service delivery is enhanced, complaints are reduced and operational knowledge is more easily shared throughout the branches. The medium mean ( $M = 3.42$ ) indicates moderate team culture at CBE. The need for cross-functional project teams, branch-level quality circles and inter-branch knowledge sharing platforms could be systematically addressed through institutionalisation to strengthen team culture and performance throughout the network.

### **Aggressiveness ( $\beta = 0.092$ )**

Aggressiveness was an important but weak predictor of performance ( $B = 0.058$ ,  $p = 0.004$ ), in favor of  $H_{a6}$ . The results were smaller than the others dimensions, in line with theoretical considerations by Taras et al. [19] and House et al. [15] that found assertiveness cultures have context-dependent effects moderated by the societal norms, industry characteristics, and management practices. Aggressive competitive behavior could be interpreted ambivalently within the Ethiopian cultural framework which is collectivist and relationship oriented, and could lead to interpersonal tension if not managed well. Though the results were positive, the positive impact clearly shows that a certain level of healthy competitiveness, directed not at intra-organizational strife, but at market performance and individual achievement goals, can positively affect the performance of an organization. CBE management ought to foster customer service orientations and market competitiveness that do not turn into destructive interpersonal aggressiveness, and set clear behavioral standards to differentiate between productive competitive drive and destructive interpersonal aggressiveness.

### **Stability ( $\beta = 0.087$ )**

The stability significantly predicted performance at the 5% level ( $B = 0.066$ ,  $p = 0.012$ ), which was in favor of  $H_{a7}$ . The ability to provide stable, predictable environments for employees and minimize uncertainty surrounding employee decision-making and service delivery was found to be significant to Cameron and Quinn [10] and Denison and Mishra [13]. The low descriptive mean of Stability ( $M = 3.34$ ) for CBE was observed to reflect the disruptions and uncertainties in the Ethiopian banking sector during its fast pace of digital transformation, competitive liberalization, and regulatory changes. Although CBE cannot protect itself from these external factors, it can help build internal stability by communicating a clear and consistent strategy, having transparent governance processes, defining clear roles, and having strong

institutional processes. The findings support the notion that in a dynamic setting, internal cultural stability is also a key performance enabler.

### **Comparative Insight and Theoretical Contribution**

This study shows that all seven dimensions are significant and positive when considered as whole, and that Fikremariam [5] only identified three dimensions as significant at CBE Debre Birhan branches, possibly due to a smaller sample size and thus less diversity. The model fit in the present study is considerably higher than in previous single- or limited-dimension studies (Adjusted  $R^2 = 0.818$ ), a factor of the power of the seven-dimension model and the need to ensure a diverse sample across the branches. With an overall model variance explained of 81.8%, the results are in the higher end of what is reported in the organizational culture–performance literature across Africa, thus reflecting the comprehensiveness and validity of Robbins and Judge's framework in this context. The study also contributes to the methodology of cross sectional regression with robust tests of the CLRM, showing that reliable estimates of the cultural effect can be obtained even in settings where longitudinal data is hard to find.

## **5. Conclusions**

This study gives strong empirical evidence that all seven organizational culture dimensions identified by Robbins and Judge [6] positively affect the organizational performance at the Commercial Bank of Ethiopia, Gondar city branches with statistically significant positive effect. The seven-dimension model accounted for 81.8% of the variance in organizational performance (Adjusted  $R^2 = 0.818$ ), confirming that cultural framework would have a greater analytical value in the case of a comprehensive and integrated approach, rather than partial or single-dimension approaches to the model.

The results of the analyses indicated that Attention to Detail ( $\beta = 0.331$ ) and Outcome Orientation ( $\beta = 0.310$ ) were the most important factors determining the performance of CBE and should be given special attention in the cultural development strategy of CBE. The two dimensions are in the lower end of the descriptive scale, and relatively small gains in precision culture and goal-alignment practices may yield the greatest dividends in performance. The next level of leverage, with organizational performance directly tied with employee engagement, retention and collaborative capacity, is the areas of People Orientation ( $\beta = 0.216$ ) and Team Orientation ( $\beta = 0.198$ ), which are directly relevant to CBE's workforce issues. Deliberate cultivation in form of structured innovation processes, leadership modeling and reward systems that recognize and safeguard suitable risk-taking are required for Innovation and Risk-Taking ( $\beta = 0.157$ ). Although both Aggressiveness ( $\beta = 0.092$ ) and Stability ( $\beta = 0.087$ ) are significant, they need to be managed with care to ensure that they are channeled in an appropriate way, and that there is procedural consistency as institutions change rapidly.

**In the light of these findings, the CBE management and policy makers are recommended as follows:**

### **(1) Precision Quality Programs**

Implement bank-wide quality assurance processes that explicitly define, and measure, Attention to Detail as a branch and individual measure, with accuracy-based measures, peer review processes and frequent feedback sessions on error analysis.

## **(2) Outcome Based Performance Management**

Completely implement the Balanced Scorecard at the Branch level, with cascaded SMART Branch objectives which provide clear line of sight between individual and institutional performance outcomes and include monthly performance review conversations.

## **(3) Employee Investment Strategy**

Enhanced People Orientation by establishing a structured mentorship system, clear career development opportunities, inclusive decision-making platforms, and non-financial reward systems based on competition to minimize employee turnover and boost engagement.

## **(4) Team Based Work Design**

Introduce cross-functional branch teams, inter-branch knowledge sharing networks and collaborative problem solving forums with a formal approach instead of an informal one and apply Team Orientation as an operational standard.

## **(5) Innovation Infrastructure**

Establish formal pathways for work employee innovation, such as protected time for innovation or work employee innovation suggestion systems with clear and transparent evaluation rules, and pilot funding for innovative ideas, so as to realize the change of CBE's innovation culture into measurable results.

## **(6) Stability and Change Management**

When digital transformation and competitive disruption are occurring, put the necessary work into stable internal communication, clarity of roles, and transparency in governance to balance out the volatility of the external environment with Stability.

# **5.1. Limitations and Future Research**

There are limitations to this study that need to be taken into account when extrapolating results. First, the cross-sectional design is limited in being able to establish temporal precedence and causal direction between culture and performance definitively, so that longitudinal panel studies of the evolution of culture over time would be more informative. Second, the study used a quantitative-only design; further research is needed that would include a qualitative or a mixed methods component, like an in-depth interview or ethnographic observation, to gain insights into the mechanisms underlying the relationship between cultural dimensions and performance, and to account for unexpected findings. Third, the geographic scope of the study, which was only conducted in the city of Gondar, reduces the

generalizability beyond CBE's branch network and to other banking institutions in Ethiopia, and replication studies are required in other city contexts and banking institutions.

Fourth, no mediation and moderation variables were investigated. Future research should explore whether the branch size, market environment, or employee seniority moderate the influence of the individual cultural dimensions on organizational performance, or whether a leadership style, employee engagement, organizational commitment, or digital capability mediate the relationship between culture and organizational performance. Fifth, there is a potential for common method bias concerns with self-report of cultural perceptions and of performance evaluations; although, the results of the CLRM assumption tests may partially address this issue. To deal with this, future study could include obtaining objective performance data (such as actual branch financial and customer service data, provided by CBE's management information system) along with cultural perception surveys.

## **Declarations**

### **Funding**

This research received no external funding.

### **Institutional Review Board Statement**

This study was reviewed and approved by the Institutional Review Board (IRB) of the Department of Accounting and Finance, College of Business and Economics, Debark University (IRB Protocol No. DKU/CBEAF/IRB/6/17/2026, approved on 17 June 2026). All research procedures were conducted in accordance with the Declaration of Helsinki and the institutional ethical guidelines of Debark University. All participants provided voluntary written informed consent prior to their participation. Personal identifying information was anonymized in accordance with the confidentiality conditions stipulated by the IRB.

### **Informed Consent Statement**

Informed consent was obtained from all subjects involved in the study.

### **Data Availability Statement**

The survey instrument used in this study is provided as a supplementary file accompanying this manuscript. The dataset generated and analyzed during the current study is not publicly available due to participant confidentiality agreements, but anonymized data are available from the corresponding author upon reasonable request.

## **Author Contribution**

Conceptualization, methodology, formal analysis, investigation, data curation, writing—original draft preparation, writing—review and editing, and final approval of the manuscript were performed by Petros Degefa Mulu. The author has read and agreed to the published version of the manuscript.

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## Supplementary Files

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- [SurveyQuestionnaire.docx](#)