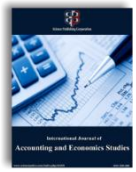
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Research paper



Corporate Culture and Employee Motivation in Ethiopian Banks: Using Denison's Model

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Abstract

Purpose: Despite the crucial role of corporate culture in shaping employee behaviour, many commercial banks in Ethiopia continue to experience declining motivation, inadequate staff engagement, and cultural misalignment that hinder performance. This study investigates the influence of essential cultural dimensions—involvement, consistency, adaptability, and mission—on employee motivation within specific Ethiopian commercial banks. The main problem found is that there isn't enough empirical data showing how much organisational culture affects employee motivation in the Ethiopian banking sector, where quick changes, competitive challenges, and structural reforms require a highly motivated staff. Design/Methodology/Approach: A quantitative research design was utilised. A structured questionnaire was used to collect data from 353 employees. We used Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) to test the measurement model. We also used Structural Equation Modelling (SEM) to look into the suggested linkages between culture and motivation. Findings: The findings indicate that all four cultural variables exert a significant and positive influence on employee motivation. The structural model elucidated 51.0% of the variance in motivation, signifying that participative, coherent, adaptive, and mission-driven cultural practices substantially enhance both intrinsic and extrinsic motivation among employees. Practical Implications: The results show that commercial banks need to create a culture that is supportive and encourages participation in order to keep employees engaged and doing well. Leaders must improve employee engagement, strengthen shared values, improve internal communication, and make sure that the organization's mission and workers' work goals are still in line with each other. Originality/Value: This research experimentally substantiates the Denison organisational culture framework within the Ethiopian banking industry. It offers innovative perspectives on the strategic impact of culture on motivation in financial institutions in emerging nations, thereby enriching both organisational behaviour theory and practical banking management.

Keywords: *Corporate Culture; Employee Motivation; Denison Model; Commercial Banks; Structural Equation Modeling.*

1. Introduction

Organisational culture is important in determining how employees act, how motivated they are, and how well the organisation as a whole works. It includes the values, ideas, symbols, and behavioural standards that everyone in the group agrees on and that affect how well people do their jobs. (Berlin, 2011; Schein, 2010) Schein (2017) Also says that culture is an unspoken system of social control that quietly controls decisions and actions at all levels of an organisation. A culture that is helpful and encouraging makes employees more motivated, involved, creative, and productive. (Cameron, K. S., & Quinn, 2011; Elifneh & Embilo, 2023).

Motivating employees is just as important as reaching the goals of the organisation. Motivation stems not solely from external rewards but also from the cultural and environmental contexts of the workplace. (Deci, E. L., & Ryan, 1985; Siddiqi, Khowaja and Jamal, 2024). Self-Determination Theory (SDT) posits that cultures that satisfy employees' requirements for autonomy, competence, and relatedness promote intrinsic motivation and organisational commitment. (Deci et al., 2023). Herzberg's (1959) Two-factor theory supports this idea by showing how organisational rules, leadership styles, and connections with co-workers can affect both motivation and job satisfaction.

The banking sector is currently experiencing a swift digital transition, heightened competitiveness, and augmented regulatory oversight. In this ever-changing world, organisational culture is a major factor in how people see their work environment and how well they do their jobs. (Abdulrehim et al., 2023). Denison's cultural model delineates four attributes—Involvement, Consistency, Adaptability, and Mission—that significantly impact motivation and performance. (Denison, 1990, 2022). Research in the Ethiopian banking sector indicates that banks characterised by participatory cultures and well-defined strategic direction achieve enhanced employee engagement and reduced turnover. (Abdulrehim et al., 2023; Assefa et al., 2012; Ayana, 2024; Nigussie, 2018).

Even with these insights, there is not much real-world data from Ethiopia, especially the Amhara Region. The Commercial Bank of Ethiopia, Awash Bank, and Dashen Bank are some of the biggest banks in Bahir Dar and Debre Markos, but not much is known about how

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the culture of an organisation affects employee motivation in these areas. Diverse ways of doing things, economic circumstances, and cultural differences between regions can all affect how organisations work and how employees react (Anisya, 2021).

Ongoing problems, such as unhappy employees, lack of engagement, and problems keeping employees, continue to affect how regional banks work. Prior research has focused on customer satisfaction and financial outcomes, whereas the cultural determinants of employee motivation have yet to be thoroughly investigated. (Assefa et al., 2012; Siddiqi & Jamal, 2024). Most studies focus on Addis Ababa and ignore regional settings, even though there is proof that organisational culture has a big effect on job satisfaction and participation across the country.

Another methodological deficiency is present conventional correlation or regression techniques employed in numerous Ethiopian studies may fail to effectively encapsulate the intricacies of latent cultural factors or the multivariate interdependencies influencing motivation. Structural Equation Modelling (SEM) evaluates both measurement and structural interactions concurrently, offering a more comprehensive analytical framework. Nonetheless, SEM is still not widely used in Ethiopian banking. (Abawa & Obse, 2024), which shows that more robust empirical methods are needed.

This research investigates the impact of fundamental cultural dimensions—Involvement, Consistency, Adaptability, and Mission—on employee motivation within certain commercial banks in the Amhara Region, thereby addressing existing gaps. Employing Denison's cultural framework and SEM, the study delivers empirical support of theoretical premises and gives practical advice for banking managers aiming to foster cultures that enhance motivation and elevate performance within Ethiopia's growing banking industry.

2. Literature Review

This study delves into the ways in which organisational culture influences employee motivation in commercial banks by integrating Denison's Organisational Culture Model with Self-Determination Theory (SDT). While SDT elucidates how intrinsic motivation emerges when workers' basic psychological needs are met, Denison's theory (Denison, 1990, 2022) offers a multi-dimensional perspective on how cultural processes function across organisational levels. (Deci et al, 2023). Given the circumstances, these models provide a solid groundwork for studying how cultural factors influence incentive, participation, and output in the financial industry.

2.1. Corporate culture models

Organisational culture includes the shared values, beliefs, rules, and expectations for conduct that affect how people interact and do their jobs in a company. (Berlin, 2011; Schein, 2010). Cultural factors affect how employees see things, how they have a good relationship with each other, and how adaptable, creative, committed, and committed they are (Cameron, K. S., & Quinn, 2011; Denison, 2014).

2.1.1. Denison's four-dimension model

Denison (1990) Identifies four cultural traits critical to organisational success:

- Involvement- employee empowerment, team orientation, and capability development.
- Consistency- core values, agreement, and coordinated systems.
- Adaptability- responsiveness to external changes, customer-focused learning, and innovation.
- Mission- strategic direction, goals, and long-term vision.

The traits make operations more efficient, employees happier, more creative, and better at their jobs. Recent studies show that cultures that are coherent and focused on values help employees work together better, encourage corporate citizenship activity, and keep them motivated.

2.1.2. Empirical evidence on Denison's model

Numerous Ethiopian studies have evaluated Denison's framework throughout public and financial entities. Elias (2019) Discovered that engagement, consistency, and mission significantly improved employee performance at the Ethiopian Insurance Corporation, whereas adaptability exhibited a negative correlation, attributable to structural rigidity in public-sector settings (Gebeyehu., 2025) Utilised structural equation modelling to demonstrate that consistency, mission clarity, and involvement enhanced employee performance and fortified organisational commitment within institutions of the Addis Ababa City Administration. Notwithstanding these findings, the implementation of Denison's model in regional banking contexts is constrained, highlighting the necessity for more contextualised research.

2.2. Employee motivation

Employee motivation encompasses the internal and external factors that influence an individual's readiness, effort, and endurance in pursuing organisational objectives. (Deci, E. L., & Ryan, 1985; Ryan, R. M., & Deci, 2023).

- Extrinsic motivation arises from rewards, recognition, and external incentives.
- Intrinsic motivation emerges from autonomy, mastery, personal growth, and meaningful work (Ryan, R. M., & Deci, 2020).

2.2.1. Self-determination theory (SDT)

Self-Determination Theory asserts that intrinsic motivation flourishes when three psychological needs are satisfied:

- Autonomy refers to the freedom in decision-making.
- Competence involves opportunities for skill development.
- Relatedness pertains to the establishment of meaningful relationships and a sense of belonging (Deci, E. L., Olafsen, A. H., & Ryan, 2023).

Organisations that promote feedback, participation, recognition, and collaboration are likely to improve long-term motivation and commitment among employees. Herzberg's (1959) dual-factor theory enhances SDT by differentiating between hygienic factors (such as policies, supervision, and environment) and motivators (including achievement and responsibility), with organisational culture impacting both categories. (Kumari & Singh, 2018).

2.3. Organisational culture and employee motivation

A lot of real-world research shows that the culture of a company has a big effect on how motivated its employees are. Cultures that prioritise shared values, meaningful work, empowerment, and recognition tend to have higher levels of motivation, engagement, and retention. (Nohria N, Groysberg B, 2008; Schein, 2017).

2.3.1. Evidence from the Ethiopian banking sector

Studies conducted in Addis Ababa and Mekelle indicate that purpose clarity, adaptability, and employee involvement are critical determinants affecting motivation and job satisfaction in financial institutions. Derara (2014); Nigusu (2025) Show that Clear missions make roles clearer and more motivating; flexible Cultures make people happier and keep them longer; Environments that let people participate make them more engaged and less likely to leave. Banks that put a lot of value on meaningful work, recognise their employees' achievements, and create empowering workplaces, always get better results in terms of motivation.

2.4. Research gap: regional context and cultural dynamics

Studies studying culture-motivation relationships have mostly ignored regional banking contexts such as Debre Markos and Bahir Dar in favour of large urban locations. Present studies do not consider how local norms, leadership styles, socioeconomic environments, and branch-level structures affect. Create unique organisational cultures that influence employee motivation differently from metropolitan settings. (Gebeyehu., 2025; Nigusu, 2025). This difference makes it harder for HR and management approaches that work well in different areas to move forward. Understanding the cultural dynamics of the Amhara Region is important for creating interventions that are specific to that area that will improve engagement, satisfaction, and retention in banks.

2.5. Hypotheses

Based on Denison's cultural model and Self-Determination Theory, the following assumptions are suggested:
H2: Corporate culture has a statistically significant effect on employee motivation.

- H2a: Involvement has a statistically significant effect on employee motivation.
- H2b: Adaptability has a statistically significant effect on employee motivation.
- H2c: Consistency has a statistically significant effect on employee motivation.
- H2d: Mission has a statistically significant effect on employee motivation.

2.6. Conceptual framework

This study utilizes Denison's Organizational Culture Model (1990) in conjunction with Self-Determination Theory as articulated by Deci, E. L., & Ryan (1985). Denison's approach identifies four essential cultural dimensions—Involvement, Consistency, Adaptability, and Mission—that collectively impact employee behaviour, beliefs, and performance outcomes. The factors help create a united organizational environment by guiding internal processes and promoting shared ideals. Assuming the inner wants for autonomy, competence, and relatedness are adequately met, workers' motivation is steady, according to Self-Determination Theory. An essential part of studying what influences behaviour at work is distinguishing between intrinsic and extrinsic motivation.

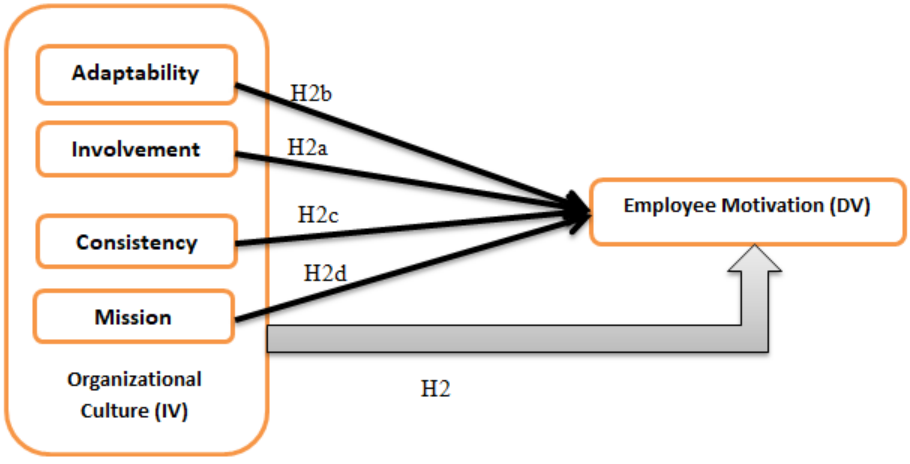


Fig. 1: Conceptual Framework.

3. Methodology

3.1. Research approach

This quantitative study, grounded in positivism, prioritizes objectivity, measurement, and hypothesis testing. (Saunders, M., Lewis, P., & Thornhill, 2019). The deductive methods begin with theories and develop testable hypotheses. We employed Structural Equation Modeling to analyse data from structured questionnaires. We chose Structural Equation Modeling (SEM) due to its capability to do both Exploratory and Confirmatory Factor Analysis, thereby assessing the validity, reliability, and causation of latent variables. This method simultaneously evaluates measurement and structural models, thereby minimizing measurement error and providing significant insights into the impact of corporate culture on banking employee motivation. (Hair et al, 2021).

3.2. Research design

A descriptive and explanatory study design was employed to identify and clarify the causal relationships between corporate culture and worker motivation. The descriptive approach was utilized to record existing cultural elements and motivational practices within commercial banks, whereas the explanatory design aimed to assess the suggested causal links among dimensions. (Saunders, M., Lewis, P., & Thornhill, 2019). This study utilized a cross-sectional methodology, collecting quantitative data from employees at a particular point in time to enable statistical generalization and hypothesis testing. (Creswell, 2014). This approach is suitable for investigations focused on exploring theoretical relationships among latent variables via Structural Equation Modeling. It integrates Exploratory Factor Analysis and Confirmatory Factor Analysis to assess measurement models while simultaneously examining structural relationships. (Hair Jr et al., 2021).

3.3. Population and sampling

The study's target population comprised 2,980 individuals employed at commercial bank branches situated in Debre Markos and Bahir Dar in the Amhara Region of Ethiopia. Yamane's (1996) The Formula was used to get the required sample size at a 95% confidence level and a 5% margin of error, which gave a sample of 353 employees. To make sure that all banks and employment types were fairly represented, a proportionate stratified random selection method was used. In this method, each bank branch was seen as its own stratum. The number of people who answered from each branch was based on how many people worked there. For instance, branches with more employees had more responses, whereas branches with fewer employees had fewer respondents, according to the proportionate allocation formula:

$$n_i = (N_i/N) \times n$$

Where

- Ni = number of employees in branch i,
- N = total population (2,980),
- n = total sample size (353).

After determining each branch's proportional share, simple random sampling was utilised within each stratum to choose individual participants. This method decreased sample bias, ensured that different banks and job types were adequately represented, and made the SEM analysis more generalisable and stronger. (Creswell, 2014; Saunders, M., Lewis, P., & Thornhill, 2019).

3.4. Data collection and instrumentation

A structured questionnaire utilising measuring scales collected vital data. The instrument includes parts on demographics, workplace culture, and employee motivation. We used a five-point Likert scale to find out how people felt about each topic. A score of 1 meant "strongly disagree," and a score of 5 meant "strongly agree." A small number of bank employees did an initial check of the questionnaire to make sure it was accurate, consistent, and relevant. Before the final survey, feedback from the pilot was used to make slight changes to the phrasing and format. Self-administered questionnaires were utilised via both in-person and online modalities to improve participant response rates.

3.5. Validity and reliability testing

Prior to examining the structural model, both exploratory and confirmatory factor analyses assessed the reliability and validity of the measurement instrument. Exploratory Factor Analysis began with Principal Component Analysis using Varimax rotation to determine the factor structure and eliminate items with low factor or cross-loadings. The Kaiser–Meyer–Olkin (KMO) test (≥ 0.80) and Bartlett's Test of Sphericity ($p < 0.001$) validated the sample's suitability for factor analysis (Hair Jr et al., 2021).

CFA was conducted using AMOS 24.0 to evaluate the measurement model. All standardized factor loadings exceeded 0.60, AVE values surpassed 0.50, and CR values were above 0.70. The results indicate that the convergent validity is accurate (Fornell, C., & Larcker, 1981; Hair Jr et al., 2021). Discriminant validity was evaluated by verifying that the square root of the Average Variance Extracted for each construct surpassed its correlations with other constructs. All Cronbach's alpha values exceeded 0.70, indicating that the tests demonstrated reliability. (Nunnally, J. C., & Bernstein, 1994). The validation procedures indicated that business culture and worker motivation were accurately measured, and the model demonstrated strong psychometric properties suitable for SEM analysis.

3.6. Assessment of common method bias (CMB)

This research utilised a structured questionnaire to gather data from a single source, necessitating a CMB analysis in accordance with established methodologies. (Podsakoff, Philip M., MacKenzie, Scott B., Lee, Jeong-Yeon, Podsakoff, 2003). Two more diagnostic tests were done: CLF and Harman's single-factor test. Harman's single-factor test was executed by inputting all measurement items into an exploratory factor analysis utilising an unrotated principal component solution. The first factor only explained 32.4% of the variation, which is less than the 50% requirement. Common technique bias is not a big problem because no one element stands out in the data variation.

Second, AMOS was used to add a Common Latent Factor (CLF) to the measurement model. This was done to account for the fact that all the variables had some shared variance. The difference between standardised loadings with and without the CLF was less than 0.20, which means that the technique effects did not explain much of the variance. Both tests showed that common procedure bias was exceedingly small and did not affect the study's results.

3.7. Structural equation modeling (SEM) and model fit evaluation

After validating the measurement model's reliability and validity, Structural Equation Modeling was utilized. The SEM study utilized AMOS 24.0, which facilitates the concurrent estimation of measurement and structural models while accommodating measurement error (Hair Jr et al., 2021). The assessment of model fit was conducted utilizing various goodness-of-fit indices, adhering to established proto-

cols in the structural equation modeling literature. The Chi-square to degrees of freedom ratio (χ^2/df) was anticipated to approximate 3, signifying an acceptable model fit (Kline, 2016). Supplementary fit indices comprised the Comparative Fit Index and Tucker–Lewis Index, both of which should surpass 0.95; the Normed Fit Index, also anticipated to exceed 0.95; the Root Mean Square Error of Approximation, with acceptable thresholds below 0.08; and the Standardized Root Mean Square Residual, advised to be under 0.06 (Hu, L. T., & Bentler, 1999).

3.8. Data analysis techniques and ethical considerations

The researchers used SPSS 26.0 and AMOS 24.0 to look at the data. To make sure the data was good, we did data screening, descriptive statistics, normality tests, and multicollinearity evaluations. After that, Exploratory Factor Analysis found the factor structure, and Confirmatory Factor Analysis checked the concept's validity (Hair Jr et al., 2021). Using SEM, the researchers looked at how business culture and employee motivation are related to each other. In addition, the researchers utilized standardized regression weights and p-values to see if structural paths were statistically significant at 0.05 (Saunders, M., Lewis, P., & Thornhill, 2019).
Ethics in research were strictly followed. Volunteers were told what the study was for, that they could leave at any time, and that their information would be kept private. The data were utilized for academic reasons, lacking personal identity. Before collecting data, the Department of Commerce and Management Studies at Andhra University received ethical clearance, and the bank branches gave legal permission.

4. Results

4.1. Preliminary data analysis

Before factor and structural analyses, the dataset was validated for multivariate analysis. The response rate was 98.3% since 347 of 353 surveys were returned with correct responses. We used mean replacement to handle little missing data (<2%). We tested normality using skewness and kurtosis. The data is normally distributed since both were within the allowed range of ±2 (Hair Jr et al., 2021). All Variance Inflation Factor values were below 3.0, and tolerance values were over 0.30, confirming the lack of multicollinearity. (Kline, 2016). Each construct's internal consistency was assessed using Cronbach's alpha. All values were over 0.70, indicating reliability. (Nunnally, J. C., & Bernstein, 1994). The sample's sex, age, education level, and years of experience, and the mean and standard deviation, were described using descriptive statistics. The data were adequate for factor analysis and SEM.

Table 1: The Socio-Demographic Attributes of the Participants

Variable	Category	Frequency	Percentage (%)
Sex	Male	207	59.7
	Female	140	40.3
Age range	20 up to29	109	31.4
	30 up to 39	169	48.7
	40 & above	69	19.9
Educational	BA degree	273	78.7
	MA and above	74	21.3
Work Experience	Below 5 years	88	25.5
	5 to to10 years	179	51.5
	Above 10 years	80	23.0

Source: Survey 2025.

The table above shows respondents' gender, age, education, and work experience. The sample was 40.3% female and 59.7% male. Despite a male predominance, gender representation is balanced, which may reflect the banking industry in the research area. The majority of responders (48.7%) were aged 30–39, followed by 20–29 (31.4%) and 40+ (19.9%). A large number of employees aged 30 to 39 indicate a workforce of dynamic professionals with the abilities and enthusiasm to motivate workers.
Educational attainment was 78.7% bachelor's degree or lower and 21.3% master's degree or higher. Employees' strong educational levels show the banking sector's concentration on knowledge and skill development. Over half of respondents (51.5%) have worked for five to ten years, 23.1% for over ten years, and 25.5% for less than five. This distribution includes experienced staff, essential for stability, institutional expertise, and organizational culture.
The sample's talented and diversified staff can provide accurate insights about Ethiopian commercial banks' corporate culture and worker motivation. The elements make the study's findings applicable to similar financial situations.

4.2. The research variables' means, standard deviations, and correlations

Table 2 displays the research variables' averages, standard deviations, and associations in detail. Both organizational culture and employee motivation had average scores higher than the middle of the scale, according to the descriptive analysis. The correlation analysis found that company culture has a beneficial effect on employee motivation.

Table 2: The Research Variables' Means, Standard Deviations, and Correlations

Variables	Mean	Standard Deviation	1
Involvement	2.997	0.890	0.351***
Consistency	2.997	0.907	0.285***
Adaptability	3.123	0.8889	0.421***
Mission	3.007	0.9057	0.241***
Employee Motivation	3.649	0.7693	0.345***

Source: Survey 2025.

Analysis of descriptive statistics and correlation

Table 2 provides the descriptive statistics, featuring the mean and standard deviation, as well as the Pearson correlation coefficients calculated for the key variables under investigation: adaptability, consistency, involvement, mission (a component of corporate culture), and employee motivation. Preliminary examinations yield a valuable understanding of the overarching patterns and connections between the structures before implementing structural modeling. Participants evaluated their organizational culture as moderately positive across all four categories, with mean values for the dimensions of organizational culture ranging from 2.997 (Involvement and Consistency) to 3.123 (Adaptability). The organization exhibited elevated perceived motivating conditions, reflected in a mean score of 3.649 for employee motivation.

The standard deviation values across all categories, ranging from 0.7693 to 0.907 and staying below 1, indicate a slight level of variability in the judgments of respondents. This indicates that while employees' views on these concepts differ, the responses align with the average range. The correlation coefficients indicate notable positive relationships among the variables under investigation. The results tell a noteworthy positive relationship between employee motivation and involvement ($r = 0.351$, $p < 0.001$), proposing that higher levels of employee motivation are associated with enhanced participation in organizational processes and decision-making.

Furthermore, consistency showed a positive correlation with employee motivation ($r = 0.285$, $p < 0.001$), indicating that a cohesive organizational framework and shared values improve motivational results. An organization that embraces change and meets customer needs significantly influences employee motivation, as demonstrated by a notable positive correlation between adaptability and employee motivation ($r = 0.421$, $p < 0.001$). The relationship between employee motivation and mission showed a modest yet statistically significant positive correlation ($r = 0.241$, $p < 0.001$), suggesting that a clearly defined strategic direction and purpose can enhance motivation levels, albeit with a limited effect.

The correlation coefficients indicate dedicated support for the proposed relationships and suggest the need for further exploration through inferential and structural modeling methods, given their statistical significance at the $p < 0.001$ level (***). The results align with earlier studies. (Cameron, K. S., & Quinn, 2011; Denison, D. R., & Mishra, 1995) This emphasizes the significance of a positive corporate culture in shaping employee motivation.

4.3. Measurement model

4.3.1. Exploratory factor analysis

Exploratory Factor Analysis began with Principal Component Analysis utilizing Varimax rotation to determine variable structure. Hair (2021) Established that the data was suitable for factor analysis, as the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.924, exceeding the minimum requirement of 0.70, and Bartlett's Test of Sphericity produced significant results ($\chi^2 = 12{,}368.74$, $p < 0.001$). We left out all factor loadings that were less than 0.60. Seventy-eight percent of the variance was explained by five latent constructs: Involvement, Consistency, Adaptability, Mission, and Employee Motivation. This shows a strong representation of the construct.

4.3.2. Confirmatory factor analysis (CFA)

Confirmatory factor analysis was performed using AMOS 26 to assess the reliability and validity of the measurement model. The model fit indices satisfied the predetermined criteria:

- $\chi^2/df = 1.080$ (< 3)
- CFI = 0.995 (> 0.95)
- TLI = 0.995 (> 0.95)
- NFI = 0.962 (> 0.95)
- RMSEA = 0.021 (< 0.08)
- SRMR = 0.041 (< 0.06)

These values confirm that the measurement model demonstrated an excellent fit to the observed data.

4.3.3. Reliability and validity assessment

Internal consistency was validated, since all Cronbach's alpha and Composite Reliability values were above 0.70. Convergent validity was confirmed, as all Average Variance Extracted values surpassed 0.50, and factor loadings exceeded 0.70, achieving statistical significance at $p < 0.001$. We used Fornell–Larcker's criterion to check for discriminant validity. This means that the square root of the Average Variance Extracted for each construct must be higher than the inter-construct correlations for that construct. This shows that the constructs are different from each other. (Fornell, C., & Larcker, 1981).

Table 3: Assessing Loading, Reliability, Convergent Validity, & Discriminant Validity

Construct	Factor Loadings	Cronbach's alpha	Composite reliability	Average variance extracted AVE)	Discriminate validity
IN	0.864	0.975	0.978	0.782	Recognized
CO	0.874	0.976	0.979	0.798	Recognized
MI	0.881	0.977	0.980	0.793	Recognized
AD	0.863	0.975	0.978	0.785	Recognized
EM	0.741	0.960	0.963	0.758	Recognized

Source: Survey 2025.

All variable factor loadings are greater than 0.70 and significant at $p < 0.001$.

The structural model was estimated using Structural Equation Modeling, which examined the proposed direct effects of the four characteristics of corporate culture—Involvement, Consistency, Adaptability, and Mission—on Employee Motivation. This was done after the measurement model was checked by EFA and CFA. Hair Jr et al. (2021) Observed that the model fit was good with the following values: $\chi^2/df = 1.080$, CFI = 0.96195, TLI = 0.995, NFI = 0.962, RMSEA = 0.021, and SRMR = 0.041. These indices show that the proposed structural model matches the data well.

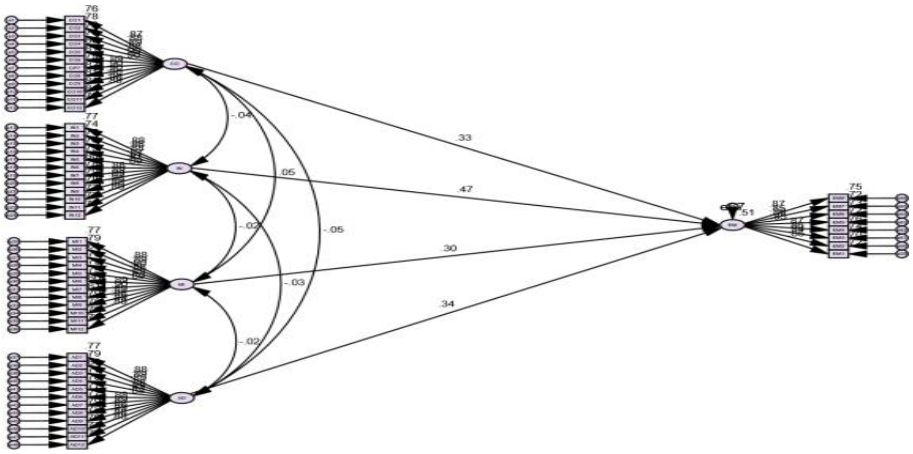


Fig. 2: Structural Model Analysis for the Effect of Corporate Culture on Employee Motivation.

Source: Amos output, 2025.

4.4. Structural model

The study's results show that the culture of an organisation has a big effect on how motivated employees are in commercial banks. These results also provide convincing evidence for the ideas that were put out. The variables accounted for 51% of the variance in employee motivation, indicating substantial explanatory efficacy, and the structural model exhibited an excellent overall fit. The results support the theoretical assertion that individuals exhibit heightened motivation, both intrinsically and extrinsically, while operating within an atmosphere characterised by encouragement, cohesion, and strategic orientation.

Table 4: Test of Direct Relationships of Corporate Culture and Employee Motivation

Hypotheses	Path	Beta Coefficient	STDV	T-Statistics	P-Values	Outcome
H2	CC → EM	0.325	0.037	8.707	<0.001**	H2 Accepted
H2a	IN → EM	0.467	0.040	10.868	<0.001**	H2a Accepted
H2b	AD → EM	0.341	0.037	8.321	<0.001**	$H2_b$ Accepted
H2c	CO → EM	0.333	0.036	8.141	<0.001**	$H2_c$ Accepted
H2d	MI → EM	0.303	0.037	7.497	<0.001**	$H2_d$ Accepted
R-Square 0.51	Employee Motivation					

Note: ** significant @ P<0.01, * Significant @ P<0.05 Two tailed.

4.4.1. Effect of organizational culture on employee motivation (H2)

The study shows that the culture of a company has a big and beneficial effect on employee motivation ($\beta = 0.325$, $T = 8.707$, $p < 0.001$). This corroborates the fundamental theoretical assertion of Denison's model and Self-Determination Theory: individuals operating inside a structured, empowering, and purpose-driven culture demonstrate heightened engagement, commitment, and psychological investment in their work. Recent empirical studies in global businesses demonstrate that strong organisational culture attributes promote knowledge exchange and employee engagement, hence directly improving organisational success. (Wanjala, 2024). In the banking sector, a positive organisational culture boosts both intrinsic and extrinsic motivation, which leads to better performance. (Jadhav & Chavan, 2025).
A clearly defined company culture that includes shared values, standards, and behavioural expectations gives people a sense of direction and belonging. This clarity enhances intrinsic drive, such as meaningful work, autonomy, and mastery, alongside extrinsic incentives, including recognition and structured rewards. The statistical significance of this association emphasises the pivotal importance of culture in shaping staff motivation within the banking sector. (Wanjala, 2024; Jadhav & Chavan, 2025).

4.4.2. The role of culture sub-dimensions in predicting motivation

a) Involvement (H2a)
What Denison's Organisational Culture Model and Self-Determination Theory can explain is involvement, which is the strongest predictor of employee motivation ($\beta = 0.467$). The autonomy and competency requirements of SDT are met through involvement, which places an emphasis on employee empowerment, decision-making, and skill building. Employees' intrinsic motivation rises when they are appreciated and have agency over their jobs. Prior research substantiates that employee involvement, skill development, and participatory decision-making are critical markers of motivation and job satisfaction. (Abawa & Obse, 2024; Yilmaz, C., & Ergun, 2008). The hierarchical and centralised control-oriented systems in Ethiopian commercial banks may be giving way to more participatory decision-making and team-based problem-solving. Cultural practices that emphasise participation elicit a stronger emotional response from workers, making them a more effective motivator than other cultural qualities.
b) Adaptability (H2b)
Adaptability was identified as a notable predictor of motivation ($\beta = 0.341$, $T = 8.321$, $p < 0.001$). When employees see their companies as flexible, sensitive, and open to new ideas, they are more motivated to work for them. Research indicates that organisational adaptability enhances learning, creativity, and proactive problem-solving, which are essential elements of motivation. (Denison, D. R., & Mishra, 1995; Yilmaz, C., & Ergun, 2008). Dynamic settings that encourage ongoing learning significantly boost employee motivation. (Deci, E. L., & Ryan, 2000).
c) Consistency (H2c)
Consistency greatly increased the employee's motivation ($\beta = 0.333$, $T = 8.141$, $p < 0.001$). A consistent culture with clear expectations, coordinated systems, and shared values leads to a reliable and stable workplace. Culture is important because it promotes morale, makes

things less confusing, and keeps people engaged (Denison, D. R., & Mishra, 1995; Schein, 2017). Alignment between departments and open lines of communication both help employees feel better about their jobs and get more done.

d) Mission (H2d)

The mission had a big effect on motivation ($\beta = 0.303$, $T = 7.497$, $p < 0.001$). A well-defined mission that gives employees a sense of purpose, direction, and long-term vision is important to them. Studies show that having a clear objective makes people more motivated and helps the business succeed. (Denison, D. R., & Mishra, 1995; Yilmaz, C., & Ergun, 2008). When employees understand how their work fits in with the goals of the company, they are more motivated. (Deci, E. L., & Ryan, 2000).

5. Discussion

The findings show that Ethiopian banks' organisational culture strongly influences employee motivation. Schein (2017) references organisational culture theory studies showing how a carefully defined cultural environment may motivate employees by shaping their expectations, customs, and work values. Employee motivation was strongest with cultural dimension analysis involvement. This shows that highly regulated service businesses need autonomy, engagement, and empowerment.

Engagement-oriented strategies like employee voice, decentralised decision-making, cooperative problem-solving, and participatory leadership indicate effectiveness. These tactics increase intrinsic motivation by making employees feel invested in the company's success and providing them with more job control. This survey found that Ethiopian bankers respond better to engagement than structural or control-oriented cultural qualities.

Consistency and adaptability both boosted employee motivation. Ethiopia's regulated banks work inside the system rather than overhauling it. Thus, consistency brings stability, clarity, and predictability, while flexibility shows through progressive learning, skill growth, and process refinement. When taken collectively, these elements promote a more harmonious workplace, reducing stress and boosting morale by defining roles.

The findings support recent empirical studies in Ethiopia. Participation-oriented cultures increase morale by fostering initiative and teamwork. (Alemu Ambo, 2024; Elifneh & Embilo, 2023). According to studies in Ethiopia and other service-sector environments, purpose clarity, organisational coherence, and supporting cultural norms boost employee motivation and attitudes. (Karepesina, 2023). In regulated banking and service industries, consistent cultural leadership methods boost employee motivation. (Kanuto, 2024). These findings demonstrate Denison's model's efficacy in explaining employee motivation in poor nations like Ethiopia.

4.5. Practical and policy implications

4.5.1. Managerial and operational implications

Bank managers can motivate employees with participatory management. Formal employee suggestion systems, consultative sessions, and cross-functional teams improve communication, cooperation, and problem-solving, increasing engagement and dedication.

HR should promote a mission-focused culture. Organisational values and long-term goals should inspire performance appraisals, promotions, and incentive programmes to convey the mission. Any good training and development program emphasises the company's values, customer service, ethics, and professional competence. Continuous learning improves adaptability over abrupt change. Digital banking training, encouraging staff to suggest ways to improve their professions, and following business conventions help keep employees motivated and the organisation running smoothly.

4.5.2. Policy and regulatory implications

The results suggest that Ethiopia's banking regulatory system might be improved by soft governance approaches like leadership development, organisational learning, and staff involvement. By integrating people-centered cultural practices through corporate governance norms, the banking industry can get more inspiration, new ideas, and better service. Supporting programs for mission-oriented management development and participatory leadership can help improve institutional capacity and the development of human capital. Regulators and managers should think about cultural aspects while making choices to assist Ethiopian banks to do well in today’s free and competitive financial sector.

6. Conclusion

This research investigates the influence of organizational culture on employee motivation, emphasizing the elements of involvement, adaptability, consistency, and mission in commercial banks situated in specific cities of Ethiopia's Amhara Region. Structural equation modeling results demonstrate that organizational culture is a significant predictor of employee motivation. The R^2 value of 0.51 suggests that cultural factors contribute to more than half of the variation in motivation, underscoring the substantial impact of cultural dynamics on employees' psychological engagement.

The main motivator identified among the evaluated cultural factors was involvement, followed by adaptability, consistency, and mission. This pattern suggests that employee motivation rises when individuals recognize support in adapting to change, participate in decision-making processes, and align with a shared goal and set of values. The results demonstrate that internal organizational culture is essential for employee-centered outcomes and corresponds with established organizational theories, such as Denison's cultural model and Self-Determination Theory. The research demonstrates that a strong, inclusive, adaptable, and mission-driven culture promotes a motivated and engaged workforce, which is crucial for organizational success and sustainability, especially in service-oriented and competitive industries like banking.

6.1. Recommendations

The study's findings suggest that banks can improve employee motivation by fostering engagement. Management should employ participatory approaches to involve staff in strategic planning, problem-solving, and decision-making activities. The creation of formal and informal feedback channels can improve employee motivation and organizational engagement. The banking sector is undergoing significant evolution, making it essential to cultivate a flexible and innovative culture. Continuous training, innovative initiatives, and adaptable

organizational policies that foster lifelong learning may prove advantageous. Maintaining cultural consistency requires continuous expression and implementation of business principles. Leadership must follow these principles and implement thorough orientation programs and clear policies to promote a safe and reliable work environment. Integrating the mission into daily operations and individual performance objectives, facilitating effective communication, and aligning personnel with the mission are critical elements. Cultural values should guide employment, promotion, evaluation, and reward systems to encourage positive behaviour. Leadership development programs should emphasize cultural intelligence and role modeling to create and maintain an inspiring organizational culture at all levels.

6.2. Future Research Directions

This research examined corporate culture and employee motivation within commercial banks located in specific cities of Amhara. Research must encompass public and commercial entities from various regions of Ethiopia to enhance generalisability and robustness. The extension would facilitate cultural, economic, and administrative comparisons among regions, such as Amhara, Oromia, Tigray, SNNPR, Addis Ababa, and emerging regional nations. Comparative studies at the regional level may elucidate the impact of socio-economic conditions, leadership styles, and institutional norms on corporate culture and motivation.

Future research should investigate mediating and moderating variables such as employee engagement, leadership style, job satisfaction, and psychological empowerment to improve the culture–motivation framework. Investigating these systems may elucidate the influence of culture on motivation within complex organisations.

Longitudinal study designs are recommended. Monitoring corporate culture and motivation longitudinally would yield further evidence of causal relationships and the enduring impacts of cultural reforms on organisational performance. Time-based techniques are particularly beneficial in dynamic sectors such as banking, where regulatory reforms, technological advancements, and market fluctuations continuously alter organisational behaviour.

6.3. Theoretical contribution

This research corroborates organisational behaviour theory by demonstrating the cultural–motivation nexus within a developing-country finance sector. The research substantiates the Denison organisational culture framework within Ethiopian commercial banks and demonstrates that cultural characteristics such as engagement, flexibility, consistency, and mission elucidate employee motivation. These results show that the Denison model works in many cultures and that organisational culture is important for motivation in emerging nations. The results also indicate how culture affects how employees act and think when resources are limited and things are changing quickly, which adds to the literature on organisational behaviour.

Declarations

Conflict of Interest

All authors declare that they have no conflicts of interest.

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Ethical Approval

The study was conducted following ethical research standards. Participation was voluntary, and informed consent was obtained from all respondents before data collection.

Data Availability

The data supporting the findings of this study are available from the corresponding author upon reasonable request.

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