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## The Perceived Effect of Organizational Culture on Customer Loyalty through Customer Satisfaction in the case of Selected Private Commercial Banks

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### Abstract

The purpose of the present study was to investigate the perceived effect of organizational culture on customer's satisfaction and loyalty in the Case of selected Awash International Bank branches established in Dire Dawa. Descriptive and explanatory research design and mix quantitative and qualitative research approached were employed. Using convincing sampling, 357 customers of AIB were participated. The descriptive result of the organizational culture revealed out that, the respondents were moderately agreed with mission (score mean=3.09); agreed with consistency, adaptation, involvement (3.95, 3.80 and 3.60 score means respectively). The Amos for the SEM result revealed that, the probability of getting a critical ratio in absolute value is found significant different from zero, revealed the regression weight for mission, adaptation, consistency and involvement in the prediction of satisfaction is significantly different from zero at the 0.001 level (two-tailed). The regression weight for mission, consistency, adaptation, involvement and satisfaction in the prediction of loyalty is not significantly different from zero at the 0.05 level (two-tailed). And, the regression weight for satisfaction in the prediction of loyalty is not significantly different from zero at the 0.05 level (two-tailed). Finally the study recommended that, AIB is needed to revise the items incorporated under tangibility and empathy.

**Keywords:** AIB, organizational Culture, customer satisfaction, customer loyalty

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## **1. Background of the Study**

Previous literatures of empirical has shown that, organizational culture has relationship with customer's satisfaction. As per (Ganesh, Arnold, & Reynolds, 2000), an organizations must consider its culture and customer satisfaction as a key leverage point to differentiate themselves from other organizations. They also postulated that, customer loyalty has to be a deliberate responsibility in the contemporary market that provided service such as banks. (Ferris et al., 1998) pointed out, culture of a given organization has found a significant factor for client's satisfaction. And, (Rogget al., 2001) revealed organizational culture has a mediation role amongst HR practices and customer satisfaction. The study of Luigi et al (2022) concluded that a culture and customer satisfaction, have a positive effect on customer loyalty. His study which conducted in Peru used customer trust as moderator.

These studies (except Luigi et al) are outdated and conducted 20 years and above years ago and are employed abroad. Thus, updated empirical finding at local level is needed to justify the perceived effect of organizational culture on customer loyalty through customer satisfaction. Samhad et al (2019) studied the role of organizational leadership in customer loyalty through Managing Conflict between Employees and Customers in Iran. Yii Han et al (2020) employed a study on "Organizational Culture and Customer Loyalty: A Case of Harvey Norman. Australia" and found motivation, staff's competency and satisfaction are the factors related with loyalty. However, these two studies (Samhad et al. and Yii Han et al) are unable to show the mediating value of customer satisfaction.

There are also studies conducted on organization culture at regional (Africa). For example, study of Hannah et al (2020), using inferential statistics pointed out the culture of an organizational affects commitment of the organization's commitment positively. And, a literature review conducted by Ngozi and Victor (2021) also implied that, there are various dimensions of organizational culture enhance employee commitment. These studies are limited on organizational culture in relation with its effect on employee's commitment. Another research in Nigeria by Lukas Maina (2019) found cultural dimensions are critical mediating factors among the qualities of services and loyalties customers. However, this study is limited to show customer satisfaction's mediating role. Ibojo (2015) revealed customer satisfaction has association with customer loyalty; and, Abbas (2019) concluded that culture of tech-banking has influence on customer's satisfaction. These studies are limited to organizational culture and customer's satisfaction. Since customer loyalty ought to be the first intention of service

delivery firms incorporating client's loyalty while investigating the effect of organizational culture on customer satisfaction is considerable.

In Ethiopia there are also studies (i.e. Araya (2021), Bahita's (2021), Elizabeth (2017), Seifu (2018), Mersen (2016), Aynetu (2021)). These empirical studies are focused on organizational culture in relation with variables such as employee's commitment and/or company's performance. They used different variables to measure organizational culture for example, Araya and Seifu used the four dimensions i.e. clan, adhocracy, market and hierarchy as organizational culture variables. However, their results lacks consistency meant by Araya (2021) found that clan is the most important factor instead of adhocracy, market and hierarchy culture; Seifu (2018) advocacy is the most important factor instead of the other three. Araya (2021) revealed found that these four organizational factors have positive correlation. In contrary, Sefiu's result showed that, Adhocracy and clan have positive effect whereas market and hierarchy have negative effect.

The study's result lack consistency and employed different variables to investigate organizational culture. As observed in these studies there is no investigation conducted using the "Denison's cultural model" using the four variables with (Involvement, consistency, adaptability and mission) to study the organizational culture. Considering its powerful tool to examine the organizational culture, this study used these four variables to assess the study areas organizational culture. The study of koyera (2022) shown that there is insignificant correlation among user's satisfaction level and their perception to use services in the organization continuously but customer's loyalty has significant correlation with quality of service.

Koyera's study limited to the factors determined customer's satisfaction and loyalty and, it does not correlate with organizational culture. From the empirical studies conducted in Ethiopia, the perceived effect of organizational culture on customer loyalty through customer satisfaction is not addressed. There is a knowledge gap on the issue of organizational culture's effect on loyalty and user's satisfaction level.

The empirical findings accompanied in Ethiopia are focused on either of "organizational culture"; "customer satisfaction"; or "loyalty". Then, the effect of organizational culture's on loyalty through customer's satisfaction is not investigated yet in Ethiopia. The area is rarely studied and a knowledge gap in the effects of organizational culture on loyalty of clients through customer's satisfaction. This study could be considered as a remedy to fill the gap

which are less addressed i.e. influences of organizational culture on customer's loyalty through customer's satisfaction and loyalty.

Thus, the present study investigated the perceived effect of organizational culture on customer loyalty through customer satisfaction in the case of selected private commercial banks.

To address the problems stated the study answered the following basic research questions:

1. How does perceived organizational culture (mission, consistence, adaptation and involvement) influence customer's satisfaction?
2. To what extent does perceived organizational culture affects customer's loyalty
3. Is customer satisfaction mediate between organizational culture and loyalty

## **2. Conceptual Framework and hypothesis**

### **2.1. Studies on the effect of Organizational culture on customer satisfaction**

Abbas (2019) used Age and tech-banking culture to explain the effect of organizational culture on customer Satisfaction and revealed that aged customers are practically more inclined to face-to-face (FTF) banking than the Youngers. Daniel et al (2020) used the 4-Denison's dimension to study the Impact of Organizational Culture on Customer Service Effectiveness and concluded that the four organizational culture features are good predictors for improving customer service effectiveness. Wodajo Wami (2014) studied the impact of organizational culture on customer satisfaction using six variables (reliability, tangibility, team orientation, responsiveness, customer orientation and stability of organization) and all are found important factors for customer's satisfaction. From these points the current research tested the following hypothesis is:

*H<sub>1</sub>: A bank's mission has a significant and positive effect on customer satisfaction.*

*H<sub>2</sub>: A bank's consistency has a significant and positive effect on customer satisfaction.*

*H<sub>3</sub>: A bank's adaptation has a significant and positive effect on customer satisfaction.*

*H<sub>4</sub>: A bank's involvement has a significant and positive effect on customer satisfaction.*

### **2.2. Studies on the effect of customer satisfaction on customer loyalty**

Fatima and Yachou (2022) studied the variables namely Customer satisfaction, customer delight, customer retention and customer loyalty. Found that, the stay of the client have a mediating part in influencing the clients gratification level and to some extent mediating play in the influence of clients happiness customers' satisfaction. Sofia Redwan (2020) used Customer satisfaction, commitment, switching cost, trust and service quality variables to study the factor affecting customer loyalty and finds that all are important factors. Luigi et al (2022)

studied the effect of CSR on Consumer Satisfaction and Consumer Loyalty of Private Banking Companies' the using (CSR, Consumer Satisfaction and Consumer Loyalty) were found significant variables.

Peru "CSR and customer satisfaction, through customer trust, have a positive effect on customer loyalty customers' customer's satisfaction. Kabu & Soniya (2017) employed a study on Customer satisfaction and customer loyalty. They used variables such as Customer satisfaction and customer loyalty and found that the current service level of Trivsel can be marked as positive and customers are very satisfied with the service. Akshita et al (2021) tested the relationship between customer satisfaction and loyalty and revealed out that, customer satisfaction affects the trust and customer trust is an antecedent of loyalty.

Ibojo, (2015) studied the impact of Customer Satisfaction on Customer Loyalty and found that there is a significant relationship between customer satisfaction and customer loyalty. Koyera (2022) assessed the factors affecting brand loyalty and found that there is insignificant correlation among user's satisfaction level and their perception to use services in the organization continuously but customer's loyalty has significant correlation with quality of service.

Therefore, the current research tested:

*H<sub>5</sub>: customer satisfaction has a significant and positive effect on customer Loyalty.*

### **2.3. Studies on the effect of Organizational culture on customer loyalty**

The study of Ramuna (2020) aimed to assess the role mediating role of customer loyalty in the relationship between organizational culture and organizational performance. For that matter the variables used were customer loyalty, organizational culture and organizational performance and found that, loyalty of clients has a mediating role between culture and performances of the organizations. Samhad et al (2019) studied the role of Organizational Leadership in Customer Loyalty and the organizational culture of good dispute management has value on loyalty. and they have +ve association. Yii Han et al (2020) used Customer service culture and creativity culture variables to assess organizational Culture and Customer Loyalty and found that, motivation, staff's competency and satisfaction are the factors related with loyalty.

Lukas Maina (2019) studied "Effect of Service Quality on Customer Loyalty. And revealed that, cultural dimensions are critical mediating factors among the qualities of services and

loyalties customers. Ayda Elias (2017) utilized 'Conflict handling, Competence, loyalty of clients, commitment, Trust and Communication'' variables to study the effect of customer relationship management on customer loyalty and found that "Conflict handling and Competence" affects customer's loyalty.

From these points the current research will test the following hypothesis is:

H<sub>6</sub>: A bank's mission has a significant and positive effect on customer loyalty.

H<sub>7</sub>: A bank's consistency has a significant and positive effect on customer loyalty.

H<sub>8</sub>: A bank's adaptation has a significant and positive effect on customer loyalty.

H<sub>9</sub>: A bank's involvement has a significant and positive effect on customer loyalty.

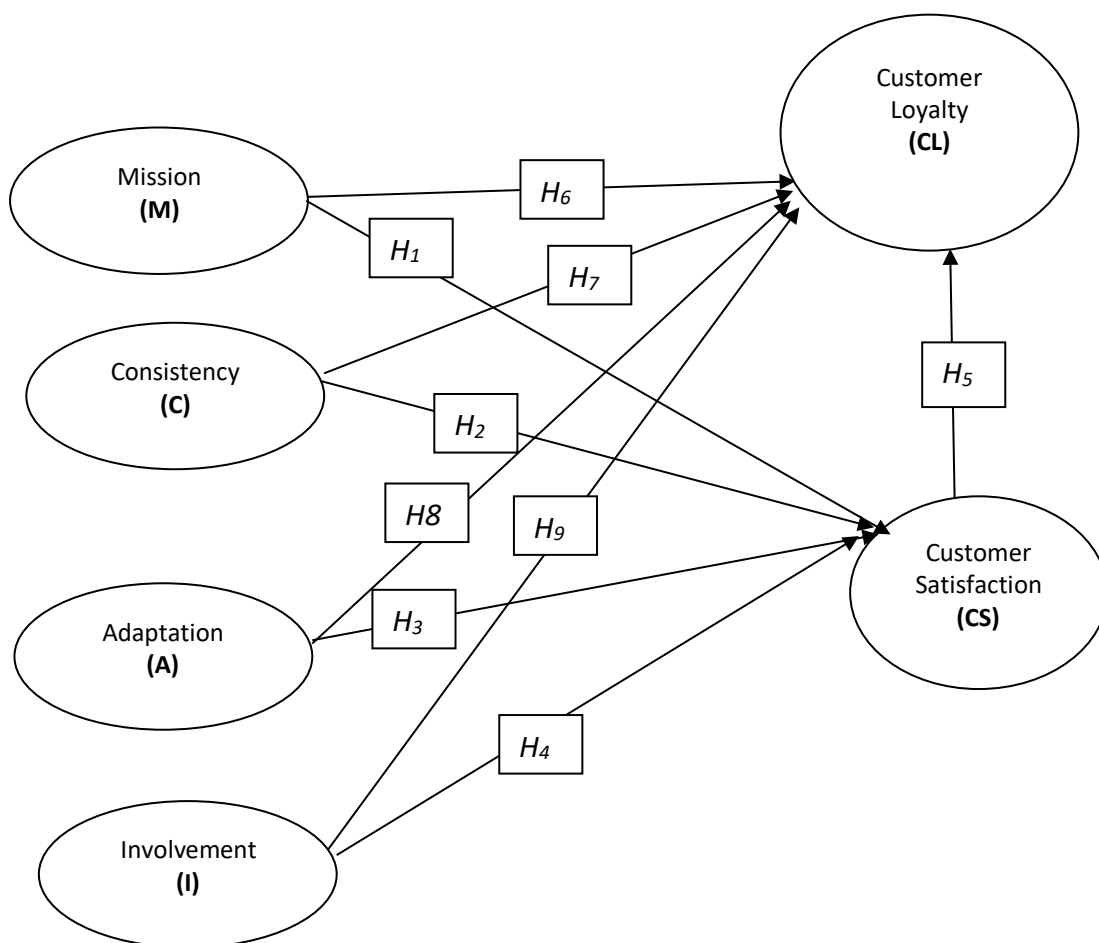


Fig. 1. Shows the conceptual model of the study. It consists of three constructs linked via nine hypotheses  
Conceptual Framework

### 3. Methodology

Qualitative and quantitative data were collected mainly through the instruments i.e. questionnaire, interview and descriptive and explanatory research designs were employed.

There are two groups of population the customers' accounts 752,204 and the target population includes professionals, supervisors and managers of selected Awash International Bank branches established in Dire Dawa i.e. Sabian and Shemendefer accounts 65 (35 Sabian and 30 Shemenefer). Thus, the target population of the current study were the customers for the questionnaire and the managers for interview. To calculate the sample size of the unknown customers were be based on the sample required to estimate a proportion with an approximate 95% confidence level through considering the following formula which is developed by Kothari (2004).

$$n = \frac{Z^2 p \cdot q}{e^2} \quad n = 383.14$$

Based on the nature of the inquiry, the data collection instrument and the characteristics of the target group's appropriate sampling technique were selected. Accordingly, the customers were participated selected using non-random judgmental sample selection method by the researcher from the incoming customers within a month of September 01 to 30. In the present research both primary and secondary sources of data were utilized. Primary data were collected through questionnaire and interview. The secondary data were the documents in the study area.

Questionnaire which have four parts (profile of the respondent's; Organizational Culture (13-items) i.e. Mission (3-items), Consistence (3-items), Adaptation (4-items) and Involvement (3-items) adopted from Denson model; Customer satisfaction contains (22-items) namely, Reliability (4-items), Responsiveness (5-items), Tangibles (4-items), Assurance (4-items), Empathy adopted from Parasuraman et al[15] and Customer Loyalty contains (6-items) adopted from Muhammad et al. (2015) and Sofia[18] were employed. Besides, semi structure interview was employed as complimentary data collection instrument besides the data collected through questionnaire.

In the analysis of the qualitative data that were collected through interview content analysis were employed. This means, the data were reviewed, transcript again, and coded according to this overarching category was read and reviewed. The data that collected through questionnaire encoded in to SPSS version 26. The analysis of the quantitative through simple descriptive statistics and multiple regression and Structural Equation Modeling, the procedures are depicted as follows: The Simple descriptive statistics utilized so as to attain a summary of the present the data. Also, simple and cross-tabulations tables were used to display the quantitative data collected through questionnaire. Regarding inferential statistics correlation and multiple

regressions were used to examine the perceived effect of organizational culture on customer’s satisfaction and loyalty. Assumptions like Factor Loading, Multi-collinearity, and Average variance extracted (AVE) and a p-value is less than .05 were taken in to account for the SEM.

The summary of the Cronbach’s Alpha and Cronbach's Alpha Based on Standardized of 16 variables accounted .721 and .752 respectively. This shown that, the items under the 16 variables listed in the Table are reliable and are found good.

**2. Data analysis and Discussion**

**4.1. Participants of the study**

Table 1. Table Profile of the Respondents (N=357)

Items		Frequency	Percent
Sex	Male	198	55.5
	Female	159	44.5
Age	18 to 29	132	37.0
	30 -39	97	27.2
	40-49	65	18.2
	50 and above	63	17.6
Marital Status	Married	226	63.3
	Single	131	36.7
Educational Level	Primary (1-8)	67	18.8
	Secondary (9-10/12)	122	34.2
	Level	56	15.7
	Diploma	45	12.6
	Degree	56	15.7
	MA and above	11	3.1

(Source: own Survey, 2023)

In the study, 198 (55.5%) males and 159 (44.5%) females were participated in the study. Thus, above half of the respondents with a share of 55.5% were males followed by the females with a share of 44.5%. The respondent’s age were categorized 18 to 29 (frequency=132bor 37.0%), 30 -39 (frequency=97 or 27.2%), 40-49 (frequency=65 or18.2%) and 50 and above (frequency=63 or 17.6%). About 63.3% of the participants were married followed by the 36.7% single respondents. Regarding the educational level of the respondents, 67 (18.8%) and 122 (34.2%) were Primary (1-8) and Secondary (9-10/12); and 56 (15.7%); 45 (12.6%); 56(15.7%); and, 11 (3.1%) of the respondent’s educational level were Level, Diploma, Degree and MA and above respectively.

**4.2. Descriptive Result of the Study**

Table 2. Descriptive Results of the organizational culture (n=357)

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Mission	357	2	4	3.09	.619
Consistency	357	2	5	3.95	.687
Adaptation	357	3	5	3.84	.594
Involvement	357	2	5	3.60	.691

(Source: own Survey, 2023)

According to Table 2, the score mean value of mission was 3.09, revealed that the respondents were moderately agreed with the variable. The standard deviation that is .619 shown the responder's response on the variable is relatively homogeneous. Therefore, the participant customers of AIB moderately agreed with the items incorporated within mission i.e. AIB has implicit long and short term plans, AIB envisioned its forthcoming target and AIB makes public and clear Aims and purposes for the staff in their job shown. The score mean value of the second variable of organizational culture i.e. consistency accounted 3.95, meant by the respondents were agreed with the variable. Also, the respondents were relatively consistence in their replies because the SD was .687. This implied that, AIB forwarded its common institutional standards in line the Bank's expecting from the employees, The staffs are cooperatively working on urgent issues and the common Bank's expectation are achieved due to the staffs good integration culture. The third variable namely adaptation were scored a mean value and SD of 3.80 and .57 respectively. This revealed that, the respondents with relatively consistent answered were agreed with the adaptation practices such as: it is common in the Bank of making modification to respond and antedate upcoming changes, users have get attention to antedate their need, there is trend and training to inspire invention and awareness are created to Figure out the staffs knowhow. Involvement (the fourth variable) accounted a score mean value of 3.60 and SD of .69. Therefore, the respondents were averagely agreed with the three items i.e. staffs are trained so as to accomplish their jobs, staff direction is given to achieve the Bank's shared standard and the skill progress among the staff's personnel is available to achieve the Bank's future vision in its financial capacity.

Table 3. Customer's Satisfaction Level (N=357)

Items	Mean	SD
Your degree of satisfaction by the bank's value Added services?	3.9188	1.161
Your degree of satisfaction by the Bank's tech-banking culture/ from the use of banking technologies?	3.4510	.890
Your degree of satisfaction by the marketing relationships of the bank?	3.0924	1.2361
Your overall satisfaction?	4.1765	.9359
Grand Mean	3.66	.569

(Source: own Survey, 2023)

According to Table 3, the respondents were satisfied by the bank's value-Added services and by the Bank's tech-banking culture/ from the use of banking technologies with a score mean values of 3.91 and 3.45 respectively. With a score mean value of 3.09 the respondents were moderately agreed by the marketing relationships of AIB. The grand mean on the respondents' satisfaction level accounted 3.66 revealed that in average the respondents were satisfied by AIB.

In the interview with the managers it is found that, AIB carried put two distinct customer’s satisfaction measurements. There are service quality matrix and customer service quality. Through these two ways customers’ satisfaction are scaled within an interval.

Table 4. Customer’s Loyalty (N=357)

Items	Mean	SD
I Frequently used AIB	3.8235	.83445
I rarely think of changing this bank to another one	3.2829	1.35168
I am confident while making any financial transaction	4.0112	.95098
Each time I want to make any financial transaction	4.0980	.89876
AIB is my number one choice	3.8391	.93703
Grand Mean	3.81	.678

(Source: own Survey, 2023)

According to Table 4, the participants were agreed with the items i.e. I frequently used AIB (mean=3.82); I am confident while making any financial transaction (score mean= 4.01); each time I want to make any financial transaction (score mean-4.09) and AIB is my number one choice (score mean=3.83). And, moderately agreed with the item reads as I rarely think of changing this bank to another one (score mean value of 3.2). In average the loyalty of the customers accounted 3.81 (laid on the agreement).

### 4.3. Structural Equation Model

In the SEM, eight variables (six observed and two unobserved variables), six exogenous and two Endogenous variables have been incorporated. The probability of getting a critical ratio as large as 7.359 in absolute value is less than 0.001. In other words, the regression weight for mission in the prediction of satisfaction is significantly different from zero at the 0.001 level (two-tailed). The probability of getting a critical ratio as large as 24.276, 12.524 and 6.872 (in absolute value) for the predictors of consistency, adaptation and involvement is less than 0.001, this mean the regression weight of these variables in the prediction of satisfaction is significantly different from zero. Besides, consistency and involvement have a significant prediction of loyalty with a a values of 3.166 and 3.801 at 0.05 significant level. Whereas, the probability of getting a critical ratio of the variables namely mission, adaptation, involvement and satisfaction were as large as 1.794, 1.064, and 1.792 in absolute value were .073, .287 and .073 respectively. This implied that, the regression weight for mission, consistency, adaptation, involvement and satisfaction in the prediction of loyalty is not significantly different from zero at the 0.05 level (two-tailed). When mission goes up by 1 standard deviation, satisfaction goes up by 0.239 standard deviations. When consistency goes up by 1 standard deviation, satisfaction goes down by 0.994 standard deviations. When adaptation and involvement goes

up by 1 standard deviation, satisfaction goes up by .426 and .265 standard deviations respectively. As consistency, involvement and satisfaction go up by 1 standard deviation, loyalty goes up by .333, .246 and .150 standard deviations respectively.

Table 5. Covariance's: (Group number 1 - Default model)

			<b>Estimate</b>	<b>S.E.</b>	<b>C.R.</b>	<b>P</b>	<b>Label</b>
Consistency	<-->	Mission	.139	.027	5.062	***	
Mission	<-->	Adaptation	.129	.025	5.126	***	
Mission	<-->	Involvement	.088	.028	3.186	.001	
Consistency	<-->	Adaptation	.155	.023	6.899	***	
Consistency	<-->	Involvement	.324	.033	9.829	***	

(Source Own survey, 2023)

As shown in the above Table 5, when the probability of getting a critical ratio as large as 5.062 in absolute value is less than 0.001. In other words, the covariance between consistency and mission is significantly different from zero at the 0.001 level (two-tailed). The probability of getting a critical ratio as large as 3.186 in absolute value is .001. In other words, the covariance between mission and involvement is significantly different from zero at the 0.001 level (two-tailed).

Table 6. Squared Multiple Correlations: (Group number 1 - Default model)

	<b>Estimate</b>
<b>Satisfaction</b>	.669
<b>Loyalty</b>	.176

(Source Own survey, 2023)

It is estimated that the predictors of satisfaction explain 66.9 percent of its variance. In other words, the error variance of satisfaction is approximately 33.1 percent of the variance of satisfaction itself. And, it is estimated that the predictors of loyalty explain 17.6 percent of its variance. In other words, the error variance of loyalty is approximately 82.4 percent of the variance of loyalty itself.

### 4.3. Model Fit Summary

Table 7. Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.918	-.223	.920	-.227	.918
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

(Source: Own Survey, 2023)

Where:

NFI/Normed Fit Index also referred to as Delta 1 (Bollen, 1898b), and consists of values scaling between (terribly fitting) independence model and (perfectly fitting) saturated model. A value of 1 shows a perfect fit while models valued  $< 0.9$  can be usually improved substantially (Bentler & Bonett, 1980). And, the RFI/Relative Fit Index and derived from NFI where values closed to 1 indicate a very good fit while 1 indicates a perfect fit. The value of interest here is CFI for the default model. A CFI value of  $\geq 0.95$  is considered an excellent fit for the model (West et al., 2012). As shown in the Table, the CFI is 0.918 and it closer to one.

Table 8. RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.434	.350	.524	.000
Independence model	.392	.369	.415	.000

(Source: Own Survey, 2023)

The RMSEA/Root Mean Square Error of Approximation where values higher than 0.1 are considered poor, values between 0.08 and 0.1 are considered borderline, values ranging from 0.05 to 0.08 are considered acceptable, and values  $\leq 0.05$  are considered excellent (MacCallum et al, 1996). Unfortunately, the RMSEA in this model is lied above .1. It is important to note that, the RMSEA has serious problems with simpler models with few degrees of freedom. This is especially true for simple path models and simple CFAs, which more often have relatively few degrees of freedom. Here, the RMSEA can wrongly indicate a poor fit, even when in fact the model fits the data well (Kenny et al., 2015). To understand the reason for this problem, one must delve a bit into how the RMSEA is constructed. The RMSEA is an absolute fit index that incorporates model complexity (Hu & Bentler, 1999). To account for complexity, it includes a penalty for few degrees of freedom, so to speak. As a result, models with few degrees of freedom often have poor RMSEA even when they fit the data quite well. In addition, Kenny et al. (2015) found that for models with few degrees of freedom, it may even be the case that

models with a non-significant chi-square test (i.e., no significant difference at all between the model and the data) can still have a poor RMSEA.

Their conclusion "Using the RMSEA to assess the model fit in models with small df is problematic and potentially misleading unless the sample size is very large. We urge researchers, reviewers, and editors not to dismiss models with large RMSEA values with small df without examining other information. In fact, we think that it [sic] advisable for researchers to completely avoid computing the RMSEA when model df are small. In such cases, poor fit can be diagnosed by specifying additional models that include deleted parameters and determining if those additional parameters are needed in the model." (Kenny et al, 2015, p. 503). What constitutes "few degrees of freedom" in this context also depends significantly on the sample size. Kenny et al. (2015, p. 497) indicated for various sample sizes and degrees of freedom, what percentage of their correctly specified model was (incorrectly) rejected based on the acceptance criterion  $RMSEA \leq .10$ .

**4.4. The effect of Organizational culture on Loyalty through Satisfaction**

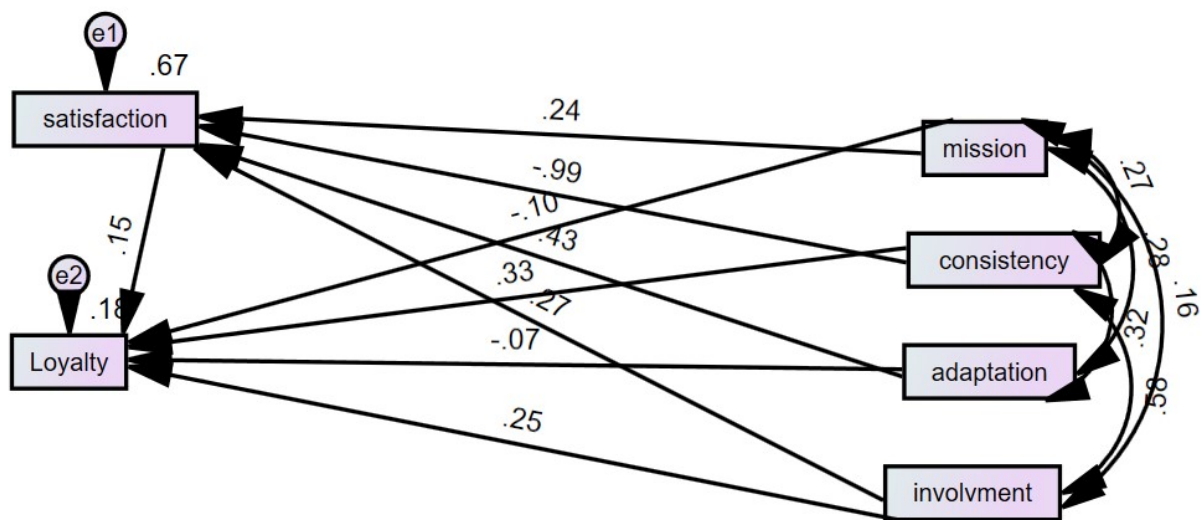


Fig. 2. Amos Output  
(Source: Amous out put, 2023)

**4.5. Discussion**

From the nine hypothesis projected in the present study six of them are accepted. Thus, a bank’s mission, consistency, adaptation and involvement has a significant and positive effect on customer satisfaction. Consistently the study of Daniel et al (2020) used the 4-Denison’s dimension to study the impact of Organizational Culture on Customer Service Effectiveness and concluded that the four organizational culture features are good predictors for improving

customer service effectiveness. Similarly, the paper of Wodajo Wami (2014) studied the impact of organizational culture on customer satisfaction using six variables (reliability, tangibility, team orientation, responsiveness, customer orientation and stability of organization) and all are found important factors for customer's satisfaction.

And, in the current study bank's mission and involvement has a significant and positive effect on customer loyalty. Other previous studies revealed for example, the study of Ramuna (2020) customer loyalty, organizational culture and organizational performance and found that, loyalty of clients has a significant role on the organizational culture. Samhad et al (2019) studied the role of Organizational Leadership in Customer Loyalty and the organizational culture of good dispute management has value on loyalty and they have +ve association. Yii Han et al (2020) used Customer service culture and creativity culture variables to assess organizational Culture and Customer Loyalty and found that, motivation, staff's competency and satisfaction are the factors related with loyalty. Lukas Maina (2019) studied "Effect of Service Quality on Customer Loyalty. And revealed that, cultural dimensions are critical mediating factors among the qualities of services and loyalties customers. Ayda Elias (2017) utilized 'Conflict handling, Competence, loyalty of clients, commitment, Trust and Communication'" variables to study the effect of customer relationship management on customer loyalty and found that "Conflict handling and Competence" affects customer's loyalty.

## **5. Conclusion and Recommendation**

### **5.1. Conclusion**

From the findings the present study comes with the following conclusions:

Regarding the effect of perceived organizational culture (mission, consistence, adaptation and involvement) on customer's satisfaction, the current study revealed that the four Danson' organizational culture has statistically significant effect on customer's satisfaction. The probability of getting a critical ratio in absolute value is found significant different from zero, revealed the regression weight for mission, adaptation, consistency and involvement in the prediction of satisfaction is significantly different from zero at the 0.001 level (two-tailed).

Considering the influence of perceived organizational culture on customer's loyalty, between the four Danson's four organizational model mission and involvement has a significant and positive effect on customer loyalty. The regression weight for mission, consistency, adaptation, involvement and satisfaction in the prediction of loyalty is not significantly different from zero at the 0.05 level (two-tailed).

The scenario that, how customer's satisfaction has not a mediating role between organizational culture and loyalty. This is because there is no statistically significant effect of customer's satisfaction on customer's loyalty and the vice versa. The regression weight for satisfaction in the prediction of loyalty is not significantly different from zero at the 0.05 level (two-tailed).

## **5.2. Recommendation**

Finally, the present research forwarded recommendations for the following bodies:

### **AIB**

It is needed to be in line the customer's expectation on the usage of updated and modernized equipment. The customers are not found AIB as per their expected. The way that, Awash international bank is physically in a scenario visually appealing is not as per the client's expectation. Thus, the physical appearance and attractiveness of AIB in the two branches have to be revised. Besides, awash international bank have to be appeared to be physically appeared in line with the type of banking industry The Employees of the Bank have to be consistently dressed from the guards to the managers, and neatness of the employees is another aspect that the AIB in the two branches have to be addressed.

Individual's customers are in need of reaching individual devotion and they are in need of individual focuses. Therefore, on job training on the issues that can enhance employee's customer handling is found important. The AIB have to take individuals need assessment on what the employees or what the service deliverers are missed and to imagine customer's ultimate desire. Management of the bank have to be understand the socio-cultural trend of the society, and arrange the service type and service delivery time.

### **Future studies**

The researcher's in the future have to focuses on what are the remaining predictors of customer's satisfaction and loyalty.

### **Acknowledgment**

The author would like to express sincere gratitude to the management and staff of the selected private commercial banks who generously contributed their time and insights to this research. Their cooperation during data collection was essential to the success of this study. The author also extends appreciation to the customers who participated in the survey, offering valuable feedback that enriched the findings. Special thanks are due to academic advisors and colleagues whose constructive guidance and encouragement were instrumental throughout the research

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### **Conflict of Interest**

The author declares that there is no conflict of interest regarding the publication of this article. The research was conducted independently and objectively, with no financial, institutional, or personal relationships that could have influenced the outcomes or interpretations of the study.

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