



**ADDIS ABABA UNIVERSITY  
COLLEGE OF BUSINESS AND ECONOMICS  
SCHOOL OF COMMERCE**

**THE EFFECT OF STRATEGIC BUSINESS ORIENTATION ON  
ORGANIZATIONAL PERFORMANCE: THE CASE OF ZEMEN  
BANK S.C.**

**A THESIS SUBMITTED TO SCHOOL OF COMMERCE, COLLEGE OF  
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## Declaration

I, **Wengelawit Dejene**, the undersigned, declare that this thesis entitled: “*The Effect of Strategic Business Orientation on Organizational Performance: The Case of Zemen Bank S.C.*” is my original work. I have undertaken the research work independently with the guidance and support of the research advisor. This study has not been submitted for any degree or diploma program in this or any other institution all sources of materials used for the thesis have been duly acknowledged.

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## **ENDORSEMENT**

This certifies that the study “**The Effect of Strategic Business Orientation on Organizational Performance: The Case of Zemen Bank S.C.**” completed by **Wengelawit Dejene** for the Addis Ababa University School of Commerce's Master of Business Leadership program, is original and hasn't been submitted previously for credit toward any degree at this university or any other university.

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## **Certification (Board of Examination sheet)**

This certifies that **Wengelawit Dejene**, thesis “**The Effect of Strategic Business Orientation on Organizational Performance: The Case of Zemen Bank S.C.**” which was turned in to partially fulfill the requirements for a master’s degree in business leadership satisfies accepted standards for originality and quality as well as college regulations.

### **Endorsed by the Examiners& Board**

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Advisor, Wasihun.M (PhD)

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## **Abbreviations and Acronyms**

The Bank- Zemen Bank

SO- Strategic Orientation

MO-Market Orientation

LO – Learning Orientation

EO- Entrepreneurial Orientation

OP- Organizational Performance

VRIO-Valuable, Rare, Costly to imitate, and Organized

ROE- Return on Equity

ROA- Return on Asset

ROI- Returns on Investment

NIM- Net Investment Margin

ANOVA- Analysis of Variance

SPSS- Statistical Package for Social Sciences

## ABSTRACT

*The purpose of the research was to examine how strategic business orientation impacts the perceived organizational performance of Zemen Bank. Thus, attempts were made to provide answers to the research questions. Primary and secondary data source was used. The researcher was used both descriptive and explanatory design. In order to support the quantitative data analysis in this study, descriptive statistics like frequencies, percentages, means, and standard deviations were used in conjunction with SPSS data. In order minimize error in estimating from the target population, participants for the study's questionnaire were chosen using a straightforward random selection procedure. Out of the 259 questionnaires provided, 243 were correctly completed by the participants.*

*The finding of the study verified that strategies focusing on enhancing technological capabilities the most significant impact on improving organizational performance. The study shows that market orientation, entrepreneur orientation, learning orientation, and technological orientation positively correlate with organizational performance. From the finding it was concluded that, technological orientation has the strongest positive correlation with organizational performance and it is a crucial factor in enhancing performance. It was recommended that Zemen Bank should improve customer feedback mechanisms and establish more frequent and diverse channels for collecting customer feedback, such as surveys, focus groups, and social media monitoring. This will ensure a continuous understanding of customer needs and satisfaction, leading to better customer retention and new product development.*

**Keywords:** *Strategic Orientation, Organizational Performance, Zemen Bank.*

# Chapter One

## Introduction

This chapter introduces the reader about the Impact of strategic business orientation on organizational performance in the case of Zemen Bank. It comprises of background of the study, statement of the problem, research questions, objectives, significance, scope, limitation and organization of the study.

### 1.1. Back ground of the study

In today's highly competitive business environment, organizations must strategically position themselves to achieve optimal performance. This involves the development and implementation of effective strategic orientations that align with organizational goals and objectives (Zahra et al., 2006). Strategic orientations, including market, entrepreneurial, and learning orientations, play crucial roles in shaping organizational behaviors and strategies (Arend, 2008). These orientations influence how organizations respond to market changes, innovate, and leverage learning to maintain a competitive edge.

Market orientation refers to a business approach focused on identifying and meeting the needs and wants of customers through the creation and delivery of superior value (Kohli & Jaworski, 1990). Entrepreneurial orientation involves a firm's propensity to engage in innovative, proactive, and risk-taking activities (Miller, 1983). Learning orientation is characterized by an organization's commitment to learning and knowledge acquisition to enhance its ability to adapt and innovate (Sinkula, Baker, & Noordewier, 1997).

While individual strategic orientations have been extensively studied, there is growing recognition of the need to understand their combined effects on organizational performance. Covin and Wales (2012) highlight the importance of exploring the interplay between different strategic orientations to provide a more comprehensive understanding of their impact on performance. However, research in this area remains limited, particularly in specific contexts such as the banking sector (Li et al., 2019).

In the context of Ethiopian banks, organizational performance is traditionally measured using profitability metrics such as return on assets (ROA), return on capital (ROC), and net interest margin (NIM) (Peng et al., 2008). Despite the critical importance of strategic orientations, there has been little exploration of their impact on the performance of Ethiopian banks. The dynamic nature of the banking

industry, coupled with evolving market conditions, necessitates an investigation into how strategic orientations influence performance outcomes.

Understanding the relationship between strategic orientations and organizational performance in Ethiopian banks can provide valuable insights for bank managers and policymakers. By examining the mediating and moderating effects within diverse organizational environments, researchers can offer actionable recommendations to enhance strategic orientation and improve overall performance (Floyd & Wooldridge, 1994). This study aims to fill this gap by investigating the effect of strategic orientation on organizational performance in Ethiopian banks.

Recent studies have emphasized the need for a holistic approach that considers contextual contingencies and mediating roles (Barney, 1991; Damanpour, 1991). By adopting such an approach, this research seeks to provide valuable insights into the strategic management practices of banks in Ethiopia. Through rigorous analysis and empirical evidence, this study aims to contribute to the existing literature on strategic management and organizational performance, offering practical implications for bank executives and policymakers navigating the complex landscape of the banking industry.

In summary, this study addresses the critical need to understand how strategic orientations—market, entrepreneurial, and learning—impact the performance of Ethiopian banks. By doing so, it aims to offer a comprehensive framework that enhances strategic management practices, fosters sustainable growth, and ensures competitive advantage in the ever-evolving banking sector.

## **1.2. Statement of the problem**

The importance of developing a sound business strategy and aligning various organizational components, such as structure, culture, and leadership behavior, is widely recognized in academic and practical domains. Despite this recognition, there is a significant gap in understanding the combined effects of multiple strategic orientations on organizational performance. While individual strategic orientations, such as market, entrepreneurial, and learning orientations, have been extensively studied, the interactive effects of these orientations and the contextual contingencies within diverse organizational environments have not been comprehensively explored (Arend, 2008; Covin & Wales, 2012; Dess et al., 2005). This lack of understanding hinders the development of tailored strategies that leverage the synergistic potential of multiple strategic orientations to optimize organizational performance. Specifically, existing literature has predominantly focused on the isolated impacts of

individual strategic orientations, overlooking the potential benefits of an integrated approach. The current body of research does not adequately address how these orientations interact and influence each other within varying organizational contexts. Furthermore, there is a scarcity of studies examining the mediating and moderating effects of these interactions on organizational performance (Floyd & Wooldridge, 1994; Li et al., 2019; Peng et al., 2008). This gap in knowledge limits the ability of organizations to effectively enhance their strategic orientation and improve overall performance.

Moreover, a lack of understanding regarding the interplay of strategic orientations can lead to suboptimal resource allocation and decision-making processes (Porter, 1980; Teece, Pisano, & Shuen, 1997). The failure to consider the mediating and moderating effects within diverse organizational contexts may result in ineffective implementation and limited performance improvements (Barney, 1991; Damanpour, 1991). Consequently, organizations may struggle with agility and adaptability in dynamic environments, impeding their ability to sustain competitive advantage (Eisenhardt & Martin, 2000; Terence et al., 1997). In the context of Ethiopian banks, where performance is predominantly measured using profitability indicators like return on assets (ROA), return on capital (ROC), and net interest margin (NIM), there has been little attention given to understanding the impact of strategic orientations as a measure of bank performance. This focus on traditional profitability measures underscores an urgent need to investigate the integrated impact of strategic business orientation on organizational performance in the banking sector.

The existing literature does not adequately explore how strategic orientations, when combined, affect the performance of Ethiopian banks. There is a lack of comprehensive research addressing how these orientations interact with contextual contingencies and mediating roles specific to the dynamic and diverse business landscape of Ethiopian banks. This knowledge gap limits the ability of these banks to develop effective strategies that enhance performance and drive sustainable growth (Miller, 1986; Zahra et al., 2006). To address these gaps, this study aims to provide actionable insights by investigating the integrated impact of strategic business orientations on organizational performance, specifically within Ethiopian banks. The research will account for contextual contingencies and mediating roles to offer a comprehensive understanding of how these factors interact and influence performance. By doing so, the study seeks to fill the existing gap in the literature and provide practical guidance for enhancing strategic orientation and improving overall performance in the banking sector.

By addressing the interplay of strategic orientations and considering the specific context of Ethiopian banks, this research endeavors to contribute to the development of tailored strategies that harness the

synergistic potential of multiple strategic orientations. This approach is crucial for ensuring sustainable growth and competitiveness in the banking sector, ultimately enabling Ethiopian banks to navigate complexity effectively and sustain competitive advantage in a dynamic environment (Lavie et al., 2010; Wang et al., 2014).

Therefore, the research gap identified lies in the limited understanding of the combined effects of strategic orientations on organizational performance, particularly within the context of Ethiopian banks. Existing studies have predominantly focused on individual strategic orientations, neglecting their interactive effects and contextual contingencies. By addressing this gap, the proposed research aims to provide valuable insights that will enhance strategic orientation and drive performance improvements in Ethiopian banks, contributing to sustainable growth and competitiveness in the banking sector.

### **1.3. Research Questions**

The study was conducted to answer the following research questions

1. What is the existing practice of Strategic Business Orientation in Zemen Bank S.C?
2. What is the level of Organizational Performance in Zemen Bank S.C?
3. What is the relationship between Strategic Business Orientation and Organizational Performance in Zemen Bank S.C?
4. What is the Effect of Strategic Business Orientation on Organizational Performance in Zemen Bank S.C?

### **1.4. Objectives of the Study**

#### **1.4.1. General Objective**

The general objective of the research was to examine the effect of strategic Business orientation on the Organizational performance in Zemen Bank.

#### **1.4.2. Specific Objectives**

The specific objectives are:

1. To examine the existing practice of Strategic Business Orientation in Zemen Bank S.C.
2. To assess the level of Organizational Performance in Zemen Bank S.C.

3. To determine the relationship between Strategic Business Orientation and Organizational Performance in Zemen Bank S.C.
4. To evaluate the effect of Strategic Business Orientation on Organizational Performance in Zemen Bank S.C.

## **1.5. Significance of the Study**

This research is crucial for bank executives and decision-makers in the Ethiopian banking sector. By examining the relationship between strategic business orientation and organizational performance, the study provides valuable insights that can guide informed strategic decisions. The trend in decision-making within the sector has been shifting towards greater emphasis on data-driven and customer-centric approaches. Understanding the empirical evidence on how different strategic orientations affect performance can help executives make more accurate and effective decisions, thereby improving overall organizational performance.

For business leaders and strategists, the findings of this study offer significant contributions to the field of strategic management. By evaluating the impact of strategic orientations on organizational performance, the research provides a deeper understanding of which strategies are most effective in enhancing performance. This knowledge can help leaders craft more effective strategies that are aligned with their organizational goals, ensuring better resource allocation and strategic focus.

The study was also important for the broader banking sector in Ethiopia. As the industry becomes increasingly competitive, banks need to adopt strategies that enhance their performance and maintain their competitive edge. This research offers practical insights into which strategic orientations are most beneficial for achieving high performance. By implementing these insights, banks can improve their agility and adaptability, essential traits in today's dynamic business environment.

For academics and researchers in the fields of strategic management and business studies, this research fills a critical gap in the literature by exploring the combined effects of multiple strategic orientations on organizational performance. The study's findings contribute to the advancement of knowledge in these fields, providing a foundation for future research. Academics can build on this work to further explore the nuances of strategic orientation and its impact on various types of organizations.

Beyond the banking sector, the practical implications of this research extend to businesses in other industries as well. Understanding how strategic business orientation influences performance can provide

actionable insights for businesses seeking to improve their strategic decision-making processes. The study's findings can help organizations in various sectors develop more effective strategies that enhance their performance and ensure sustainable growth.

Finally, this research is significant for bank executives, business leaders, the broader banking sector, academics, and businesses in various industries. By providing empirical evidence on the relationship between strategic business orientation and organizational performance, the study offers valuable insights that can guide strategic decision-making, enhance performance, and maintain competitiveness in a dynamic business environment.

## **1.7. Scope of the Study**

The study's geographic scope was restricted to the headquarters of Zemen Bank. Restricting the study to the headquarters of Zemen Bank improves the viability of data gathering and research execution. By concentrating on a certain area, logistical issues like travel costs and branch or site coordination are lessened. It enables researchers to focus their energies and resources in an environment that is accessible and manageable. Access to important stakeholders, such as staff members, managers, and organizational leaders, was made easier by conducting the study at the headquarters. Researchers can ensure the relevance and depth of study findings by interacting directly with people who are knowledgeable about company culture, leadership styles, and employee dynamics thereby ensuring the relevance and depth of the study findings

The study's conceptual scope was limited to ideas regarding Strategic Business Orientation on Organizational Performance. In addition, focusing the research on the ideas of Strategic Business Orientation on Organizational Performance gives the investigation emphasis and clarity. Researchers can gain a deeper knowledge of the relationship between Strategic Business Orientation on Organizational Performance within the organizational setting by focusing their research on these particular issues. Furthermore, factors like feasibility, participant access, contextual relevance, focus and clarity, theoretical alignment, and practical applicability justify the study's geographical boundaries to Zemen Bank's head office as well as its conceptual boundaries to concepts of Strategic Business Orientation on Organizational Performance. With the help of these boundaries, researchers can carry out a targeted, pertinent, and significant investigation that adds to the body of knowledge on Strategic Business Orientation on Organizational Performance while producing valuable insights for the company.

## **1.8. Limitations of the study**

One limitation of this study is its focus on Zemen Bank S.C. in Ethiopia. While the findings provide valuable insights into the relationship between strategic business orientation and organizational performance within this specific context, they may not be fully generalizable to other banks or industries. The unique characteristics of Zemen Bank and the Ethiopian banking sector may limit the applicability of the results to different organizational or geographical contexts. On the top of that, the study relies on the availability and accuracy of data collected from Zemen Bank S.C. Potential limitations include incomplete or biased data, which could affect the validity of the findings. Additionally, the study may face challenges in obtaining comprehensive data due to confidentiality issues or limited access to internal documents and performance metrics. This research employs a cross-sectional design, which captures data at a single point in time. While this approach provides a snapshot of the current state of strategic business orientation and organizational performance, it does not account for changes over time. Longitudinal studies would be needed to understand the dynamic nature of these relationships and how they evolve. Furthermore, the study primarily focuses on internal factors related to strategic business orientation and organizational performance. It does not extensively explore external environmental factors such as economic conditions, regulatory changes, and competitive pressures that could also influence performance. Future research could incorporate these external variables to provide a more comprehensive understanding of the factors affecting organizational performance.

## **1.8. Definition of Terms**

**Organizational performance:** - The ability of an organization to reach its goals and optimize results. Measuring an organization's performance involves comparing its actual outputs or results with the intended ones.

**Orientation:** - The action of orienting someone or something relative to the points of a compass or other specified positions.

**Strategic Orientation:** - is the ability to link long-range visions and concepts to daily work. It is a guideline for a company to achieve its strategic goals. It can fully reflect the company's values and appears as a general understanding and cognitive interpretation of its external environment and internal resources (Selmi and Chaney, 2018).

**Entrepreneurial orientation:** - Entrepreneurial orientation involves the methods, processes, practices and all the decision-making activities tilting towards creativity and innovation in an organization (Mehrdad et al 2011).

**Market orientation:** - Market orientation implies having deep knowledge about our customers and competitors.

**Learning orientation:** - Learning orientation refers to organization-wide activity of creating and using knowledge to enhance or promote competitive advantages (Calantone, Cavusgil, & Zhao, 2002).

**Technology orientation-** as per the study of Halac, (2015), technology orientation refers to the organization's degree of commitment to research and development, acquisition of new technologies and applications of the latest one.

## **1.9. Organization of the study**

The entire study was broken up into five chapters. Chapter 1 gives a general summary of the study, including its background, problem description, objectives, significance, scope, and constraints as well as the methodologies used and the organizational structure. Chapter Two is a survey of the literature in the research topic. In Chapter 3, methodology and research design are discussed. However, chapter four contains the data analysis, conclusions, and discussion. A summary of the key findings, conclusions, suggestions for additional research and recommendations are included in Chapter 5's conclusion. A list of tables and figures, appendices, references, and an acronym index were also provided in the study.

# Chapter Two

## Literature Review

This chapter provides an overview of relevant literature in the field of strategic orientation to help readers gain a better understanding of the subject. It covers strategic perspectives, various types of strategic orientations, and their correlation with organizational performance.

### 2.1. Theoretical review

#### 2.1.1. Industrial Organization (IO)

The IO theory is a field of economics that examines the structure, behavior, and performance of industries and firms within those industries. According to Meilak and Bonnici (2015), the industrial organization (I/O) view of strategy posits that an organization's strategic decisions and actions are heavily influenced by the external environment. Their study suggests that an organization's strategic behavior and performance are largely shaped by industry and market structures. The implication of the I/O model for strategic management is that organizations should aim to identify and operate within environments that offer the best opportunities for competitiveness and profitability. In essence, the model suggests that the industries and geographic markets in which an organization chooses to operate have a greater impact on performance than internal strategic decisions related to resources, capabilities, and core competencies.

#### 2.1.2. Contingency theory:

The success of an organization depends on how well its structure aligns with the external environment. Different situations necessitate varying management strategies, and effective leaders are those who can adjust their approach to meet specific needs. It stresses the significance of considering external factors like market conditions, technology, and competition when making organizational decisions. According to the study by Tosi and Slocum (2015), organizational performance is influenced by the alignment of various factors, including structure, people, technology, strategy, and culture, which is a common proposition in all contingency approaches. Additionally, as noted by Pratono (2016), contingency theory argues that organizations achieve optimal performance when their structures are well-suited to address the contingencies posed by their size, technology, and environment. Furthermore, Pratono (2016)

emphasizes that contingency theory regards the external environment as a crucial determinant of organizational performance. Consequently, organizations that adopt a contingency-based approach can gain a competitive advantage by evaluating their business environment and crafting strategies that are suitable for different levels of environmental turbulence.

### **2.1.3. Strategic Orientation**

Business strategy has been characterized as the manner in which a firm decides to compete (Walker and Rekert, 1987), which encompasses the pursuit, achievement, and maintenance of competitive advantage in an industry (Varadarajan and Clark, 1994). Given its position as a focal issue in organizational decision making, it is not surprising that the concept of strategy has been linked to performance outcomes. Indeed, it is a key postulate that many management researchers devote attention toward, in at least some respect, because without doubt “the notion that superior performance requires a business to gain and hold an advantage over competitors is central to contemporary strategic thinking” (Day and Wesley, 1988, p. 1)

As stated by Hakala (2015), numerous studies in the field of strategic management identified two views to describe the concept of strategy: strategy content and strategy process. The content perspective argues that competitive advantage derived from the content of the strategy that relate to competitors comprising of uniquely valuable resource combinations (Resource-Based View) or positions in the markets. While, the process perspective argues that processes such as analysis and planning, learning and development, or entrepreneurial behaviors can bring competitive advantage to the organization. However, some others may not make such distinctions, and suggest that managers in practice also integrate these views and perceive strategy as a combination of processes and content. Simply stated, Strategic orientation represents the strategy the firm implements to achieve and maintain performance. However, as emphasized by Karpiak, & Borat anakittib humid, (2020), although there are numerous studies on the impact of strategic orientation on organization performance based on these three streams, the result is mixed and inconclusive.

On the other hand, Porter, (1985), characterized business strategy as a source of achieving competitive advantage while strategic orientation provides direction to the organization to create behaviors that can produce superior performance; and the concept of strategy embodied to the study of Porter’s generic strategies of cost leadership, differentiation, focus strategies as well as Miles and Snow (1978) strategy typologies of defender, analyzers, prospector and reactor. Whereas, the term strategic orientations first used by Venkatraman (1989); and he defined it through the dimensions of strategic aggressiveness,

analysis, defensiveness, futurity, pro-activeness and riskiness; and he also suggested that using managerial perceptions and beliefs the strategic orientation of an organization may be measured on the organizational processes on these six dimensions. On the other hand, as stated by Arafah (2018) strategic orientation refers to an organization's inclination towards allocating and coordinating resources in a manner to achieve competitive advantage and organization performance.

In addition, according to Faiz (2015), the term strategic orientation has been defined as the directing principles of an organization which significantly affect the strategic management process and organizational marketing activities. Hakala (2011) described strategic orientation as a set of strategic management principles that generate the behaviors of an organization intended to enhance its performance; and it represents the strategic direction of an organization, to create the proper organizational behavior and achieve the stated organizational goals. Zhou & Li, (2010) also added that Strategic orientation focuses on the way an organization adapts to and interacts with its external environments; and a study made by Okoroagu et al (2019) described it as strategic fit, strategic predisposition, strategic thrust, and strategic choice. However, Obeidat, (2016) claimed that although strategic orientation has got wide spread attention from management, marketing, and entrepreneurship scholars, researchers did not find universally accepted definition. In this regard, the very nature of orientation is a matter of debate, and literatures from different streams have developed diverse concepts. For the sake of consensus in this study, orientation refers to the general or lasting direction of thought, inclination, or interest. And, as Obeidat (2016) stated, strategic orientation refers to the manner in which an organization adapts to its external environment. Obeidat (2016) further explained that strategic orientation can be defined as the pattern of responses that an organization makes to its operating environment in an effort to enhance performance and gain competitive advantage. In this paper, therefore, strategic orientation is viewed as „principles that direct and influence the activities of an organization and generate the behaviors intended to ensure the viability and performance of the organization; and these principles can also be used to guide the activities of the organization.

However, in the current era of globalization, the business environment is continuously changing and organizations are facing with several market challenges such as frequent changes in technology and consumer behaviors. The study made by Faiz (2015) stated that, to deal with these market challenges, organizations need to evaluate both the internal and external environmental factors that help in achieving the competitive advantage and superior organizational performance. However, how the enhanced performance can be achieved and what organizational strategies should be followed by the management is still the issue that needs to be further investigated.

While operating their businesses, the top management of Banks faces with many challenges in strategic implementations with respective strategic orientations. Ahmed et al (2018) emphasized that, to deal with these challenges and to ensure the enhanced organizational performance, adopting proper organizational strategies are required. Therefore, it can be understood that the reason why the performance of organizations differs from one another in the similar industry is due to the different strategic orientation level in the organization (ibid). In this regard, Weinzimmer et al., (2012) argued that strategic orientation should be considered as an important organizational tool to produce the organizational outcomes needed for enhanced organizational performance and longevity. The study made by Ahmed, & Othman, (2018), stated that strategic orientation, organizational culture and management commitment are the internal factors that determine the performance of an organization. In the studies of Rani, Seheba, & Zergaw, (2017) the determinants factors of bank performance have been classified into three categories; internal factors (bank specific factors), industry specific factors and macroeconomic factors. In this regard, strategic orientations are the internal factors that determine the performance of an organization.

In the strategic orientation literature, there are three streams in the study of strategic orientation and business performance relationship: the first is the Milles and Snow typology of strategic orientations as defender, prospector, reactor and analyzer in response to environmental changes, the second stream deals with the Porter's generic strategies of cost leadership, differentiation and focus strategies to enhance organization „s performance and the third stream is developed by Hakala (2011) & Venkatraman (1989), who identified strategic orientations as a configuration of market , entrepreneurial, learning and technology orientations and studied the synergetic and combined effect of strategic orientations on organizational performance.

## **2.2. Dimensions of Strategic Orientation**

The strategy is multi-sectorial and coherent and involves adjusting the company's internal resources, capabilities and activities, and collaboration to both respond to threats and take advantage of opportunities in the environment outside the company. Venkatraman (1989) touched upon the question of how strategic metrics can be measured and stated that there are three ways to measure metrics; definitions, categories and methods of comparison. The benchmarking method is useful for identifying and measuring key factors or parameters of a construction strategy. The emphasis is on “measuring differences according to a set of factors that together define a construct” (Venkatraman, 1989, p. 944). According to a study by Krzakiewicz and Cyfert (2018), management strategies determine the internal performance of the organization and help it adapt to the environment. Strategy can therefore be defined

as a list of 'ways' by which an organization can achieve its main objectives by defining and managing its activities. Finding the most important parts and trying to implement the strategy is related to the source of the vision (ibidem). According to Zhou and Li (2007), planning research stems from two different research areas: strategic management and marketing, and the integration of different dimensions. The strategic management approach follows Miles and Snow's (1978) tradition of conceptualizing the direction of action in terms of reactionaries, advocates, analysts, and researchers. Although, according to the marketing method used from the market dynamics literature first established by Kohli and Jaworski (1990) and Narver and Slater (1990) and used by Gatignon and Xuereb (1997), the main purpose is marketing. Moreover, Arafah (2018) stated that the key point of strategic planning was given by Narver and Slater (1990), who first studied the impact of the market on organizational performance; Entrepreneurial ventures studied by Lumpkin and Dress (1996); Gatignon and Xuereb (1997) and Sinkula et al. (1997) examined the learning orientation rather than the concept of technique. Moreover, as reported by Ibrahim and Sharif (2016), many studies have shown that market orientation, technological orientation, entrepreneurial orientation, and learning orientation are important business assets that make organizations profitable and improve performance. . In this context, Li and Zhou (2007) stated that, according to the strategic management approach, non-strategic reactions are stable; They also noted that intermediaries often operate in specific product or market areas, including consumer groups and market conditions. Li and Zhou (2007) also found that analysts focus on innovation and change and try to compete by highlighting new market opportunities and adopting new processes and technologies; Lawyers and observers sit on both sides of the hearing and analyze the recommendations of observers and lawyers. It is also said that analysts are more productive than analysts or analysts because they are more adaptable to the rapidly changing market environment (environment). In addition, although these strategic management methods and product management methods are different, these two main types of strategic planning have some common features. For example, rival organizations try to match their strengths with their competitors' weaknesses and share these differences with analysts. Technology organizations and startups are similar to analysts in their desire for the latest technology and market opportunities. Similar to the opinions of auditors and auditors (environment) are known by customers trying to serve customers. Hussain et al (2013), when comparing the strategies used by different organizations, showed that strategic orientation underpins the long-term success of the organization and promotes the right behavior in the organization to achieve better performance; and their research showed that the main purpose of planning is to identify uncertainties that may arise in the environment and create a stable strategy among internal and external forces. Keeping this in mind, Hakea (2011) listed various planning methods. It shows the degree of alignment of strategic planning

documents in accordance with entrepreneurship, marketing, learning, innovation, product, customer, marketing, sales, production and technology. However, according to a study by Krzakiewicz and Cyfert (2018), the three most frequently mentioned strategies are: entrepreneurship program, market and educational program. These strategic strategies guide the behavior of different companies, each approaching to compete in a particular market segment. Ibrahim and Sharif (2016) also described the components of the strategic plan that include marketing, technology, business objectives, and learning and explained how these concepts relate to others and its impact on performance. Therefore, interactions between different strategies can provide organizations with a competitive advantage in improving performance (ibid.). Additionally, as explained by Krzakiewicz and Cyfert (2018), the positive impact of project activities in activities increases when multiple projects are implemented simultaneously. Krzakiewicz and Cyfert (2018) concluded that when key concepts are combined or used clearly, results are better than when based on a single list of behaviors. According to Okoroagu (2019), since the direction of action may differ within the same organization; its direction varies depending on the structure that controls the change, which is considered a multidimensional structure. Market Orientation (MO) concerns with the continuous search of information relating to customers, competitors, and inter functional coordination for enhancing an enterprise performance (Abdul Talib, 2005; Narver & Slater, 1990; Slater & Narver, 1995). Meanwhile, learning orientation (LO) involves questioning enterprise practices and old assumptions (Calantone, Cavusgil, & Zhao, 2002; Sinkula, Baker, & Noor dewier, 1997). Similarly, it appears that the extent to which an enterprise uses vital market information is a function and outcome of what it has previously learned (Sinkula et al., 1997) but, entrepreneurial orientation (EO) is an enterprise decision-making propensity of favoring entrepreneurial activities through risk-taking, innovativeness and pro-activeness (Covin & Salving, 1989; Lumpkin & Dess, 1996). However, the intrinsic association of MO, LO, EO, and SMEs performance in developed economy has received considerable attention both from practitioners and scholars (Baker & Sinkula, 1999; Brouthers, Nakos, & Dimitris's, 2015; Laukkanen et al., 2013; Nasir, Al Mamun, & Breen, 2017). Nevertheless, the potential differences of the influence of MO, LO EO on SMEs performance in developing countries has received insignificant attention in the available literature, and researchers have called for re-examination of the extent of an impact of MO, LO and EO have on enterprises performance (Buli, 2017; Mahmoud, Blank son, Owusu-Frimpong, Nwankwo, & Trang, 2016; Rauch, Wiklund, Lumpkin, & Frese, 2009).

### **2.2.1. Market Orientation**

Market orientation involves focusing on understanding and meeting customer needs. Market-focused companies prioritize customer insights, market research and ideas to develop products and services that meet customer needs and trends. Kohli and Jaworski (1990) and Narver and Slater (1990) are considered leading researchers in the study of market orientation (MO) and its impact on organizational performance. According to Kohli and Jaworski (1990), market orientation is concerned with the organization of market information about customer needs and future expectations, the distribution of information among departments, and the organization's commitment to this wisdom. Narver and Slater (1990) viewed these concepts as indicators of organizations' sustainable competitive advantage. Narver and Slater (1990) also stated that market orientation can also be viewed as an organizational culture that provides the behaviors necessary to obtain better value for customers and enable the organization to perform better. They also defined market orientation as a competitive strategy that effectively ensures appropriate behavior to create value for users and ensure sustainable corporate performance. They said this direction should focus on customers and competitors, with an emphasis on integration. According to Richard et al. Narver and Slater (1990) define market orientation as a management culture in which companies strive to create and sustain superior value for their customers. Richard et al (2018) noted that despite extensive research on market orientation, two key factors appear to be important: ethical and cultural perspectives. Ethics focuses on organizational structures such as strategy, structure, processes and practices. From this perspective, market orientation is concerned with how the organization produces market information about current and future customer needs, disseminates this information across departments, and how the organization responds to them. The cultural perspective sees market orientation as a management culture focused on meeting customer needs and gaining competitive advantage. This cultural perspective places market orientation as an important part of values and organizations. Narver and Slater (1990) emphasized that the cultural perspective defines market orientation as the organizational culture that includes guiding values. This concept portrays market orientation as a good organizational culture because it provides the behavior necessary to create the best value for the customer and leads to sustainable performance of the company. Narver and Slater view market orientation as a management culture consisting of three main components: customer orientation, competitive orientation, and strategic integration. Therefore, market orientation is defined as a part of the corporate culture that places a high priority on creating and delivering the best value to customers. Regarding this cultural concept, Kohli and Jaworski (1990) suggested that market orientation can also be called 'the application of marketing philosophy'. Various marketing studies such as Ferrous and Polansky (2011), Narver and Slater (1990), and Kohli and Jaworski (1990) have shown that

organizations with market-oriented behavior, both internally and externally, tend to perform and perform better. Better they are more likely to gain a competitive advantage over their rivals. This leads to higher performance. Additionally, a study by Ahmed and Othman (2017) added that if organizations develop a strong organizational culture by using market orientation, their overall performance will increase ways to find the relationship between events and activities. The table below explains what each of these three approaches means: The financial performance of an organization represents the most important issues for senior management (Broiler, 1991). In short, strategic direction refers to the broad process and direction an organization follows to define and achieve its long-term goals. There are several key areas that companies can focus on to create productivity and competitive advantage: Therefore, the following hypothesis can be developed:

H1: market orientation has positive relation with organizational performance

### **2.2.2. Entrepreneurial Orientation:**

Entrepreneurial orientation involves a proactive and risk-taking approach to business opportunities. Companies with an entrepreneurial orientation are willing to take calculated risks, seek out new business opportunities, and continuously innovate to drive growth and competitiveness. Entrepreneurial vision includes strategic planning and decision-making for business opportunities. According to Richard et al. (2018), the entrepreneurial orientation structure at the organizational level was examined from a different perspective. A common approach focuses on entrepreneurial leadership styles, specifically their tendency to take risks, innovate, and be proactive. A study by Hakala (2010) developed this concept further and stated that entrepreneurial orientation is mainly characterized by leadership in the areas of risk taking, innovation and profitability. When organizations become entrepreneurial, they can significantly change and transform their environments, seek new and innovative ideas that can lead to new markets, and mobilize resources to exploit unknown opportunities. More importantly, they do this eagerly, ahead of its rivals, and awaits the next demand. Hakala (2010) states that this positive change and reform of the environment and organizations focusing on entrepreneurship should have a positive impact on their performance. The research confirmed that the origin of entrepreneurial orientation can be derived from the choice of strategic strategies; this shows that the success of an organization is determined not only by the environment but also by the decision-making process. However, the entrepreneurship literature has confirmed that the relationship between entrepreneurial orientation and organizational performance depends on various environmental factors, resource allocation, and other organizational factors. This suggests that the impact of entrepreneurial orientation on business may be influenced by the specific context in which the organization operates. Various marketing studies such as

Ferdous and Polonsky (2011), Narver and Slater (1990), and Kohli and Jaworski (1990) have shown that organizations with market-oriented behavior, both internally and externally, tend to perform and perform better they are more likely to gain a competitive advantage over their rivals. This leads to higher performance. Additionally, a study by Ahmed and Othman (2017) added that if organizations develop a strong organizational culture by using market orientation, their overall performance will increase ways to find the relationship between events and activities. The table below explains what each of these three approaches means: The financial performance of the organization represents top management's most important concerns (Bromiley, 1991). In short, strategic direction refers to the broad process and direction an organization follows to define and achieve its long-term goals. There are several key areas that companies can focus on to create productivity and competitive advantage: Therefore, the following hypothesis can be developed:

*H2: entrepreneurial orientation has positive relations with organizational performance*

### **2.2.3. Learning Orientation:**

Learning orientation involves a commitment to ongoing learning, adaptation, and improvement. Companies with a strong learning orientation value knowledge acquisition, skill development, and organizational flexibility to respond effectively to changing market conditions and emerging trends. As Hakala (2011) explains, learning can be viewed as the development or acquisition of new knowledge that has the potential to change behavior; Critical thinking models assume that learning results in the creation of new behavior or value. The learning environment is now considered as a community that enjoys creating and using knowledge. Therefore, the dimensions of learning orientation are; It can be defined as shared orientation, full attention and commitment to learning. Additionally, Hakala (2011) emphasized that it is possible to find a learning perspective that includes both market and technology perspectives, such as the acquisition, sharing and use of knowledge in the market. Hakala (2011) also stated that the development of new technologies, products or processes can also be seen as a unique form of learning. On the contrary, according to Sinkula et al. A study by Lonial (2015) also stated that employees can be encouraged to challenge prevailing principles by 'thinking outside the box' and thus reinvent themselves in the face of complex, challenging and dynamic environments from which organizations can learn powerfully direction. It has also been shown that the positive relationship between learning orientation and performance is based on the idea that when there is a rapid improvement in product and/or product development, organizations that can learn from the environment can adapt to business conditions faster than their competitors. Service quality. This behavior then leads to increased productivity and sustainable competitive advantage and efficiency. However, Lonial (2017)

stated that the impact of LO on organizational performance may vary depending on the size of the company. Small businesses, in particular, may be less willing to learn than larger businesses. Accordingly, the following hypotheses can be put forward: ways to find the relationship between events and activities. The table below explains what each of these three approaches means: The financial performance of an organization represents the most important issues for senior management (Bromiley, 1991). In short, strategic direction refers to the broad process and direction an organization follows to define and achieve its long-term goals. There are several key areas that companies can focus on to create productivity and competitive advantage: Therefore, the following hypothesis can be developed:

*H3: Learning orientation has positive relation with organizational performance*

#### **2.2.4. Technology Orientation**

The technical proficiency of the firm is an important factor in developing new processes, products and services. The firm's internal technology policy reflects its innovative attitude and commitment to innovation. Attitudes to technology and innovation can determine the firm's achievement of competitive advantage. Firms that proactively acquire new and advanced technologies might be more innovative owing to their emphasis on applying these technologies to developing new processes, products and services to meet customer needs. The level of technology orientation of a firm has a significant influence on its ability to innovate and is viewed as being a source of competitive advantage, which can lead to better business performance.

As per the study of Halac, (2015), technology orientation refers to the organization's degree of commitment to research and development, acquisition of new technologies and applications of the latest one. Technology orientation as a strategic orientation is a culture based, organization-specific and consisting of complex capabilities built up on Resource Based View of technology intensive products that are hard to imitate, hard to substitute, rare and valuable capabilities that provide competitiveness and superior performance as expected from a strategic orientation.

The study made by Obeidat, (2016) suggested that an organizations technology orientation could lead to the development of more innovative, technologically superior products compared to those offered by competitors. Technology orientation would have significant contribution to the improvement of product performance and business performance. In addition, Zhou et al. (2005) discovered that technology orientation has a positive effect on technology-based innovations, which in turn have a positive effect on organization performance. On the contrary, the study made by Hakala & Huhtamaki, (2010) that examined the interplay between EO, TO and customer orientation argued that technology orientation has

no direct significant relationship with performance. Cortina et al. (2011) also reported that technology orientation does not affect performance directly. Hence, the following hypothesis can be developed:

H4: technology orientation has positive relation with organizational performance

### **2.2.5. Organizational Performance**

Improving organizational performance is considered an essential requirement for corporate strategic management, and as a result organization tends to invest most of their efforts to improve their performance. The potential success of an organization depends to a large degree on its performance, which relates to its ability to effectively implement strategies to achieve organizational objectives.

Several researchers have provided different definitions for organizational performance, since organizational performance is a fairly broad concept, and it's meaning changes in accordance with the user's perspective and needs. Organizational performance reflects the way an organization takes advantage of tangible and intangible resources to achieve its goals and the culmination of an organization's working process and activities defined organizational performance in relation to the organization's goals and objectives referred to organizational performance as the actual results or outputs of an organization as measured against that organization's intended outputs. Since organizational performance is a multidimensional concept, it seeks to measure companies' achievement of the objectives proposed for different stakeholders in a given period traditionally the term performance was associated with measurements such as profit, costs, and market share. However, it has been suggested that performance should not be treated solely as a financial concept. Managers nowadays tend to place relatively less emphasis on traditional financial measures in favor of approaches that shift focus away from strict accounting consideration to more generic issues of business performance. Different organizations use various types of measurement to evaluate performance, the most commonly used today includes financial and non-financial performance indicators.

Financial performance relates to data present in financial statements and accompanied notes such as profitability, sales growth, return on sales, return on investment, and return on equity. Nonetheless, claimed that financial measures of performance only capture one part of organizational performance. This is supported by who advocated the movement toward recognizing non-financial measures, given that they focus on a firm's long-term success. Non-financial performance relates to the organization's effective marketing activities and can be evaluated through customer loyalty, customer satisfaction, market share, quality, new product development, and so on and these measures offer an alternative perspective on performance and are key behaviors for supporting the achievement of positive financial

performance. In this study non-financial performance was relied on to represent organizational performance.

### **2.2.6. STRATEGIC ORIENTATION AND PERFORMANCE**

Principles that direct and influence the activities of a firm and generate the behaviors intended to ensure the viability and performance of the firm is known as strategic orientation (Jennifer et al., 2009). Owing to the strong implications it has on the management and the efficiency of firms, strategic orientation (SO) has been given prominence in entrepreneurial literature. As suggested by Slater and Narver (1993) aspects of SO can largely determine firm performance and business efficacy. According to Chaffee (1985) SO has been studied from three main view points as the narrative approach, the classificatory approach and the comparative approach. Literature supports that different scholars have used varied dimensions to epitomize SO. Though there is little dissimilarity among the dimensions highlighted in literature, most of them have similarities in the meaning even if the terminologies are different. The widely used dimensions – innovativeness, risk taking, pro-activeness and autonomy have been used in this paper to exemplify So, Hakala (2010) claims that organizational performance is a multi-dimensional construct and performance measurement in the practical and theoretical spheres has attracted growing attention in recent years. Lumpkin and Dess (1996) suggest that when testing phenomena like entrepreneurial orientation multiple performance measures should be employed instead of relying on one single measure in order to increase the validity of the findings. Such measures would include the traditional performance measures like market share, profitability and sales growth and indicators of overall performance in order to represent the goals, objectives and aspiration levels and satisfaction of stake holders.

### **2.3. Empirical Review**

Barrett et al. (2005) posit that creativity and its link with LO, MO, EO and organizational flexibility and creativity's effect on the Learning orientation -Performance relationship by taking data with snowball sample of 267 from 23 US non-profit firms and found out that Market Orientation, Learning Orientation, Entrepreneurial Orientation correlates with each other and with performance. On the contrary, Butchered and Maurer (1997) studied on the relationship of marketing orientation and entrepreneurial orientation to organizational performance and the moderating effects of the environment, taking 215 entrepreneurs led US firms and found that MO and EO correlate, but MO does not affect performance. In addition, Berry (1996) conducted a study on small high-tech firm's evolution from a technology-driven to a market-led management philosophy with survey of 257 firms in UK science parks and more than 30 interviews and found out that firms develop from technology orientation to Market orientation

as they grow. Farrell and Oczkowski (2002) as cited by Hekla (2010) had also empirically tested the relationship of market orientation, learning orientation and organizational performance using 340 of the top 2000 manufacturing firms in Australia and found out that firms may have market orientation without learning orientation or both and market orientation explains performance better.

Furthermore, Hult et al. (2004) studied the relationship of market orientation, entrepreneurial orientation and Learning orientation as antecedents of innovativeness, and further relationship between innovativeness – business performance in the context of varying market turbulence using 181 large US industrial firms and found out that market orientation, entrepreneurial orientation and learning orientation positively affect innovation, the effect of market orientation is greater under strong market turbulence. Li (2005) studied on impact of MO, TO and EO on managerial networking on firm performance using 181 foreign invested firms in China and concluded that MO, TO and EO have different effects on managerial networking that has positive impact on performance.

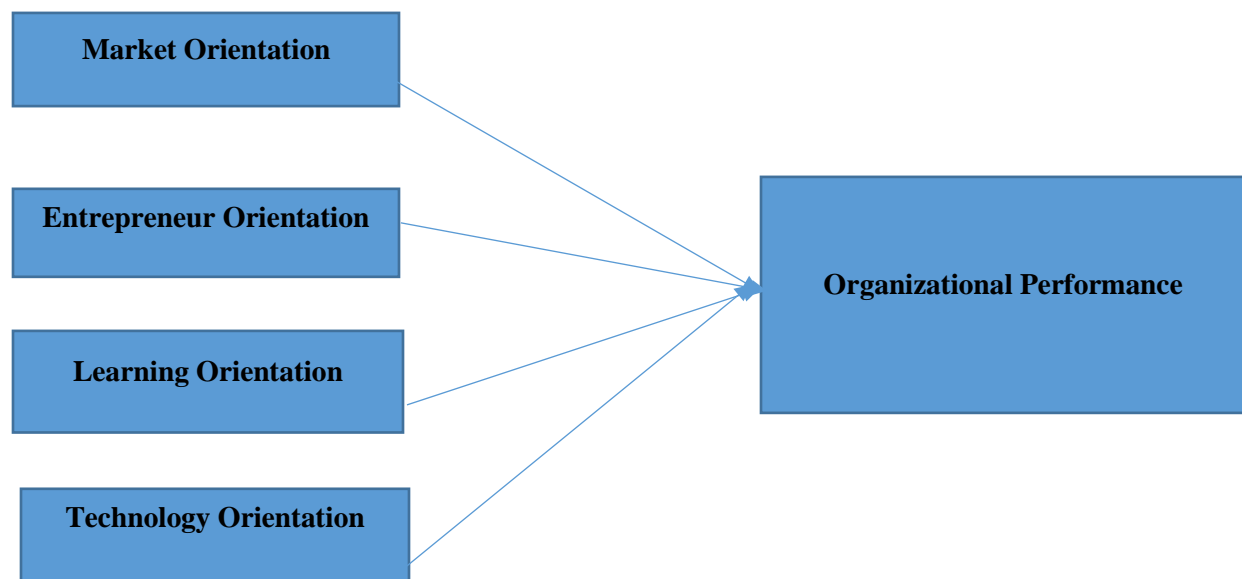
As cited by Hakala( 2010), Zhou et al. (2005), conducted a study on conceptualizing and testing of a model that links different types of strategic orientations and market forces, through organizational learning, to breakthrough innovations and firm performance using 350 Chinese respondents in consumer product sectors and found out that MO facilitates technology-based innovations but inhibits innovations that target emerging market segments (i.e., market-based innovations), TO beneficial to technology-based innovations but has no impact on market-based innovations and EO facilitates both types of innovations. A study made by Hakala (2010) concluded that the current state of knowledge appears to suggest that the effective level of the focus of a firm on markets or technologies, entrepreneurial or learning appears to depend on the level of environmental dynamism and its internal culture.

In general, several empirical studies have attempted to explain the relationship between strategic orientation and organizational performance. For example, a study made by Innocent, (2015), showed positive correlation, a study made by Lee et al., (2001) indicated weak correlation and a study made by Slater and Naiver, (2000) showed no correlation. Although, some past studies such as Obeidat, (2016); Al-Ansari, Bender, & Chen, (2015); Atlanta's, Semercioz, & Enrages, (2013); Deshpande et al. (2013), showed that strategic orientation did not affect the organizational performance. In contrast, as cited by Hekla (2010) some studies like Innocent, (2015); Eris & Omen, (2012); Altindag, Zehir, & Acar, (2011) found that strategic orientation has a positive effect on organizational performance. Song & Jing, (2017)

argued that this contradiction of results is due to the adoption of different measures of strategic orientation and organizational performance.

### 2.3.1. Conceptual framework

Figure 1. Conceptual framework



### 2.3.2. Hypotheses of the Study

For the purpose of examining the relationship between Business strategic orientation and organizational performance, the following hypotheses have been developed:

H1: There is a significant positive relationship between market orientation and organizational performance in Zemen bank.

H2: There is a significant positive relationship between entrepreneurial orientation and organizational performance

H3: There is a significant positive relationship between learning orientation and organizational performance

H4: There is a significant positive relationship between technology orientation and organizational performance.

# Chapter Three

## Research Methodology

This chapter presents the research paradigm, design, Approaches and methods being used by the study, while highlighting the population and issues related to sampling technique, sample size determination, and data collection instrument. Besides, the chapter outlines the approach to data collection and analysis for the purpose of hypotheses testing.

### 3.1. Research Design

According to Kothari (2004), research design is a conceptual structure within which research is conducted; it constitutes the blue print for the collection, measurement and analysis of data. A research design helps the researcher to obtain relevant data to fulfill the objectives of the study (Churchill & Iacobucci, 2002). Creswell (2009) states that research designs are types of inquiry within qualitative, quantitative, and mixed research approaches that provide specific direction for the procedures in a research study. In other words, the research design is the overall strategy that the researcher chooses to integrate the different components of the study in a coherent and logical way. This ensures that the researcher will effectively address the research problem and research questions. The research design serves as the conceptual blueprint that guides the conduct of the research.

To carry out this paper, the researcher was used both descriptive and explanatory in that the relationship between independent variables (market, entrepreneurial, learning and technology orientations) and organizational performance; and the interrelationship between the independent variables and correlations was empirically tested with regression model; and descriptive analysis to describe the statistical composition of the respondents.

### 3.2. Research Approach

According to Creswell, (2009), research approaches are plans and procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation. There are three research approaches; namely qualitative, quantitative and mixed methods. Research approaches according to Creswell's framework: Quantitative Research: Focuses on testing objective theories by

examining the relationship among variables. Measures variables and analyzes the data using statistical procedures. Employs strategies such as experiments and surveys. Each of these research approaches has its own philosophical assumptions, research designs, data collection and analysis methods, and overall approach to inquiry. The choice of research approach depends on the research problem, the researcher's personal experiences, and the audience for whom the research is intended. This research was designed to use the quantitative approach where the relationship between different variables will be empirically tested. That is, strategic orientations such as market, entrepreneurial, learning and technology orientations as independent variable and organizational performance as dependent variable. In addition, the inter-relation between the independent variables was tested.

### 3.3. Research Population

As defined by Mann, (1995) a population consists of all elements of individuals, items or objects whose characteristics are being studied. The total number of targeted populations was 788. The study has targeted on individuals and groups who have involvement on strategic aspects. Therefore, the target population in this study involves all managers and professionals which are directors, Division Managers, senior officers and Officers in the bank working at the headquarter in Zemen Bank.

### 3.4. Sample size determination

There are many formulas used for calculating sample size. One of the most common formulas used is Yamane's formula:  $n = N/(1+N(e)^2)$ . Based on this formula the sample size for this research has found to be 259 as the total population at the headquarter of Zemen Bank has found to be 788.

## Result

Sample size: **259**

This means 259 or more measurements/surveys are needed to have a confidence level of 95% that the real value is within  $\pm 5\%$  of the measured/surveyed value.

Confidence Level:?	<input type="text" value="95%"/>	▼
Margin of Error:?	<input type="text" value="5"/>	%
Population Proportion:?	<input type="text" value="50"/>	% Use 50% if not sure
Population Size:?	<input type="text" value="788"/>	Leave blank if unlimited population size.
<input type="button" value="Calculate"/> <input type="button" value="Clear"/>		

### **3.5. Data Collection Tools**

#### **3.5.1. Questionnaire**

A questionnaire is a set of questions or items intended to collect information about respondents' attitudes, experiences, or opinions. (Stewart,2022). Questionnaires can be used to collect both quantitative and qualitative data. (Burton et al., 2012). Close-ended questionnaires will be used to collect quantitative data on objectives such as the impact of outsourcing on organizational performance.

#### **3.6. Data Collection Methods**

A survey can be carried out in a variety of ways. A questionnaire, on the other hand, is a frequent survey methodology (Cherrie et al., 2021). Despite the fact that getting primary data is getting more expensive and time-consuming, primary data is the most important when acquired using structured surveys. As a result, the major research method employed to collect data for this study was a questionnaire survey.

A self-administered structured questionnaire was used to collect data from the targeted respondents. Since the survey was self-administered, the participants were requested to return the questionnaire within a week time. Since the total number of the population in strategic issues in the bank is small, a census was preferred for collecting data.

In this study, quantitative data collection method was employed to collect the questionnaire-based survey assessment using closed-ended questions which contains questions about the dependent and independent variables. The constructs of the dependent and Independent variables are adapted from the studies of nervier et al. (2004), Olson et al, 29 (2005), Han et al., (1998), Babu (2017), Dutta, Gupta & Chen (2016), XIE Hongming, LIU Changyong, CHEN Chunhui (2007), Hakala, (2010) & Obeidat (2019). The questionnaire contains six questions for demographic information, 16 questions for market orientation measures, 13 questions for entrepreneurial orientation, 14 questions for learning orientation, 9 questions for technology orientations and 13 questions for organizational performance measures. The five point Likert scale of measurement was used to measure the independent variables in the form of 1 for “strongly disagree”, 2 for “disagree”, 3 for “neutral”, 4 for “agree” and 5 for “strongly agree”. While in the measure of organizational performance, respondents will respond 1 for very low, 2 for low, 3 for average, 4 for high and 5 for very high.

### **3.7. Data Analysis**

The study employed a mixed-methods approach combining descriptive and explanatory analyses to investigate the relationships between strategic orientations and organizational performance at Zemen Bank S.C. Descriptive statistics were used initially to summarize respondent demographics and provide an overview of perceptions regarding strategic orientations and organizational performance. Mean and standard deviation scores were utilized to assess the levels of these variables, guided by benchmarks indicating significance. Composite variables were derived for market orientation, entrepreneurial orientation, learning orientation, and technology orientation based on underlying constructs such as customer focus, innovation, and technology adoption. These composite measures allowed for a holistic assessment of the bank's strategic orientation.

Inferential analyses included correlation analysis to explore relationships between variables and multiple regression analysis to examine the impact of strategic orientations on organizational performance. Cronbach's alpha was employed to ensure the reliability of the measurement items used in the survey instrument. Overall, the study's methodology facilitated a comprehensive exploration of how different strategic orientations influence organizational performance within the specific context of Zemen Bank S.C., providing empirical insights crucial for strategic decision-making in the banking sector.

### **3.8. Reliability and Validity**

According to Heale and Twycross (2015), reliability and validity are two different factors that researchers use when evaluating their strategies. They defined reliability as stable over time (test-retest reliability), across items (internal consistency), and across researchers (inter-rater reliability), with value being the degree to which the score represents the variable of interest (environment). Homogeneity refers to the internal consistency of the data and can be assessed using correlation, one-piece reliability, Kuder Richardson coefficient, and Cronbach's Alpha for all items. According to Heale and Tycross (2015), the most frequently used test to determine the internal validity of a scale is Cronbach's Alpha. Cronbach's  $\alpha$  score is a number between 0 and 1; and if the confidence score is 0, it is accepted. 7 and above. However, since the study was conducted for only one period, there was no need for static testing. Equality is assessed through confidence intervals. This test involves the process of determining the degree of agreement between two or more observers or researchers. However, since there was only one researcher and the study was for educational purposes, there was no need to perform a homogeneity test. Therefore, the reliability index was evaluated using the Cronbach test only for equality or internal data. Therefore, if the Cronbach Alpha coefficient is close to 1, it appears that the data is correlated with the

items. George and Mallery (2003) give the following rules: > 0.9-Good, > 0.8-Good, > 0.7-Allowed, > 0.6 Problems, > 0.5-Bad.

**Table 1. Reliability Statistics**

<b>Reliability Statistics</b>	
<b>Cronbach's Alpha</b>	<b>N of Items</b>
.837	5

### **3.9. Validity**

In this study, employees and management members conducted a pilot test to improve the questionnaire's content validity and the respondents' understanding and comprehension. To ensure validity, particularly content validity, comments from professionals and respondents were sought.

### **3.10. Ethical Consideration**

This study was governed by the general rules of research ethics in such a way that respondents were requested to provide information voluntarily; there was a prior communication about the purpose of the study. Any confidential information of the public service or the employees was not disclosed since the main intention was to gather data for the research purpose. Moreover, I at my best level tried to abide by the rules and regulations of the university and conduct the study based on objective judgment.

# Chapter Four

## Analysis, Discussion and Interpretation

The data presentation and result analysis are covered in this chapter. The respondent profile is presented at the start of the chapter, and then the findings for inferential and descriptive statistics (mean, standard deviation, tables, frequencies, and percentages) are presented. With SPSS 26, the data analysis was done.

### 4.1. Respondent Response Rate

**Table 2. Respondent response rate**

Questionnaires	Respondents	percentage
Returned	243	93.8
Not returned	16	6.2
Total	259	100

Source: Own Survey, 2024

### 4.2. Demographic Characteristics of Respondents

The following section presents the respondent's profile in terms of age, education level, and work experience in the current position. The results obtained from the structured questionnaires are represented below.

**Table 4.2: Respondents Response Rate**

No	Factors (Variables)	Categories/ Characteristics	F	%
1	Sex	Male	132	54.3
		Female	111	45.7
2	Age	20-30	132	54.3
		31-40	73	30.0
		41-50	32	13.2
		> 50	6	2.5
		Single	100	41.2

3	Marital Status	Married	143	58.8
4	Educational level	BA Degree	101	41.6
		Master's Degree	142	58.4
5	Work experience	<5 years	86	35.4
		6-10 years	104	42.8
		11-15 years	46	18.9
		Above 15 years	7	2.9
6	Job category	Managerial Position	76	31.3
		Non- Managerial positions	167	68.7

Source: Survey study (2023)

As shown in table 4.2 above, concerning gender distribution of respondents, 132 (54.3%) were males whereas 111 (45.7%) females. Provided that both genders participated and there was no gender bias in the study. This shows that majority of respondents to this study (54.3%) were male

According to the age of respondents, as shown in the table 4.2 above, 132 (54.3. %) were in age group of 20-30 This indicate 54.3. %) were in age group of 20-30 while respondents aged 31–40 represent 30.0 present. Respondents aged 41–50 years represent only 13.2% of the total sample. Furthermore, above 6 years represent only 2.5%. This shows that, majority of respondents 54.3 are in age group of 20-30.

According to the study's findings, 100(41.2%) single and 143 (58.8%) married respondents were included in the study, provided that both Categories participated in the study. This shows that the majority of respondents were 58.8%. (see Table 4.2)

According to the educational level of the respondent's the largest group of the respondents in this study falls into the group it takes up a share of BA Degree 101 (41.6%) of the total sample, whereas the respondents holding an educational level of masters represent 142 (58.4%). This shows that, majority of respondents were MA Degree holders with 58.4.

As shown in table 4.2above, concerning work experience of respondents,86 (35.4%) were <5 years work experience, 6-10 years whereas 104(42.8%) 11-15 work experience were 46(18.9%) and also above 15 years work experience represents 7(2.9%). This shows that majority of respondents were 104(42.8%) 6-10 years' work experience represents from the total sample.

As shown in table 4.2 above, concerning work job category of respondents,167 (68.7%) were Non-Managerial positions represents whereas 76(31.3%) Managerial positions. This shows that majority of respondents were Non- Managerial positions represents.

### 4.3. The Existing Practice of Business Orientation in Zemen Bank S.C.

#### 4.3.1. The Level of Market Orientation

*Table 3.Descriptive statistics market orientation*

Market orientation	Mean	Std. Deviation
Our business objectives are driven primarily by customer satisfaction	3.79	1.306
Our customers regularly ask for new products and services	3.74	1.312
Our Bank is increasingly offering financial solution to customers	3.86	1.255
Our bank is continuously trying to discuss additional needs of customers	3.74	1.228
Our Bank measures customer satisfaction systematically and frequently	3.62	1.166
Employees regularly discuss how customers use our products and services	3.55	1.175
The bank strongly emphasizes customer satisfaction	3.61	1.219
The bank places strong emphasis on understanding customers' needs	3.50	1.207
The bank is willing to respond quickly to customer suggestions	3.49	1.126
The bank focuses on providing customers with superior service	3.56	1.206
Employees throughout the organization discuss competitive activities	3.38	1.177
Our bank regularly collects competitors 'Activities/ Aware of the products/services our competitors are developing	3.37	1.136
The Bank continuously evaluates the key strength and weakness of key competitors	3.49	1.176
The Bank is very aggressive in competing with other firms	3.44	1.246
The Bank's managers discuss how everyone in the bank can contribute to creating customer value	3.46	1.305
The bank's staff communicate information about our good and bad customer experiences across all departments	3.38	1.272

N=243

As shown in Table 3, sixteen items show the descriptive analysis of the market orientation. "Our Bank is increasingly offering financial solution to customers" had the highest mean value of 3.86 and a standard deviation of 1.255. In contrast, our bank regularly collects competitors 'Activities Aware of the products/services our competitors are developing has the lowest mean scorer with 3.37 and SD of 1.136. Our business objectives are driven primarily by customer satisfaction, and Our customers regularly ask for new products and services had a mean score of 3.79 and SD, 1.306, and had a mean value of 3.74 and SD, 1.312 respectively.

A statement: "The bank is willing to respond quickly to customer suggestions," and "The Bank continuously evaluates the key strength and weakness of key competitors." They both received a mean of 3.49. Our Bank measures customer satisfaction systematically and frequently received a mean score of 3.62 with a standard deviation of 1.166. With mean values of 3.55 and 1.175, Employees regularly discuss how customers use our products and services. The bank strongly emphasizes customer satisfaction; has a mean score of 3.50 and an SD of 1.207. Furthermore, the bank focuses on providing customers with superior service had a mean value of 3.56 and a standard deviation of 1.206. Another statement both, "employees throughout the organization discuss competitive activities and the bank's staff communicates information about our good and bad customer experiences across all departments," received a mean score of 3.38. The Bank is very aggressive in competing with other firms and the Bank's managers discuss how everyone in the bank can contribute to creating customer value had a mean score of 3.44 and SD, 1.246, and had a mean value of 3.46 and SD, 1.305 respectively.

### 4.3.2. The Level of Entrepreneur Orientation

*Table 4 Descriptive statistics entrepreneur orientation*

	Mean	Std. Deviation
Our Bank proactively introduces new products and services to customers	3.47	1.273
Our Bank has a strong tendency to be ahead of others	3.41	1.218
Our Bank usually takes initiative, rather than be a follower	3.29	1.240
Managers of the Bank are willing to take calculated risks	3.48	1.328
The Bank managers have a tendency to take bold and aggressive decisions	3.21	1.241
The Bank is open to pursuing risky projects	3.49	1.258
Our Bank used to look for new ways to do things	3.33	1.245
Our Bank continuously improves and innovates its way of doing business	3.16	1.210
Managers in the Bank are willing to engage in new innovations	3.20	1.234
Our Bank managers have a strong proclivity/ tendency for innovation	2.79	1.655
The Bank's top management from every function regularly visit the branch's current and prospective customers	2.39	1.513
All of our business functions and departments are responsive to one another's needs and requests	2.39	1.593
All of our departments are integrated in serving the needs of our target markets	2.60	1.609

N = 243

As shown in Table 4, thirteen items show the descriptive analysis of the entrepreneur orientation. "The bank is open to pursuing risky projects" had the highest mean value of 3.49 and a standard deviation of 1.258. In contrast, both The Bank's top management from every function regularly visit the branch's

current and prospective customers and all of our business functions and departments are responsive to one another's needs and requests has the lowest mean scorer with 2.39. All of our departments are integrated in serving the needs of our target markets, and our bank managers have a strong proclivity/ tendency for innovation had a mean score of 2.60 and SD, 1.609, and had a mean value of 2.79 and SD, 1.655 respectively. A statement: "Managers in the Bank are willing to engage in new innovations," had the mean value of 3.20 and a standard deviation of 1.234. Our Bank continuously improves and innovates its way of doing business." have received a mean of 3.16. Our Bank used to look for new ways to do things received a mean score of 3.33 with a standard deviation of 1.1245.

With mean values of 3.21 and 1.241, The Bank managers have a tendency to take bold and aggressive decisions. Managers of the Bank are willing to take calculated risks; has a mean score of 3.48 and an SD of 1.328. Another statement, "Our Bank proactively introduces new products and services to customers," received a mean score of 3.47. Our Bank usually takes initiative, rather than be a follower and Our Bank has a strong tendency to be ahead of others had a mean score of 3.29 and SD, 1.240, and had a mean value of 3.41 and SD, 1.248 respectively.

### 4.3.3. The level of Learning Orientation

*Table 5. Descriptive statistics learning orientation*

	Mean	Std. Deviation
Managers basically agree that our employees' ability to learn is the key to our competitive advantage	2.57	1.548
The basic values of the bank include learning as key to improvement	2.60	1.609
The bank at all levels senses that employee learning is an investment, not an expense	2.56	1.516
Learning in the bank is seen as a key item necessary to guarantee organizational survival	2.90	1.706
The collective wisdom in this bank is that once we quit learning, we endanger our future	2.74	1.550
There is a well-expressed concept of "who we are and where we are going" as a business unit	2.78	1.676
There is a total agreement on our bank's vision across all levels, functions, divisions and branches	3.84	1.051
All employees are committed to the goals of this bank	3.85	.929
Employees consider themselves as partners in charting the direction of the bank	4.11	.872
Top management of the bank believes in sharing the vision for bank with the lower levels	3.97	1.004
We are not afraid to reflect critically on the shared assumptions we have about the way we do business	3.67	.791

Our business unit places a high value on open-mindedness	3.15	1.492
Managers encourage employees to “think outside of the box.”	2.99	1.603
Original ideas are highly valued in our bank	3.04	1.705

N =243

As shown in Table 5, fourteen items show the descriptive analysis of the learning orientation." Employees consider themselves as partners in charting the direction of the bank “had the highest mean value of 4.11 and a standard deviation of.872. In contrast, the bank at all levels senses that employee learning is an investment, not an expense has the lowest mean scorer with 2.56 Original ideas are highly valued in our bank, and Managers encourage employees to “think outside of the box.” had a mean score of 3.04 and SD, 1.705, and had a mean value of 2.99 and SD,1.603 respectively. A statement: “Our business unit places a high value on open-mindedness," had the mean value of 3.15 and a standard deviation of1.492. We are not afraid to reflect critically on the shared assumptions we have about the way we do business." have received a mean of 3.67. Top management of the bank believes in sharing the vision for bank with the lower levels received a mean score of 3.07 with a standard deviation of1.1004.

With mean values of 3.85 and1.929, all employees are committed to the goals of this bank. There is a total agreement on our bank’s vision across all levels, functions, divisions and branches; has a mean score of 3.84 and an SD of1.051. Another statement, “There is a well-expressed concept of “who we are and where we are going” as a business unit," received a mean score of 2.78. The collective wisdom in this bank is that once we quit learning, we endanger our future and learning in the bank is seen as a key item necessary to guarantee organizational survival had a mean score of 2.74 and SD, 1.550, and had a mean value of 2.90 and SD, 1.706 respectively. The basic values of the bank include learning as key to improvement had a mean value of 2.56 and SD, 1.516. The bank at all levels senses that employee learning is an investment, not an expense with a mean value of 2.60 and SD, 1.609. Furthermore, Managers basically agree that our employees’ ability to learn is the key to our competitive advantage have a mean of2.57 and SD, 1.548.

#### 4.3.4. The level of Technological Orientation

*Table 6. Descriptive statistics technological orientation*

	Mean	Std. Deviation
Our bank’s product development programs are more ambitious than our competitors	2.85	1.558

Our bank is very active in developing new technologies	2.87	1.551
Our bank is often striving to be first to try out new methods and technologies	2.84	1.543
Our bank's investment to acquire the latest technologies and future forecasted technological changes is high	2.90	1.565
Our bank purchases and uses new technologies to position itself ahead of competitors	2.90	1.551
The bank's Management actively seeks innovative ideas	2.93	1.577
Our bank's policy is to adopt up-to-date technologies	2.91	1.497
Our bank intends to develop new technologies in order to respond to the changing expectations of our customers	2.97	1.555
In our bank employees are encouraged to have new ideas for new services	2.85	1.514
Valid N (listwise)	243	

As stated in the above Table 6, the descriptive analyses of technological orientation items, starting with the statement, "Our bank intends to develop new technologies in order to respond to the changing expectations of our customers," which had the highest mean value of 2.97 and SD of 1.555. In contrast, our bank is often striving to be first to try out new methods and technologies have a lower mean score of 2.84 and a standard deviation of 1.543. Our bank's policy is to adopt up-to-date technologies have the second highest mean value of 2.91 and the highest standard deviation of 1.497. In our bank employees are encouraged to have new ideas for new services has a mean of 2.85 and a standard deviation of 1.514. Our bank purchases and uses new technologies to position itself ahead of competitors and Our bank's investment to acquire the latest technologies and future forecasted technological changes is high had a mean score of 2.90 and SD, 1.565, and had a mean value of 2.90 and SD, 1.551 respectively. "The bank's Management actively seeks innovative ideas", which have a mean of 2.93 and a standard deviation of 1.577. Our bank's product development programs are more ambitious than our competitors " have a mean value of 2.85.

#### 4.4. The Extent of Organizational Performance in Zemen Bank S.C.

*Table 7. Descriptive statistics organizational performance*

	Mean	Std. Deviation
How do you perceive the overall performance of your organization in the past year	2.88	1.537
In your opinion, how effective is your organization in achieving its	2.84	1.517

strategic objectives		
How would you rate the financial performance of your organization in the past year	2.83	1.527
To what extent do you believe the organization's strategic orientation has contributed to its overall performance	2.82	1.509
Market share growth	2.91	1.542
Growth in Return on investment (ROI)	2.95	1.563
Growth in Return on Equity (ROE)	2.87	1.512
in Operating income	2.85	1.555
Growth in Net income	2.84	1.485
Success in achieving customer satisfaction	2.97	1.538
Success in retaining existing customer	3.30	1.086
Success in attracting new customer	3.24	1.110
Success in overall performance of the Bank	3.24	1.081

The descriptive statistics summarize the responses from 243 participants regarding various aspects of their organization's performance. As shown in Table 7, thirteen items show the descriptive analysis of the organization's performance." Both Success in overall performance of the Bank and success in attracting new customer "had the highest mean value of 3.24. In contrast, to what extent do you believe the organizations strategic orientation has contributed to its overall performance, has the lowest mean scorer with 2.82. How would you rate the financial performance of your organization in the past year and in your opinion, how effective is your organization in achieving its strategic objective," had a mean score of 2.83 and SD, 1.527, and had a mean value of 2.84 and SD, 1.517 respectively. A statement: "How do you perceive the overall performance of your organization in the past year," had the mean value of 2.88 and a standard deviation of 1.537. Market share growth and growth in return on investment (ROI)," had a mean score of 2.91 and SD, 1.542, and had a mean value of 2.95 and SD, 1.563 respectively. Success in achieving customer satisfaction." has received a mean of 2.97. Furthermore, success in retaining existing customer received a mean score of 3.30 with a standard deviation of 1.086.

#### **4.5. The Relationship between Strategic Business Orientation and Organizational Performance in Zemen Bank S.C.**

**Table 8. Analysis of Relationship (Correlation)**

To find out the relationship between dependent and independent variables, Pearson's correlation coefficient ( $r$ ), which measures the strength and direction of a linear relationship between two variables, is used. The values of Pearson's correlation coefficient are always between -1 and +1. A correlation

coefficient of +1 indicates that two variables are perfectly related in a positive sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative sense; and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables. A low correlation coefficient of 0.1-0.29 suggests that the relationship between two items is weak or non-existent. If  $r$  is between 0.3 and 0.49, the relationship is moderate. A high correlation coefficient (i.e.,  $>0.5$ ) indicates a strong relationship between variables. The direction of the dependent variable's change depends on the sign of the coefficient. If the coefficient is a positive number, then the dependent variable will move in the same direction as the independent variable; if the coefficient is negative, then the dependent variable will move in the opposite direction of the independent variable. The table below presents the result of the correlation analysis made using bivariate correlation.

Variable's		MO	EO	LO	OT	OP
MO	Pearson Correlation	1				
	Sig. (2-tailed)					
EO	Pearson Correlation	.859**	1			
	Sig. (2-tailed)	.000				
LO	Pearson Correlation	.654**	.736**	1		
	Sig. (2-tailed)	.000	.000			
TO	Pearson Correlation	.220**	.299**	.588**	1	
	Sig. (2-tailed)	.001	.000	.000		
OP	Pearson Correlation	.218**	.262**	.537**	.846**	1
	Sig. (2-tailed)	.001	.000	.000	.000	

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

**Note,** Market orientation, Entrepreneur orientation, Learning orientation, Technological Orientation Organizational performance.

The correlation matrix reveals that Market Orientation (MO), Entrepreneur Orientation (EO), Learning Orientation (LO), and Technological Orientation (TO) all positively correlate with Organizational Performance (OP). MO and EO show a strong positive correlation ( $r = .859$ ), indicating a high interdependence between them. Similarly, TO and OP have a very strong positive correlation ( $r = .846$ ), suggesting that TO significantly influences OP. LO has moderate positive correlations with both EO ( $r = .736$ ) and TO ( $r = .588$ ), highlighting substantial but not extreme dependencies. The correlations between MO and LO ( $r = .654$ ) and between LO and OP ( $r = .537$ ) are also moderate. However, MO shows weak positive correlations with TO ( $r = .220$ ) and OP ( $r = .218$ ), indicating only slight relationships. EO's moderate positive correlation with TO ( $r = .299$ ) and its weak to moderate correlation with OP ( $r = .262$ ) suggest varying degrees of influence. Furthermore, the strong correlations between

specific orientations, particularly MO with EO and TO with OP, suggest that focused strategies in these areas could substantially impact performance outcomes. The significant positive correlations at the 0.01 level underscore the importance of these orientations in enhancing organizational performance.

Therefore, the correlation matrix verified that market orientation, entrepreneur orientation, learning orientation, and technological orientation are all positively correlated with organizational performance, with technological orientation showing the strongest relationship. The significant positive correlations at the 0.01 level suggest that these orientations are important factors that can positively influence organizational performance.

## 4.6. The Effect of Strategic Business Orientation on Organizational Performance in Zemen Bank S.C.

### 4.6.1. Assumptions Tests

#### 4.6.2. Test of Homoscedasticity

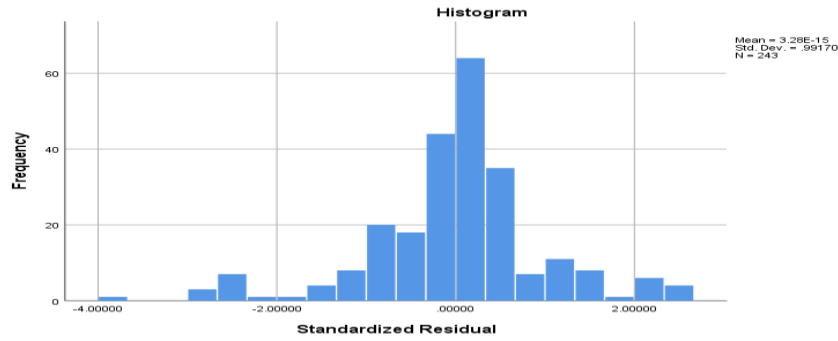
**Table 9. Test of Homoscedasticity**

<b>Levene's Test of Equality of Error Variances<sup>a</sup></b>			
Dependent Variable: OP			
F	df1	df2	Sig.
1.558	142	100	.009
Tests the null hypothesis that the error variance of the dependent variable is equal across groups.			
a. Design: Intercept + MO + EO + LO + OT			

The above table shows that Levine's test is whether the variances of two samples are approximately equal. A homoscedasticity test was carried out to determine if the moderating factors examining employees of the Zemen Bank are giving similar variances to employee performance on the regression values. As shown in the above table, the value of Levine's statistic,  $F(1, 558)$ ,  $p = .009$ , was greater than the study's level of significance ( $p.05$ ), indicating that the data is not homogeneous

#### 4.6.3. Tests of Normality

### Figure 2.Histogram



#### 4.6.4. Regression Analysis (results)

#### 4.6.5. Model Summary

**Table 10. Model Summary<sup>b</sup>**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.849 <sup>a</sup>	.721	.716	.696
a. Predictors: (Constant), TO, MO, LO, EO				

The regression model demonstrates a strong fit, with an R value of 0.849 indicating a robust positive relationship between the predictors (TO, MO, LO, EO) and the dependent variable. An R<sup>2</sup> of 0.721 signifies that 72.1% of the variance in the dependent variable is explained by the model, highlighting its strong predictive power. A standard error of 0.696 suggests high precision, as the predictions are close to the actual values. Overall, the predictors are highly effective in explaining the variance in the dependent variable, making the model reliable for understanding these relationships.

#### 4.6.6. ANOVA

**Table 11. ANOVA<sup>a</sup>**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	297.113	4	74.278	153.532	.000 <sup>b</sup>

	Residual	115.144	238	.484		
	Total	412.257	242			
a. Dependent Variable: OP						
b. Predictors: (Constant), OT, MO, LO, EO						

The analysis of variance (ANOVA) p-value of 0.000 for the model is less than 0.05 at the significant level, as shown in the table above. This indicates that the collected data provides adequate proof to conclude that the regression model was well fitted which means that the p-value of 0.000 is highly significant, and it can be concluded that can significantly predict performance

#### 4.6.7. Coefficients of Variables

**Table 12. Coefficients of Variables**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.675	.120		5.626	.000
	MO	.061	.053	.078	1.148	.252
	EO	-.096	.060	-.121	-1.604	.110
	LO	.109	.067	.102	1.635	.103
	OT	.708	.039	.805	18.260	.000
a. Dependent Variable: OP						

Note, Market Orientation (MO), Entrepreneurial Orientation (EO), Learning Orientation (LO), and Technological Orientation (TO) and Organizational Performance (OP).

The coefficients table shows that technological orientation (TO) has a strong, positive, and statistically significant effect on organizational performance (OP), with a high standardized coefficient (Beta = 0.805) and a significant p-value (0.000). This indicates that TO is the primary driver of OP in the model. In contrast, market orientation (MO), entrepreneur orientation (EO), and learning orientation (LO) have no statistically significant effects on OP, as their p-values (0.252, 0.110, and 0.103, respectively) are all greater than 0.05. The constant term is also significant, indicating that the baseline level of OP, when all predictors are zero, is significantly different from zero. The unstandardized coefficient for OT (0.708) shows its substantial impact compared to other predictors. Therefore, the finding verified that strategies focusing on enhancing technological capabilities are likely to have the most significant impact on

improving organizational performance. The model highlights OT as the most influential factor for OP among the predictors. Finally, market orientation, entrepreneurial orientation and learning orientation are not statistically significant organizational performance.

#### 4.5. Hypothesis Testing

For the purpose of examining the relationship between Business strategic orientation and organizational performance, the following hypotheses have been developed:

H1: There is a significant positive relationship between market orientation and organizational performance in Zemen bank.

H2: There is a significant positive relationship between entrepreneurial orientation and organizational performance

H3: There is a significant positive relationship between learning orientation and organizational performance

H4: There is a significant positive relationship between technology orientation and organizational performance.

**Table 13. Summary of overall outcome of the research hypothesis**

Hypothesis	Beta	p- value	Result
H1	.078	.252	P- value is > 0.05 rejected
H2	-.121	.110	P- value is > 0.05 rejected
H3	.102	.103	P- value is > 0.05 rejected
H4	.805	.000	P- value is <0.05 accepted

**Source:** own survey data, 2024

H1: There is a significant positive relationship between market orientation and organizational performance in Zemen bank. Beta (0.078 and p -value 0.252. See in the above Table P- value is > 0.05. Therefore, H1 hypothesis rejected because there is no significant positive relationship between market orientation and organizational performance P- value is > 0.05.

H2: There is a significant positive relationship between entrepreneurial orientation and organizational performance. Beta (-.21 and p -value 0.110. See in the above Table P- value is > 0.05. Therefore, H2 hypothesis rejected because P- value is > 0.05.

H3: There is a significant positive relationship between learning orientation and organizational performance. Beta (0.102 and p -value 0.103. See in the above Table P- value is  $> 0.05$ . Therefore, H3 hypothesis rejected because P- value is  $> 0.05$  there is no significant positive relationship between learning orientation and organizational performance.

H4: There is a significant positive relationship between technology orientation and organizational performance. Beta (0.805 and p -value 0.000. See in the above Table P- value is  $< 0.05$ . Therefore, H4 hypothesis accepted because P- value is  $< 0.05$ . Based on the finding we can conclude that There is a significant positive relationship between technology orientation and organizational in Zemen bank.

# Chapter Five

## Summary of major Finding, Conclusions and Recommendation

This chapter deals with the summary of the major findings of the study, the conclusions reached, and the recommendations forwarded based on the conclusions. The theoretical and practical implications are presented. Recommendations to the selected organization with regard to examine how strategic Business orientation impacts the perceived organizational performance need for further research focused on the limitations of this study are also presented.

### 5.1. Summary of Major Findings

The primary aim of the research was to examine how strategic business orientation impacts the perceived organizational performance of Zemen Bank. To Measure the impact of market trends on bank performance, to examine the impact of technological trends on banking performance, to assess the impact of entrepreneurial orientation on bank performance, to evaluate the impact of learning orientation on bank performance and to analyze the combined effects of strategic orientation on bank performance. The study would have specific objectives. To achieve the above objectives of the study, the researcher administered a structured questionnaire. Descriptive and inferential statistical techniques were used for data analysis. In inferential statistics, Pearson's correlation and regression analysis were used to examine independent variables and organizational performance in the study.

**Positive Correlation with Organizational Performance:** The analysis confirms that market orientation (MO), entrepreneur orientation (EO), learning Orientation (LO), and technological orientation (TO) all positively correlate with organizational performance (OP).

Technological orientation has the strongest positive correlation with organizational performance ( $r = .846$ ), indicating it is a crucial factor in enhancing performance. Similarly, MO and EO exhibit a very strong positive correlation ( $r = .859$ ), signifying their high interdependence and combined impact on performance.

Learning orientation shows moderate positive correlations with entrepreneur orientation ( $r = .736$ ) and technological orientation ( $r = .588$ ), suggesting that even though these orientations influence each other, the relationships are not as strong as between technological orientation and organizational performance.

Market orientation 's weak positive correlations with technological orientation ( $r = .220$ ) and organizational performance ( $r = .218$ ) indicate slight relationships, suggesting that even though market orientation is important, its direct influence on technological orientation and organizational performance may be less significant than other factors.

The most important factor in predicting organizational performance is technological orientation. It is shown that technological orientation has a robust, positive, and statistically significant influence on organizational performance with a high standardized coefficient ( $\text{Beta} = 0.805$ ) and a significant p-value ( $0.000$ ). This illustrates how crucial technology is to a company's success.

Market orientation, entrepreneur orientation, and learning orientation do not have statistically significant effects on organizational performance, their p-values ( $0.252$ ,  $0.110$ , and  $0.103$ , respectively) being greater than the  $0.05$  threshold. This shows that orientations do not significantly contribute to variations in organizational performance.

## 5.2. Conclusions

The research objectives and questions were used to inform the following conclusion, which was sent based on the data analysis and significant findings summary: -

The finding of the study shows that market orientation, entrepreneur orientation, learning orientation, and technological orientation positively correlate with organizational performance.

The study verified that technological orientation has the strongest positive correlation with organizational performance ( $r = .846$ ), and it is a crucial factor in enhancing performance.

Similarly, market orientation and entrepreneur orientation exhibit a very strong positive correlation ( $r = .859$ ), signifying their high interdependence and combined impact on performance.

Market orientation, entrepreneur orientation, and learning orientation do not have statistically significant effects on organizational performance, their p-values (0.252, 0.110, and 0.103, respectively) being greater than the 0.05 threshold. This shows that orientations do not significantly contribute to variations in organizational performance.

The finding verified that strategies focusing on enhancing technological capabilities the most significant impact on improving organizational performance.

The most important factor in predicting organizational performance is technological orientation. It is shown that technological orientation has a robust, positive, and statistically significant influence on organizational performance with a high standardized coefficient (Beta = 0.805) and a significant p-value (0.000). this illustrates how crucial technology is to a company's success.

Market orientation 's weak positive correlations with technological orientation ( $r = .220$ ) and organizational performance ( $r = .218$ ) indicate slight relationships, suggesting that even though market orientation is important, its direct influence on technological orientation and organizational performance may be less significant than other factors.

Finally, the study revealed that market orientation, entrepreneurial orientation and learning orientation are not statistically significant organizational performance.

### **5.3. Recommendations**

On the bases of the findings and conclusions reached in this study, the researcher recommends the following point for concerned bodies.

I would have recommended that Zemen Bank enhance an entrepreneurial culture by encouraging risk-taking, innovation, and proactive market behaviors. Besides, Zemen Bank should implement comprehensive market research and customer feedback mechanisms to better understand and anticipate customer needs.

Zemen Bank should improve customer feedback mechanisms and establish more frequent and diverse channels for collecting customer feedback, such as surveys, focus groups, and social media monitoring. This will ensure a continuous understanding of customer needs and satisfaction, leading to better customer retention and new product development.

I would have also recommended that the organization enhance the customer experience and develop comprehensive customer experience strategies that include personalized services, loyalty programs, and efficient complaint resolution systems. An improved customer experience will lead to higher customer satisfaction and retention rates.

The bank should work on aligning its strategic orientation with overall performance, ensuring that strategic initiatives are effectively contributing to measurable performance improvements.

To enhance organizational performance, Zemen Bank should prioritize investments in technology, foster an entrepreneurial culture, and promote continuous learning. Strengthening market orientation through comprehensive research and customer feedback mechanisms is also crucial. Integrating these strategies and regularly monitoring their effectiveness will ensure substantial and sustained improvements in performance. Organizational performance will benefit from aligning strategic objectives with measurable metrics, regular reviews of strategic initiatives, investing in employee development, and improving financial performance monitoring. Enhancing customer experience and regularly introducing new products and services will lead to higher customer satisfaction and retention.

The organization invests in employee development and treats employee learning and development as a strategic priority by offering regular training and development programs. A well-trained workforce will improve the bank's adaptability, innovation capability, and overall performance.

The organization should enhance internal communication and create a solid internal communication plan to make sure that all departments are informed about customer experiences and competitive actions. A more unified approach to customer service and market orientation will be fostered by improved communication.

Finally, the organization should use a regularly monitor and evaluate the effectiveness of technological investments using key performance indicators (KPIs) and advanced data analytics. Promote cross-functional collaboration on technology projects and invest in robust cybersecurity measures to protect technological assets and maintain stakeholder trust.

#### **5.4. Recommendations for Further Studies**

The primary aim of the research was to examine how strategic business orientation impacts the perceived organizational performance of Zemen Bank. Because the findings are limited to Zemen Bank, Additional research in other banks is required to determine the overall effect of organizational performance. Other similar studies also need to be carried out on private and government banking institutions to determine whether the influence is the same or if there are other moderating factors.

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# Annex



Addis Ababa University  
College of Business and Economics  
School of commerce (MA program)

**Dear respondents,**

I am conducting research which shall be submitted in partial fulfillment of the requirements for Master's Degree in Business Leadership. The purpose of this study is to examine the Impact of strategic business orientation on organizational performance in the case of Zemen Bank. Therefore, this is to kindly request you to take some of your precious time to fill the questionnaire at your convenience. Your honest and accurate response will make this study more valuable. Your responses are only meant for academic purpose and will be kept confidential. So, please read it carefully and give your opinion. No need of writing your name.

## **General Instruction:**

- No need to write your name.
- Further instruction is given at the beginning of each part of the questionnaire.

## **Part I: Demographic and General Information Question**

Please put the tick “” mark under the choice.

1. **Gender:** Male  Female
2. **Age:** 20-30 years  31-40 years  41-50 years  Over 50 years

3. **Marital Status:**

Single  Married  Divorced  Widow/Widower

4. **Educational Status:**

- Diploma  BA Degree
- Master's Degree  PhD Degree
- Other, please specify \_\_\_\_\_

5. **Your experience in the Bank**

≤5 years  6-10 years  11-15 years  Over 15Years

6. **Job Category:** Managerial Position  Non- Managerial positions

**Part II: strategic orientation Measures**

This part of the questionnaire is meant to measure the strategic orientation of the bank. Please put „tick mark (√) “ on the number that best represents your opinion.

**1=strongly disagree 2=disagree 3=neutral 4=agree 5=strongly agree**

	Construct					
<b>1</b>	<b>Customer orientation</b>					
	Our business objectives are driven primarily by customer satisfaction					
	Our customers regularly ask for new products and services					
	Our Bank is increasingly offering financial solution to customers					
	Our bank is continuously trying to discuss additional needs of customers					
	Our Bank measures customer satisfaction systematically and frequently					
	Employees regularly discuss how customers use our products and services					
	The bank strongly emphasizes customer satisfaction					
	The bank places strong emphasis on understanding customers’ needs					
	The bank is willing to respond quickly to customer suggestions					
	The bank focuses on providing customers with superior service					
<b>2</b>	<b>Competitor orientation</b>					
	Employees throughout the organization discuss competitive activities					
	Our bank regularly collects competitors ‘Activities/ Aware of the products/services our competitors are developing					
	The Bank continuously evaluates the key strength and weakness of key competitors					
	The Bank is very aggressive in competing with other firms					
<b>3</b>	<b>Inter-functional coordination</b>					
	The Bank’s managers discuss how everyone in the bank can					

	Construct	1	2	3	4	5
1	<b>Pro-activeness</b>					
	Our Bank proactively introduces new products and services to customers					
	Our Bank has a strong tendency to be ahead of others					
	Our Bank usually takes initiative, rather than be a follower					
2	<b>Risk taking</b>					

	contribute to creating customer value					
	The bank's staff communicate information about our good and bad customer experiences across all departments					
	The Bank's top management from every function regularly visit the branch's current and prospective customers					
	All of our business functions and departments are responsive to one another's needs and requests					
	All of our departments are integrated in serving the needs of our target markets					

	Construct	1	2	3	4	5
<b>1</b>	<b>Commitment to learn</b>					
<b>3</b>	Managers basically agree that our employees' ability to learn is the key to our competitive advantage					
	The Bank is open to pursuing risky projects					
	<b>Innovativeness</b>					
	The basic values of the bank include learning as key to improvement					
	Our Bank used to look for new ways to do things					
	Our Bank continuously improves and innovates its way of doing business					
	The business at all levels senses that employee learning is an investment, not an expense					
	Managers in the Bank are willing to engage in new innovations					
	Learning in the bank is seen as a key item necessary to guarantee organizational survival					
	Our Bank managers have a strong proclivity/ tendency for innovation					
	The collective wisdom in this bank is that once we quit learning, we endanger our future					
<b>2</b>	<b>Shared vision</b>					
	There is a well-expressed concept of "who we are and where we are going" as a business unit					
	There is a total agreement on our bank's vision across all levels, functions, divisions and branches					
	All employees are committed to the goals of this bank					
	Employees consider themselves as partners in charting the direction of the bank					
	Top management of the bank believes in sharing the vision for bank with the lower levels					
<b>3</b>	<b>Open mindedness</b>					
	We are not afraid to reflect critically on the shared assumptions we have about the way we do business					
	Our business unit places a high value on open-mindedness					
	Managers encourage employees to "think outside of the box."					
	Original ideas are highly valued in our bank					

	Construct	1	2	3	4	5
<b>1</b>	<b>Commitment to research and development</b>					

	Our bank's product development programs are more ambitious than our competitors					
	Our bank is very active in developing new technologies					
	Our bank is often striving to be first to try out new methods and technologies					
<b>2</b>	<b>Acquisition of new Technologies</b>					
	Our bank's investment to acquire the latest technologies and future forecasted technological changes is high					
	Our bank purchases and uses new technologies to position itself ahead of competitors					
	The bank's Management actively seeks innovative ideas					
<b>3</b>	<b>Application of the latest technology</b>					
	Our bank's policy is to adopt up-to-date technologies					
	Our bank intends to develop new technologies in order to respond to the changing expectations of our customers					
	In our bank employees are encouraged to have new ideas for new services					

	Construct	1	2	3	4	5
<b>1</b>	<b>Financial Performance</b>					
	Market share growth					
	Growth in Return on investment (ROI)					
	Growth in Return on Equity (ROE)					
	Growth in Operating income					
	Growth in Net income					
<b>2</b>	<b>Non-Financial Performance</b>					
	Success in achieving customer satisfaction					
	Success in retaining existing customer					
	Success in attracting new customer					
	Success in overall performance of the Bank					
	Construct	1	2	3	4	5

1	Organizational Performance					
	How do you perceive the overall performance of your organization in the past year?					
	In your opinion, how effective is your organization in achieving its strategic objectives?					
	How would you rate the financial performance of your organization in the past year?					
	To what extent do you believe the organization's strategic orientation has contributed to its overall performance?					