

ADISS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMIC
DEPARTMENT OF MANAGMENT



**THE MODERATING ROLE OF ENVIRONMENTAL TURBULENCE IN THE
RELATIONSHIP BETWEEN STRATEGIC ORIENTATION AND ORGANIZATION
PERFORMANCE: THE CASE OF ETHIOPIAN COMMERCIAL BANKS**

A Thesis Submitted to Addis Ababa University College of Business and Economics in Partial
Fulfillment of the Requirements for the Degree of Master of Science in Management
Specialization in Total Quality Management and Organization Excellence

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JUNE, 2024 G.C

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DECLARATION

I, Yishak Lemi, hereby declare that this thesis entitled “The Moderating Role of Environmental turbulence in the Relationship between strategic Orientation and organization Performance: The Case of Ethiopian Commercial Banks” submitted by me for the award of the degree of Master of science in Management, Addis Ababa University at Addis Ababa, Ethiopia, is my original work and it has never been presented in any university. All sources and materials used for this thesis have been duly acknowledged.

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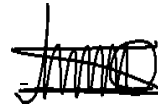
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Acronyms

ANOVA	Analysis of variance
DW	Durbin Watson
EO	Entrepreneurial Orientation
ENVTUR	Environment turbulence
EFA	Exploratory Factor Analysis
LO	Learning Orientation
MO	Market Orientation
NI	Net income
PER	Performance
ROE	Return on Equity
ROI	Returns on Investment
SD	Standard Deviation
SPSS	Statistical Package for Social Sciences
SO	Strategic Orientation
TEO	Technology Orientation
VRIN	Valuable, Rare, Inimitable, and Non substitutable
VIF	Variance Inflation Factors

Abstract

Strategic orientation creates conditions that enhance organisational competitiveness and performance but existing studies gives less attention. The Purpose of the study was to investigate the relationship between Strategic orientation dimensions and performance and the moderating role of environmental turbulence in Ethiopian commercial banks. A quantitative, cross-sectional research design was adopted. This study used two sampling stages. The first one is to sample out the bank's (strata's) from the banking industry and secondly a number of respondents within the selected banks. Data were collected from the sample of 221 from four banks head office employees in Addis Ababa through questionnaire. Descriptive statistics, correlation, multiple regression analysis, and hierarchical regression analysis were used to analyze the data with the aid of SPSS version 27. In addition, Hayes process model 1 was used for computing and describing the moderation analysis. Evidence from the study showed that the study variables (EO, LO, TO) significantly influenced organization Performance but MO has found to be statistically insignificant in predicting the level of organization Performance. The study also finds that Environment turbulence has a moderating role on the effect between predictors (EO, LO, TO) on organization performance. The study also shows that low environment turbulence is more favorable for strategies than high environment turbulence. Based on the findings, it is recommended banks should practice strategic orientation in their businesses during low environment turbulence. However further research may consider investigating MO independently and further investigate the moderating effect of other factors in predicting bank performance

Keywords: Strategic orientation, Market orientation, Entrepreneurial orientation, Learning orientation, Technology orientations, environment turbulence, Bank performance

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Research by Mohammad (2022) confirms that businesses with a strong strategic orientation consistently outperform their weaker counterparts. A well defined strategic orientation acts as a compass, guiding the company's response to evolving consumer demands, shifting market conditions, and intensifying competition. It fosters the development of new capabilities and the refinement of existing ones, enabling them to overcome challenges and barriers on their path to superior performance. However, Mwenda (2020) reminds us that relying solely on one strategic approach might not be enough to secure a definitive edge. The most effective companies often blend multiple orientations, creating a unique strategic orientation that fuels their success. In essence, a strong strategic orientation isn't just about individual tactics; it's about embracing a proactive mindset and a willingness to adapt and evolve. By weaving this mindset into the fabric of the organization, companies can navigate the competitive environment with confidence by leaving their weaker parts (Masa'deh et al. 2018)

This paper concerns all four strategy orientations regarding organization performance. Also focuses on the differentiation of market orientation, technology orientation, entrepreneurial orientation, and learning orientation, integrating those orientations and highlighting their interactions from the standpoint of strategic orientation aspects. Among the major strategic orientation dimensions are: learning orientation that focuses on developing, absorbing, and disseminating knowledge; market orientation intended to encourage managers to generate customers' value; entrepreneurial orientation that centers upon discovering new markets for an organisation; and technology orientation in order to prompt managers to focus on innovative projects (Ibrahim and Shariff, 2016).

Despite strategic orientation's potential to enhance planning and potentially provide a competitive edge through improved performance characteristics, empirical evidence paints a less clear picture. Some studies highlight a positive impact on specific aspects like innovation, while others find a weaker or even nonexistent connection to overall organizational performance (Obeidat, 2016). This suggests that the relationship between strategic orientation and

performance may be more complex than originally assumed. To gain a deeper understanding, future research should focus on: broadening the conceptualization of strategic orientation, investigating the role of moderating factors that influence its effectiveness, and expanding the range of academic voices engaged in its study (Aloulou, 2019). By taking these steps, we can move beyond simplistic models and develop a more understanding of how strategic orientation truly impacts organizational performance.

According to Andotra & Gupta (2016) three types of environment turbulence identified are market turbulence, technological turbulence, and competitive intensity. While strategic orientations (MO, LO, TO, and EO) are intended to enhance organizational performance, existing research on their effectiveness under varying environmental complexities yields inconclusive or contradictory results. Notably, different turbulence levels impact various organizational functions like marketing and strategic planning to varying degrees. Additionally, rapid technological and market change within industries significantly influences performance.

The study was to measure the relationship between market orientation, entrepreneurial orientation, learning orientation and technology orientation (independent variable) and performance (dependent variable). Additionally, the moderating factor between the independent variables and the dependent variable that the researcher chose was environment turbulence. The findings of this study could provide practical insights for Ethiopian banks to refine their strategic orientations based on the prevailing environmental conditions.

1.2 Statement of the Problem

Azaj et al. (2020) stated that Ethiopia's banking sector is caught in a fierce battle for survival, driven by limited resources and fierce competition. Traditional and digital channels are now battlegrounds, where banks compete to attract new customers and retain existing ones. Yet, the fight for deposits and foreign currency creates a homogenized marketplace with little product differentiation, leaving premium and corporate clients feeling underserved, a good SO helps to resolve such problems. As Azaj et al. (2020) emphasize, Ethiopian research has explored strategies and their impact on business performance, a crucial gap remains about the connection between strategic orientation and performance specifically within the banking sector. Existing studies primarily focus on the mechanics of strategy development, implementation, and

evaluation, with less attention paid to the underlying "what" of strategy itself. This is compounded by the lack of clear, defined strategic orientations within Ethiopian banks, hindering analysis of their impact on performance. Banks directly impact society, businesses, all industrial sectors, and the government. Therefore, understanding the relationship between strategic orientation and performance in Ethiopian banks is not just an academic pursuit, but an imperative for fostering a thriving and impactful financial system.

Numerous studies, like Obeidat (2016) work; emphasize the general value of strategic orientation for organizational development. However, as Mwenda (2020) points out, existing research offers conflicting conclusions about the specific relationships between different strategic orientations and performance. Moreover, few studies have comprehensively examined all four key types of strategic orientations (market, entrepreneurial, technology, and learning) simultaneously (Hakala, 2011), leaving a crucial gap in our understanding of which approaches might suit different companies best. While the power of well conceived strategies in boosting organizational performance is widely acknowledged, the link between specific strategic orientations and success remains surprisingly questionable.

Aloulou (2019) highlights the need to move beyond broad concepts and investigate specific facets of environment turbulence, such as market turbulence, technological turbulence, and competitive intensity. This is echoed by Tsoho et al. (2021) who point out the scarcity of studies exploring how these specific turbulence factors moderate the impact of different strategic orientations on both financial and non-financial performance. The current banking industry, characterized by rapidly evolving technologies and dynamic customer preferences, exemplifies this turbulence. This instability necessitates agile and adaptable approaches to thrive. Therefore, unraveling whether and how environmental turbulence moderates the effectiveness of various strategic orientations in driving performance remains a vital and intriguing research question (Aloulou, 2019).

Drawing upon the contingency theory Mohammad (2022), stated that the relationship between SOs and performance is not static but is contingent upon the turbulent environment in which firms operate. Firms operate in a dynamic and turbulent environment characterized by high competition, technological advancements, and evolving regulations. Their success, however, hinges on effectively navigating these complexities and translating strategic orientations (SOs)

into superior performance. The researcher believes it is true among banks in Ethiopia then this research investigates the complex interplay between environmental turbulence and SOs (market, entrepreneurial, technology, and learning) in influencing bank performance.

Richard et al. (2018) findings suggest that the strength of the relationship between strategic orientation and performance actually increases under turbulence. This notion is further supported by (Balodi, 2020), who proposes that market orientation (MO) becomes one of the most effective tactics for survival when turbulence arises from technological advancements. Similarly, when competitiveness drives the turbulence, an entrepreneurial orientation (EO) fosters greater success.

Niazi et al. (2019) argue that in turbulent environments, companies can thrive by embracing new skills and venturing beyond their comfort zones. Turbulence can be a catalyst for growth during periods of disruption; companies that embrace strategic flexibility and proactively engage in market expansion, customer engagement, and product development emerge stronger. These proactive measures strengthen the relationship between strategic choices and company performance. Niazi et al. (2019) also caution that the most unexpected changes can have the most detrimental impact on performance. This suggests that while strategic choices still matter, their effectiveness can be significantly altered by the nature and intensity of the turbulence.

Despite to the above one Mohammad (2022) asserted that environmental turbulence leads to unpredictable change, competitive intensity and complexity of an organizational business environment, strategic orientation impact on performance could be diminished due to turbulence. Businesses operating without environmental turbulence will benefit more from SO than those operating in high dynamic settings with a lot of problems and stress. Anggraini & Sudhartio (2019) found that Banks are supported by their competitive advantage to strengthen their position and guarantee their success in competition but increasing competition among banks makes it difficult for them to compete against each other; hence, they should find some unique ways to either expand or maintain their market segmentation. The emergence of change, in particular customer preferences, and the development of rapid technology is a major concern for the banking sector.

Aloulou (2019) literature calls for greater precision in examining the multifaceted relationship between environmental turbulence, strategic orientation, and performance. This moderating effect highlights that the most successful strategies depends on the level of Environmental turbulence. Notably, existing research on this intricate relationship has yielded mixed results; there is a need for deeper investigation Reniguntla & Dhiman (2021). Building on Aloulou (2019) study, this research explores how the effectiveness of strategic orientations for Ethiopian banks performance hinges on the level of environment turbulence. What makes unique this study is to the best understanding of the researcher; no study has been conducted in Ethiopia, specifically in the bank sector, on the relationship between strategic orientation and performance by considering environmental turbulence as a moderating factor. There is also a gap in the literature in addressing this field in Ethiopia by taking all four strategic orientations (MO, EO, LO, TO) simultaneously by relating with performance and no organisation conclusion has been made about which strategic orientation is best for an organisation (Azaj et al, 2020). Thus the researcher made an effort to fill this gap by adding moderator environment turbulence.

1.3 Research Question

- How do market orientations affect organizational performance?
- How do entrepreneurial orientations affect organizational performance?
- How do technology orientations affect organizational performance?
- How do learning orientations affect organizational performance?
- Does Environmental turbulence moderate the relationship between strategic orientation dimensions and organizational performance?

1.4 Objective of the Study

1.4.1 General Objective

The main objective of the study is to analyze the influence of strategic orientation dimensions on the performance of commercial banks and the moderating effect of environment turbulence between the two.

1.4.2 Specific Objective

- To measure the relationship between market orientation and bank performance.
- To investigate the relationship between Entrepreneurial orientation and bank performance.
- To examine the relationship between Technology orientation and bank performance.
- To explore the relationship between learning orientation and bank performance.
- To discover moderation role of Environmental turbulence between Strategic orientation dimensions (market, Entrepreneurial, Technology and learning orientation) and bank performance

1.5 Significance of the Study

The research can be useful to start up banks that need an overview of the strategic orientation dimensions and their role as tools for business purposes also the study will add knowledge on the field of existing banking literature on strategic orientation by examining the moderating role of environment turbulence. Through analyzing such studies, banks can gain particular knowledge about how turbulence affects different strategic orientations and the impact it has on bank performance with this understanding, they may make appropriate decisions on the needed resources and create flexible strategies for the relevant current environmental circumstances. Additionally, it helps to see forthcoming environmental changes that affect the decision making process and organisational strategies. Likewise, the present investigations identify a possible research gap wherein researchers can probe further into a similar topic within more elaborated frameworks.

1.6 Scope of the Study

The research is limited on detecting the relationship between strategic orientation and performance of commercial banks in Ethiopia with the moderating role of environment turbulence. However, because of budget and time constraints this study covered only four Banks (Dashen, Zemen, Global and Amhara Bank). The rationale behind these banks is that the banks are from different generations as Dashen is one of the first generation, Zemen in the second, Global in the third and Amhara one of the latest generation. Furthermore, the study was

delimited to Head Office of each bank on Strategy and innovation, Talent development, digital channels, IT infrastructure, Applications development, marketing and risk departments.

1.7 Definitions of Terms

The meaning of important terms (in the context of the current study) is presented as follows;

Strategic orientation (SO): Principle that guides and shapes the actions of a firm for the purposes of its sustainability and performance (Hakala, 2011).

Market Orientation (MO): it is a business culture in which all employees are committed to the continuous creation of superior value for customers (Narver & Slater, 1990).

Entrepreneurial Orientation (EO): strategic stance of being innovative, that is, departure from past practices; consideration of fresh ideas or experimenting; and taking positive steps into the market through new products, solutions, and opportunities (Lumpkin & Dess, 1996).

Technology orientation (TO): involve seeing a successful or emerging technology and incorporating it into company procedures and tasks to stay competitive, besides inventing novel technologies (Gatignon & Xuereb, 1997).

Learning orientation (LO): the ability for a company's market information generation and use it based on by a strong intent to learn (Sinkula et al. 1997).

Environmental Turbulence (ET): This is a turbulent and dynamic business environment characterized by high levels of instability and unpredictability (Jaworski, B.J. and Kohli, A.K., 1993).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This study's underlying theories are contingency theory, dynamic capability theory, and resource based view. The theory of resource based view (RBV) basically includes a collection of intangible resource combinations that are challenging to replace; one of such resource is strategic orientation, which provides a basis for the development of unique organisation competencies. According to contingency theory, the external environment is an important factor influencing organisation performance, knowing how to best harness such resources and dynamic capabilities is an important consideration in the pursuit of competitive advantage (Tsoho et al, 2021). So, environmental turbulence is imported into this research in order to examine its moderating impact on the relationship between independent variable (strategic orientation dimensions) and dependent variable (organization performance).

2.2. Theoretical Review

2.2.1 Theoretical Framework

A) Resource Based view

In 1984, Wernerfelt developed the RBV theory. He said that companies are a mass of tangible or intangible assets, all linked to the company. The resource based view is about using internal resources and core competencies to achieve a sustainable competitive advantage, which means growing the organisation. Researchers and managers can use RBV to determine whether a particular resource in a context generates VRIN in order to determine whether or not it creates economic value (Barney, 1991).

Barney (1991) says that a company's resources have to be VRIN (valuable, rare, inimitable, and non substitutable) to provide exceptional performance and sustainable competitive advantage. If the resources or capabilities of a firm cannot have these effects, then they are not going to be sources of competitive parity. Barney (1991) also gives a more detailed description of these sources, which are the firm's organisational, human and physical resources. The firm's physical resources are tangible, but organisational and human resources aren't. If businesses have the

right tangible and intangible resources in place to enhance their financial performance, they can be more competitive. For instance, strategic orientation is an intangible resource. Excellence in organisation is a demonstration of strategic orientation skills.

B) Dynamic Capability Theory

The view of dynamic capabilities (DC) adds to RBV that organisations should develop a process for learning in order to adapt change with their surroundings and advances from the static conceptualization (Teece, 2007). Teece (2007) views firms as replete with resources. Indicating a company's ability to combine, develop, and reconfigure both internal and external resources in the face of rapid change. Having rare and distinctive resources of great value that are not easily imitated may well be an advantage for a firm where it is able to have what others doesn't have, but firms also need complementary capabilities that transform strategies that match the changing market, if they aim to keep up their performance. The dynamic capabilities theory takes into account the reality that firms are constantly integrating their capabilities, constantly improving their skills or copying the most qualified skills from other businesses (Agu et al., 2019).

The three sub capabilities sensing capability, integrating capacity, and transforming capability constitute dynamic capabilities (Teece 2007). To be more proactive in searching for opportunities to participate in digital transformation, commercial banks need to capture market technical details and identify new risks or changes. Commercial banks with strong sensing capabilities will begin to put digital transformation on the agenda in order to more accurately identify risks and opportunities in the market environment. The integrating capability enables commercial banks to take advantage of digital change opportunities or eliminate competitive threats by reasonably allocating and distributing work tasks between departments while also making efficient use of organisational resources among different sections (Cheng et al., 2023).

C) Contingency Theory

Contingency theory supposes that there is a symbiotic relationship between the firm and its environment and that there is no one particular way of managing business firms or making decisions. The ability to perform depends on the nature of the external environment and the extent to which the firms consider the environment (Venkatraman, 1986). Contingency theory suggests the bundle of resources is not the only thing that counts, firms must also be adaptive and

develop procedures, skills, and capabilities in response to the environment. Crucially firm performance is the primary goal of every company, and it is Companies that have a strategy and environment alignment outperform than those that don't (Reniguntla & Dhiman, 2021). This study attempts to argue that the value strategic orientations may vary depending on the internal and external situation facing the banks by adopting the perspective of contingency theory.

2.2.2 Organizational Performance

Syahdan et al. (2020) define the concept of business performance as how well an organisation meets its own needs for survival and those of other stakeholders. While performance is at the heart of every process and activity undertaken within an organisation, it's a relative term that means success or failure. It is closely connected to strategic planning. There are consistently more banks opening up in Ethiopia. This in turn has a significant impact on how well banks perform. This is to reflect the multifaceted nature of running an organisation in today's rapidly evolving working world, where managers must look at things from all around.

The modern business environment gives organisation performance a lot of dimensions. A wide range of criteria are used in research in assessing performance. Financial and operational (non financial) indicators can be used to evaluate performance (Venkatraman and Ramanujam, 1986). A five point Likert scale of subjective business performance measures was applied by Protcko and Dornberger (2014) to measure business performance. As a result, the respondent will require answering the next two inquiries. In the first, the respondent is asked to rate the organization's financial performance; in the second, the respondent is asked to rate the non financial aspect of organisational performance. This is due to the fact that both non financial and financial performance metrics have benefits and drawbacks. Financial measures tend to be more concrete but are limited in scope to financial data. Non financial measures lack concreteness but often provide a richer description of the effectiveness of organizations with respect to competitors (Al-Ansaari et al., 2015).

2.2.3 Strategic Orientation

Strategic orientations are understood to be guiding principles that should direct and influence a firm's operations so as to become the means by which its performance is ensured Hakala (2011). Today's era of globalization and intense competition has given the modern business world a

strong degree of chaos and complexity. In this complex business environment manager's ability to plan strategically for the future is limited. Therefore, a new paradigm strategic orientation has been constructed to illustrate how the strategic focus that can be seen in all an employee's behaviour to achieve its competitiveness (Acar & Özşahin, 2018).

Cheng et al. (2023) stated that if banks hope to win over new customers and increase market share, they will have to make major adjustments. A commercial bank's strategic orientation affects allocation of resources; determines the direction of its development; the ways they implement strategic change and receive its benefits. It thus points to a substantial positive effect on performance. The results of this investigation are similar to those reached by previous research Aloulou (2019); Masa'deh et al. (2018).

Obiedat (2016) also noted that the pattern of responses an organisation makes to its operating environment in order to improve performance and gain a competitive edge can be termed strategy orientation. They find that by using intentional strategies, either way accomplishes its goals for them. How an organisation relates to and reacts to the different environmental changes that occur on a local, regional or international scale has much bearing on whether these goals can be achieved.

A number of typologies for strategic orientation have been advanced in previous studies. Porter (1985) whose book *Competitive Advantage* suggests low cost and generic differentiation strategies as typical examples. Differentiation means providing a customer with superior quality, unique features, or adds on services after a purchase. A low cost strategy shows the company's ability to develop, manufacture, and market a product better than its rivals. Some strategic management academics have asserted that organisation size, industry, culture, capabilities, and resources (the five C's), as well as the external environment, all influence which type of strategy is most effective. Because strategic orientation differs from one organisation to another and depends on contextual organisational variables (Venkatraman, 1989), it is seen as a multidimensional construct. Venkatraman (1989) first used the term strategic orientations and defined it according to six dimensions of "aggressiveness", "analysis," and compensatory constructs such as "defensiveness", futurity or "pro activeness" and "riskiness". He also made the suggestion that, by using managerial perceptions and beliefs, one could measure the strategic orientation of an organisation in terms of its organisational processes on these six dimensions.

A survey carried out by Agu et al. (2019) reveals that strategic orientation is the vision of companies, which together expresses businesses efforts to seek better performance and how work can be done based on certain values and beliefs. According to Agu et al. (2019), strategic orientation encompassed four aspects, namely: strategic fit; strategic predisposition and thrust; and a perspective on strategy that was concerned with choices. Businesses must act strategically in an attempt to compete or get ahead without losing the advantage others have gained. It is important to get a sense of how sensitive these businesses are. Many studies have shown a positive correlation between different strategic orientations and organisational performance (Al-Ansaari et al., 2015). Therefore, it is expected that the different strategic orientations that an organisation adopts will help improve its performance.

2.2.4 Dimensions of Strategic Orientation

Hamisi and Ibrahim (2023); Hakala (2011); Ibrahim and Shariff (2016) and others provide considerable insight on the strategic orientation dimensions from an integration of market orientation, entrepreneurial orientation, learning orientation, and that regarding technological orientation. In addition to this, they describe how these orientations interact with one another. These orientations are the most critical corporate assets that make it possible for Organization to outperform their competitors.

Hakla (2011) isolated three different methods for handling multiple orientations at the same time in his analysis. These orientations are related to each other in sequential, alternative, and complementary ways. The alternative approach may help to make its findings more relevant by introducing investigations of contingency settings and comparative studies, the sequential approach could still add a further layer with better constructs for explaining firm orientation. The complementary approach can use the examination of relationships to stimulate discussion between researchers from different literature streams.

Narver and Slater (1990) introduced primary strategic typologies which addressed the impact of market orientation on organisational performance, Lumpkin and Dess (1996) focused on entrepreneurial orientation. Gatignon & Xuereb (1997) studied technological orientation; Sinkula et al. (1987) looked at learning organisation. (Wolff et al., 2015) Suggested that it is not only one strategic orientation that can give an organisation a competitive advantage in the market or even

an excellent solo performance; all relationships between these different kinds of orientations. Thus, to more fully appreciate the influence of SO, assessing the relative impact of each dimension of SO separately is arguably necessary.

2.2.4.1 Market Orientation and Organization Performance

Market orientation is a business mindset that emphasises finding out what consumers really want and then providing it through products or services. It also means actions taken on behalf of business organisations to constantly monitor, discern, and respond to changes in the market (Aloulou, 2019). So Market orientation is the strategic propensity for commercial banks to actively seek and use market information in order to create or build on customer value; many of these methods draw on the work of Kohli and Jaworski (MARKOR) (1990) and Narver and Slater (MKTOR) (1990).

Narver & Slater (1990) stated that Market orientation is substantially made up of three behavioral elements: customer orientation, inter functional coordination, and competitor orientation (Narver & Slater, 1990). Customer orientation refers to an organisation's grasp of customer needs, its ability to continuously deliver higher value than other companies for customers, and a critical element in superior business performance, competitor orientation is the ability of a firm to discover and respond to competitors' weaknesses and strengths. Some moves will improve their organisational intelligence by understanding the key parts that drive those achievements; companies can then create value for customers better than rivals through service or various aspects of marketing, Inter functional coordination is bringing experts from different functional areas towards working together in achieving a common goal so that they will provide the optimal combination of customer service and marketing (Saleh et al., 2021).

Companies with a high level of market orientation have higher levels of business performance than companies without these characteristics. Saleh et al. (2021) also found that inter functional coordination, competitor orientation, and customer orientation significantly influence organisational performance. Contradictory findings were also reported by Dionysus and Arifin (2020) that the market orientation dimensions are insignificant and adverse in relation to business performance. As a result, the following hypothesis can be made:

H1: Market orientation has positive relation with organizational performance

2.2.4.2 Entrepreneurial Orientation and Organization Performance

Organisational entrepreneurship means that the visionary sensibility of the entrepreneurs as to where market opportunities lie is applied not simply in developing situations but also conducive through developments, with a special combination of resources being owned or controlled (Wolff et al. 2015). Entrepreneurial orientation is closely related to innovation, which can be described as an individual opportunistic activity whose success involves risk and value creation. The idea first proposed in the early 1970s is very much reflected in the actions of entrepreneurial firms today and has been shown to be positively related to performance (Rezaei & Ortt, 2018).

Entrepreneurial activity was identified with the pursuit of opportunity, and entrepreneurial behavioral dimensions identified along which the latter is pursued were EO. Miller (1983) first suggested the concept of entrepreneurial orientation with three dimensions. These were innovation, pro activeness, and risk taking. Innovativeness is an Endeavour to bring imagination and put forward new concepts, inventions, and creative action, which leads down the road towards high-tech products, businesses, and procedures. In order to gain the advantages of being innovative and ahead of the competition, proactively is the practice of looking into the future based on environmental demand. Another type of EO risk taking is the use of a large amount of resources and striking an optimistic attitude towards doing business despite this uncertainty.

Lumpkin and Dess (1996) also added Competitor aggressiveness and Autonomy to the three dimensions. The key measuring factor for degree of autonomy is how much independence the employee has in how he or she thinks, acts, and works to make those ideas a reality. Competitive aggressiveness can be described as all the actions taken by a firm plus the time required from when an adversary makes his move before another company takes direct action against it. Pro activeness looks similar to competitive aggressiveness, but the two are really different in that pro activeness always takes action before the competition has started.

According to recent empirical studies, EO and organisational performance are positively correlated (Dionysus and Arifin, 2020). Several studies also discovered a weak or insignificant correlation between EO and Performance. Rezaei & Ortt (2018) found that EO had a positive impact on performance, but one of its dimensions risk taking had a negative effect. Other studies'

findings reveal different outcomes. Based on a theoretical study and relevant research results, a hypothesis is built:

H2: Entrepreneurial orientation has positive relations with organizational performance

2.2.4.3 Learning Orientation and Organization Performance

Martinez et al. (2020) stated that Learning Orientation is a set of capacities that emerge from the process through which people acquire, exchange, and use knowledge in an organized way to promote individual improvement by transforming each piece of acquired information into a cohesive component part embedded within the organisation's overall body of knowledge. Learning is a required stage on the road to a successful crisis response and a smooth return to normalcy also increases organisational agility; with learning mechanisms based in memory illustrating change over time (Mahmoud et al., 2016). LO creates conditions that enhance organisational competitiveness. At the same time, to symbolize manager's attitude that considers thinking like a key organisational resource and grasps at both new things to learn and old ways to throw away (Wolff et al., 2015). Those organisations that pay special attention to learning are naturally more likely to seek out an outside knowledge provider.

LO as one of the fundamental elements of organisational learning, consists of three dimensions: commitments to learning, open mindedness, and shared vision (Sinkula et al., 1997). Commitment to learning means an organisation's willingness or readiness for both internal and external types of promoting learning. Open mindedness refers to the firm's policy, principle, or regulation concerning openness towards new ideas and projects. From a behavioral perspective, shared vision refers to working together to communicate knowledge that can enrich the firm's knowledge base and help it develop new routine behaviors to meet changing market needs (Bature et al., 2018).

Adopting LO can help to enhance performance because team members then become familiar with the organisational environment, which is also a critical factor in a company's success. By accepting customer criticism or suggestions, they feel that their position is secure (Mahmoud et al., 2016). Bature et al. (2018) state that to learn how businesses can create and use skills, knowledge, and techniques to build capabilities that give rise to superior performance, you only need three things: dedication, sharing common goals, and an open mind. The relationship

between open mindedness and commitment to learning has a positive and significant influence on organisational performance; the opposite is shared vision, which has a negative impact (Martinez et al., 2020). The research by Sarker and Pali, (2015) did not find any significant correlation between learning orientation and performance. Therefore, the following hypothesis can be developed:

H3: Learning orientation has positive relation with organizational performance

2.2.4.4 Technology Orientation and Organization Performance

According to Lei et al. (2019) Technology Orientation means a company's ability to suggest or develop new technologies, products, or inventions. The existence of customers and long term business success are described in this passage as being dependent on the introduction of advanced technical products, services, facilities, or practices. Technology oriented companies want to introduce new products or services by absorbing the latest upgrades. Technology focused business units will have greater competitive advantages, using this technology to provide consumers with more advanced products that utilize the most advanced technical standards.

Gatignon & Xuereb (1997) say that a technological orientation in production has three factors: Commitment to research and development, the acquisition of new technologies, and the application of technology. Commitment to research and development culture will develop technology adoption at its systems, structures, and resource level; how a company uses technology is obviously one of the factors helping it competes effectively. Second, the acquisition of new technologies It's also about looking out for good technology, copying it, and putting it to use in the business process. Thirdly, the term application of technology is used to describe how businesses apply their knowledge of technology to creating brand new technological solutions so as to meet customer needs. This will generally help a business to speed up production, reduce costs, and make better decisions.

Apart from allowing us to keep up with new technology, a technological orientation also helps in overcoming difficulties connected with business performance. In addition, the industry's technological progress may affect their level of innovation or the rate at which they adopt technology. Technology orientation thus increases both financial and nonfinancial earnings (Masa'deh et al., 2018). Although TO role in development has long been recognized, the

relationship between technology orientation and business performance is one that has received less attention. Another study Al-Ansaari et al. (2015) discovered a negative relationship between technology orientation and business performance. As a result, the following hypothesis can be made:

H4: Technology orientation has positive relation with organizational performance

2.2.5 The Moderating Role Environment Turbulence

This study makes a theoretical contribution by introducing a moderating variable. The moderating position states that the degree to which a predictor variable affects one criterion depends on the level of another third factor, known as the moderator. This fit between two factors is what matters most in influencing any single criterion (Venkatraman 1989). Environmental turbulence moderates the relationship between strategic orientation and performance. The environment in which organisations operate is influenced by it. In order to accomplish their goals and objectives, all organisations, regardless of their size, type, or location, engage in two primary activities: administrative and technical or functional activities. The realization of these objectives and aims hinges on the way institutions interact with and respond to all kinds of turbulence that appear in local, regional, or global markets (Obeidat 2016). While Strategic orientation is a tool used by successful organisations to help with goal setting, defining the organization's future direction, resource allocation, developing senior leadership, and skill development (Acar & Özşahin, 2018).

The competitive business environment is an important construction of this central concept that reflects uncertainty as a result of unexpected changes in market demand, consumer preferences, or new technological discoveries or breakthroughs. These have three parts of environment turbulence those are Market turbulence refers to the extent and volatility of changes in the composition, behaviour, and preference of customers, competitive intensity is the degree of rivalry a firm faces within an industry. Technological turbulence is a technical term used to describe the speed and extent of unpredictability with which changes take place in technology within an industry (Kohli and Jaworski, 1990; Andotra & Gupta, 2016).

Andotra & Gupta (2016) show that while market turbulence doesn't have much of an effect on the relationship between market orientation and business performance, but technological

turbulence and competitive intensity have an effect. In such a turbulent market environment, businesses need to have a deep comprehension of competitors and customers preferences. In stable times with little fluctuation in customer needs and preferences, businesses do not have to be market oriented. So the first is that in order to face market challenges and understand customer expectations, a high degree of market orientation becomes necessary and this leads to high performance. Kohli and Jaworski (1990) argued that with the high levels of competition, technological change, market turbulence, there would be an inevitable time when their product did not meet customer expectations. In such a case, they had better believe it performed at its best; otherwise, MO will lose potential customers to competitors.

Sajjad et al. (2023) found that environmental turbulence (ET) had a moderating effect on EO and the performance. To improve performance firms need to invest in both intangible and tangible resources to promote performance and get competitive advantages in turbulent markets. By anticipating their turbulent environment, firms are able to adjust their efforts to align entrepreneurial orientation (EO). Businesses continue to track ET in order to outperform rivals and gain a competitive advantage. Owners and managers can prepare for the turbulence environment and view EO as a valuable tool to improve business performance. Lumpkin and Dess (1996) argue that an entrepreneurial attitude is only understandable in a turbulent, hostile, and uncertain environment where there are always new opportunities ready to be exploited.

Baker & Sinkula (1999) said that the performance relationship with respect to learning orientation should be examined in the environment that is conventionally noted for turbulence and instability. Sajjad et al. (2022) made the case that a company with a high level of LO capability performs better than those with a low level of LO in a volatile competitive environment. Companies must foster a culture of learning and work to generate new knowledge. Businesses adopt learning orientation practices in response to environmental changes in order to adapt to customer needs and create new products. To respond to the turbulent environment, firms accept new ideas, skills, and processes. Based on the above theories, analysis has been conducted and concluded under high Environmental turbulence that LO and performance relation will be strong.

Compared to previous research (Slater & Narver, 1995; Sinkula et al, 1997), this study's results did not confirm the hypothesis that environmental turbulence moderates learning orientation and

performance relationship. Environmental turbulence has been shown to weaken this connection between organisational memory and firm performance. Organisational memory is one of the elements of learning orientation that an organisation can apply towards achieving greater financial success. It could be argued further that a firm's memory may not be helpful in a context where memory loss is occurring when there is environmental turbulence.

According to Richard et al (2018) Rapid technological change, shifting customer trends and market disruption may create an environment in which a proper technology orientation is even more essential. Perhaps in turbulent times a strong grasp of technology can result in increased efficiency. Conversely, it may be difficult to take full advantage of turbulence fueled changes in technology trends and shifts for competitive purposes. In turn, this may have less impact on the overall performance of banks. However, in turbulent environment, there will be room for a change of focus so that the use of technology enables banks to become more nimble and better able to respond quickly.

According to Balodi (2019), environmental turbulence in the form of changes in customer demand and technological progress are key factors driving strategic orientation, so it is essential that one consider which kind of uncertainty technological or competitive significantly affects a firm. Then, when dealing with a technologically turbulent environment, entrepreneurial venture should adopt market oriented culture and practices and refrain from taking entrepreneurial leaps into the unknown. In a highly competitive environment, whenever a company is confronted by the power of the market itself, it should adopt attitudes to motivate entrepreneurial activities and active decision making in new entry opportunities (taking risks), plus innovativeness to create its own framework. This is because some businesses are more strategically oriented and will respond better. But Pratono (2016) argue that the relationship between strategic orientation and firm performance is impacted by different levels of dynamic turbulence in the environment. The observed firm with an opportunity based strategic posture is able to achieve its performance due to environment turbulence. This means that the companies can use technology to carry out their strategy in the face of predictable technological change. They will, however, suffer from opportunity driven strategy in the face of extremely dynamic environment turbulence.

Based on the above arguments, the researcher propose the following hypothesis

H5: Environment turbulence moderates the positive relationship between strategic orientation dimensions and organizational performance

2.3 Empirical Review

Hamisi and Ibrahim (2023) examined how Kenyan commercial banks' performance was impacted by their strategic orientation. The precise goals of the study are to determine how commercial bank performance is impacted by technology, market, entrepreneurial, and learning orientations. The research design used in the study was a descriptive survey. Kenyan tier 1 commercial banks' management personnel were the study's target population. A sample size of 79 was selected. Model summary, ANOVA, and regression coefficients were used to determine regression analysis, while mean and standard deviation were used to determine descriptive analysis. The study's findings demonstrated that the commercial bank used cutting-edge technologies in the creation of new products. This study demonstrated the commercial banks' high level of departmental and functional cooperation as well as their pursuit of competitive intelligence to enhance service delivery. The customer orientation has helped the banks in developing appropriate service strategies that meet customer needs and demands. The study finds that inter-functional coordination facilitates the firm's ability to use and analyze data acquired during the decision-making process.

Tsoho et al (2021) study looks at how small and medium-sized business performance is impacted by strategy orientation, namely market, learning, and innovation orientations, as well as the moderating effect of environmental turbulence. 336 SMEs that are active in Kaduna State make up the study's sample. The results demonstrated that, with the exception of the impact of innovation orientation on the financial performance of SMEs, none of the direct effect hypotheses were supported. Furthermore, none of the three hypotheses about the moderating influence of environmental turbulence were supported. This research demonstrated that environmental turbulence does not moderate the relationship between learning and SMEs' financial performance, the effect of market orientation on SMEs' financial performance plus the relationship between SMEs' financial performance and their innovation orientation. This research thus recommends that because strategic orientation is an expansive concept other researchers to look for other orientations like entrepreneurial, technology further to market orientation, learning orientation, and innovation orientation to their firm.

Richard et al (2018) study aims to analyze the external oriented strategic (Strategic Orientation, SO) and internal oriented strategic (Dynamic Capabilities, DC) and CSR (Corporate Social Responsibility) as moderating of the relationship between the two strategies on performance. Then stated that turbulent environment influences the formulation of strategic orientation but not directly on dynamic capabilities. Whereas the relationship of strategic orientation has a significant effect on dynamic capability, in this case environmental turbulence in banking industry are not directly addressed to dynamic capabilities, but through strategic orientation, where the strategic orientation as mediation between turbulent environment and dynamic capabilities. Banking in facing turbulent environment is responded by strategic orientation and then the strategic orientation is transformed into a dynamic capability strategy. Although both of them have an effect on performance, but internal oriented strategy is more influential to performance than external oriented. The findings support banking management needs to increase internal capabilities by increasing the ability of individuals to organizational capability.

As Pratono (2016) study on The Moderating Effect of Environmental Turbulence in the Relationship between Entrepreneurial Management and Firm Performance confirms the opportunity based strategic orientation is connected to the performance of SMEs but also depends on information technology turbulence. Understanding the moderating role played by technology turbulence in this relationship can help unravel a crucial contingency of firm performance over time. In particular, in multifaceted market competition and turbulence from various technological waves of changing tide, the dynamic capability has a correspondingly more impact on SMEs. So that SMEs can seize the opportunity if they invest heavily on R&D, then in an environment of rapid technological change it will be easy to perform in an environment of intense technological change. Yet it looks like SME managers don't know how to cope with such violent technological upheavals.

Mwenda (2020) conducted a study on strategy orientation and organisational growth. Most of the studies focus on one or two strategic orientation. However, those who have experience with strategic orientation report a positive correlation between the degree to which they are oriented and their growth. Other researchers have added that some strategic orientations require other people for their success and bring the largest possible benefit to an organization. Research shows that orientation is futuristic and in the future all organisations will have to make use of this

advantage. Consequently, new products will be created; organisations will become more customers centric and they will achieve new innovations. The major implication of the study is better organisation growth will result from an increase in customer satisfaction, sales increases, new enterprises being opened up, and increased profits for the company.

Dionysus and Arifin (2020) employed the resource based view theory approach to study how strategic orientation affects performance. The focus of the research was on SME business owners in DKI Jakarta using a quantitative research design. Primary data used for this study it was obtained online via Google Forms. The data was based on 190 samples. The results indicate that market orientation does not affect the performance of SMEs, but entrepreneurial orientation most definitely does. The implication of this research shows that the Resource Based View theory is right to explain the relationship between Entrepreneurial Orientation and SME Performance because SME performance will be better if it has Entrepreneurial Orientation.

Sarker and Palit (2015) studied the relationship between the performance levels of small and medium enterprises in Bangladesh and their strategic orientation. Understanding the connection between market orientation, learning orientation, and entrepreneurial orientation is essential to understand the strategic orientation of SME's in Bangladesh. This study will help SME owners in Khulna city focus on the degree of different strategic orientations among their firms to get better performance. Yet the research did not find any significant correlation between learning orientation and performance.

Otache (2019) explores the mediating effect of teamwork on strategic orientation in association with Nigerian banks' performance. The results of the structural model showed exactly what was predicted that there is a positive, significant relationship between organisational performance and strategic orientation. This implies that organisational performance can be predicted by strategic orientation or to put it another way, organisations perform better the more strategically oriented they are. These findings suggest that the more strategic a company is the better it will perform. The findings support the conclusion if business groups are going to outperform their competitors in the marketplace; they have to be well positioned at strategic locations.

2.4 Conceptual Model

Based on the literature review mentioned on the chapters this paper presents the conceptual frame work as shown on Fig-1. According to this model the four components are constructed generally containing of environment turbulence as moderating variable, strategic Orientation dimension as an independent variable and Performance as a dependent variable.

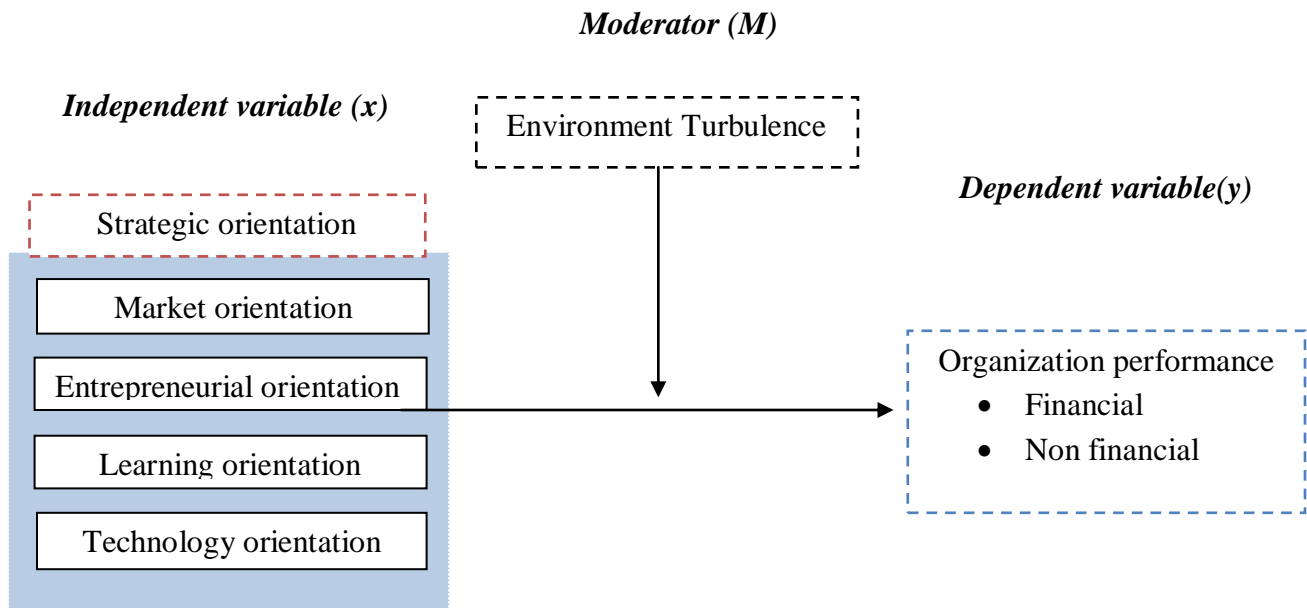


Figure 2.1: Conceptual framework of the study

Source: Modified construction based review of literature

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the general methodologies applied in this research. It consists of the research method and design, population, sample size, sampling technique, data collection instruments, data source and type, data collection procedures, method of data analysis and ethical consideration.

3.2 Research Design

A framework known as research design functions as a study plan for the research problem. A research design's job is to oversee the gathering of appropriate information while consuming the least amount of energy, time, and resources possible in accordance with the study's goals (Kothari, 2004). To establish and be able to describe the surveys and fact finding investigations of various characteristics of the variables of interest in the study, descriptive research was conducted. By adapting one or more independent variables and tracking the results on the dependent variable, the explanatory research method aims to show the cause and effects relationship between variables (Kothari, 2004).

Descriptive analyses have been used to present the data in to a summary format. Second, the study has been employ an explanatory study to investigate the relationship between variables is correlated with an aim of estimating the integrated influence of the factors on performance in the Ethiopian banking industry.

3.3 Research Approach

According to Creswell (2009) three common approaches are used to conduct analytical studies in business and social science: mixed methods, quantitative approaches, and qualitative approaches. In order to enable the statistical analysis of numerical data, variables that can be measured typically with the use of instruments are tested through quantitative research. Conversely, a qualitative research approach looks into the meaning that people or groups determines to a social or human problem in order to develop an inductive theory. To end, mixed methods approach is an approach in which the researchers emphasize the research problem and use all approaches

available to understand the problem (Creswell, 2009). For this study quantitative methods are used to make it easy the conversion of information obtained into statistical models for general analyses to be made and the research questions to be answered based on the statistical models.

3.4 Sampling Design

3.4.1 Target Population

To make our generalization stronger, we randomly choose one bank from each generation after dividing the Ethiopian banks into four generations based on the year of establishment for the sake of convenience. In light of this, the research has chosen Dashen Bank which was founded in 1995, Zemen Bank which was founded in 2008, Global Bank which was founded in 2012, and Amahara Bank which was established in 2022, as the banks that best represent the banking industry. Here the researcher tried to select the departments based on the common departments that are available on each four banks organization structure and they are related to the concept of this title.

Table 3.1 Distribution of employees in selected department

No.	Name of department	Number of employees in each banks			
		Dashen bank	Zemen bank	Global bank	Amahara bank
1	Strategy and innovation department	23	12	11	7
2	Talent development department	40	13	5	0
3	digital channels department	54	19	15	10
4	IT infrastructure department	33	19	7	10
5	Applications development department	15	12	12	13
6	marketing department	44	15	9	7
7	Risk department	52	21	10	6
	Total	261	111	69	53

Sources: Own filled Survey, (2024)

The population of interest for this research is the selected department employees in the four private banks (Dashen, Zemen, Global and Amhara bank) in head office selected departments consists of 261,111,69,53 employees respectively with the total target population of 494 employees. By considering this specific target population, the study aims to gain insights into the perspectives and experiences of employees who are directly engaged in the strategic orientation of the bank.

3.4.2 Sampling Method

The probability sampling technique was applied by the researcher for the purpose of this research. Randomization is used to ensure that each member of the population has an equal chance of being included in the sample that is chosen. Stratified random sampling is a probability sampling technique that is typically used to obtain a representative sample when the population from which the sample is to be drawn is not homogeneous (Kothari 2004). This method separates the population's constituent parts into small subgroups (called strata) according to similarities so that the elements within a group are different from those of the other subgroups that are created.

Therefore, banks are chosen for the inclusion in the study using the stratified random sampling technique. Their establishment generation divides them into four groups, or strata. The next step is to figure out how many respondents would be chosen from each bank once the sample size had been established. A proportionate stratified random sampling technique is used to achieve that. According to this method, the number of sampling units taken from each stratum corresponds to the size of that stratum's population.

3.4.3 Sample Size Determination

It takes a lot of time to gather data from each of the total 494 Dashen, Zemen, Global and Amhara bank head office employees in Addis Ababa. When the population is larger, it is best to use appropriate sampling techniques to create samples that accurately reflect the entire population (Kothari, 2004).

In order to select the optimal and representative number of respondents to be included in the sample, the current study applies the formula developed by Yamane (1967).

According to Yamane (1967), the formula is

$$n = \frac{N}{1 + Ne^2} = 221$$

Where n=sample size,

N=population size,

e=the error of sampling (5%).

$$n = \frac{494}{1 + 494(0.05)^2} = 221$$

Accordingly, out of the 494 employees, questionnaire was distributed to 221 employees.

The proportionate calculation of the sample = $\frac{221 \times 100\%}{494} = 44.7\%$

In order to get a proportional sample from each stratum the researcher employed (Kothari, 2004) proportional allocation as follows:

$$N_a = \frac{nN_b}{N}$$

Where:

N_a = denotes a strata's proportional sample.

n = refers to sample size

N_b = refers to the total population of each stratum.

N = is the number of people in the target group.

Table 3.2 Distribution of Samples

S.no	Stratum	Total number	No. of sample
1	Dashen bank	261	$\frac{221 \times 261}{494} = 117$
2	Zemen bank	111	$\frac{221 \times 111}{494} = 49$
3	Global bank	69	$\frac{221 \times 69}{494} = 31$
4	Amhara bank	53	$\frac{221 \times 53}{494} = 24$
	Total	494	221

Sources: Own filled Survey, (2024)

According to table 3.2, the employee respondent sample size in Dashen bank 117, Zemen bank 49, Global bank 31 and Amhara bank 24 totally 221 respondents was engaged in the study. From this sample size Strategy and innovation department, IT infrastructure department, Talent development department, digital channels department, Applications development and support department, marketing department and risk department employees of those banks are the respondents.

3.5 Data type and Source

There are two types of data, primary or secondary types of data. Primary data can be gathered in several ways such as through observations, experiments, surveys, and interviews, depending on the research design/approach adopted for the study (Creswell, 2009). On the other hand, the secondary data are those that have previously been gathered and subjected to the statistical procedure by another party (Creswell, 2009). For this study, primary data is collected from customers through standardized questionnaires. Furthermore, as secondary sources of data, other sources such as books, journals, papers, and other material were explored to strengthen the study.

3.6 Data Collection Method and Instrument

The primary data collection tool used in this study was self-administered questionnaires. The contents of the questionnaires were adapted from previous research undertaken by different scholars with minor modifications to verify the validity of the questionnaires. In order to make

the primary data collection procedures easy close-ended questions were used in the questionnaires with a five- point Likert scale ranging from (1 = strongly disagree to 5 = strongly agree), which were translated into Amharic so that people who struggle with understanding the English language can respond properly. Personal distribution of questionnaires was take place across all departments in the chosen banks. Because of time constraints, the study also use a cross sectional design. While a longitudinal study proposes data collection over time, a cross sectional study refers to data collection at a single point in time (Ruane, 2005)

The demographic characteristics of the respondent are requested in the first section of the questionnaire. Questions related to each of the study's variables are found in the second part of the questionnaire. The questions that constructs of the dependent and Independent variables was adapted from the studies of Narver and Slater (1990) for market orientation, Dess and Lumpkin's (1996) for entrepreneurial orientation, Sinkula, Baker, & Noordewiet (1997) for learning orientation, Gatignon and Xuereb's (1997) for technology orientation and Jaworski, B.J. and Kohli, A.K (1993) for environmental turbulence.

3.7 Data analysis method

Therefore, the data from primary sources was analyzed for this research using the Statistical Package for Social Science (SPSS) version 27. Descriptive statistics used to summarise the data that exist at the time of the study using means, frequency, and percentage, and inferential statistics like correlation to determine the positive or negative relationship between strategic orientation variables such as (market, entrepreneurial, technology, learning orientations) and organization performance. Specifically, multiple regression analysis used because there are multiple independent variables in the conceptual model and to ensure the strength and significance of independent variables on the dependent variable, organization performance. In addition, Hierarchical regression utilised to evaluate the presented hypotheses (Cohen & Aiken, 1983) because the research includes both independent variables and moderators. The models was fitted to investigate how SO dimensions and Environmental turbulence interacted to affect the performance of Bank. To mitigate multicollinearity problem in the interaction effect analysis, mean centering procedure was applied for both moderator and independent variables before letting them in interaction analyses. To validate measurement scale of constructs validity factor analysis was used for the measurement model and variables that passed this analysis test were

then used to test the relationships between endogenous and exogenous variables using structural model analysis. (Hair et al, 2006).

3.8 Validity and Reliability

Exploratory Factor Analysis was used to assess the validity of the questionnaire and to establish the underlying factor structure. To test internal consistency (i.e. reliability), Cronbach's Alpha coefficients were calculated for the derived factors from the Exploratory Factor Analysis.

3.8.1 Construct Validity

Construct validity is defined as "how well the results obtained from the use of the measure fit the theories around which the test is designed" (Sekaran and Bougie, 2016). Sekaran and Bougie (2016) recommended factor analysis as a tool to investigate construct validity. Exploratory Factor Analysis (EFA) involves isolating factor structures without considering the theoretical expectations of the researcher (Thompson and Daniel, 1996).

3.8.1.1 Factor analysis

Two assumptions were followed to in conducting EFA as suggested by Hair (2006): sampling adequacy (Kiaser-Meyer-Olkin measure > 0.5) and a factor loading of 0.30 for each item is used as the threshold for item retention Hair (2006).

Kaiser (1974) recommended that the KMO value 0.05 is considered poor, 0.5 - 0.6 is average, 0.6 - 0.7 is acceptable 0.7 - 0.8 is good and above 0.8 is considered excellent. Moreover, Bartlett's test of sphericity, which measures weather the correlation matrix is an identical (the diagonal value is 1 and the off-diagonal values are 0).This condition means that the variables are completely independent of each other and thus the factor model is inappropriate (Tobias & Carlson, 1969).

Table 3.3: KMO and Bartlett's Test

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.792
Bartlett's Test of Sphericity	Approx. Chi-Square	4700.172
	df	780
	Sig.	.000

Source: SPSS output 2024

Following this, we tested for suitability of the data using KMO-MAS and Bartlett’s test of sphericity. The result of the test is presented in table 3.3. As it is shown in the table above, the test result of KMO found to be 0.792 which is above the minimum requirement level of suitability (0.5). Moreover, the Bartlett’s test of sphericity rejects the null hypothesis with .000 percent significance level indicating that this data is suitable for conducting factor analysis or this sample was factorable. Following these results it was determined that EFA was appropriate with this data set.

The research used absolute value of 0.30, so that values above 0.3 to be observed Hair (2006). This leads to the significance of items to their respective factor. The pattern matrix which displays the factors extracted along with rotated factor loadings is presented in the Appendix B and was used to interpret the dimensions. One item LE4 was reduced since it is grouped in to environment turbulence variable in which the researcher believed it to be unrelated. Items MK7, EN2 and EN1, LE3 were reduced since they were grouped in the same component separately but in which the researcher believed it to be unrelated. Also items TE6 and TE7 were reduced since they were grouped in the different component separately. Thus, there are six dimensions from the factors which were named market orientation, entrepreneurial orientation, learning orientation; technology orientation, environment turbulence and performance were further analyzed to explore their relation with organization performance.

3.8.2 Reliability Test

Sekaran and Bougie (2016) state that measures reliability is a sign of consistently and stability the instruments measures the concept and helps in determining the measure's quality. Reliabilities below 0.60 are regarded as poor, those between 0.70 and 0.80 as acceptable, and

those over 0.80 as good. Using SPSS version 27.0 for the reliability test, the researcher determined the Cronbach's alpha values for each construct's components and each constructs items are selected based on factor analysis result.

Table 3.4: Reliability test

Variables	Number of items	Cronbach's Alpha
Market orientation	6	0.819
Entrepreneurial orientation	5	0.835
Learning orientation	6	0.762
Technology orientation	5	0.797
Environmental turbulence	6	0.781
Performance	6	0.827

Source: SPSS output 2024

As indicated in Table 3.4, the Cronbach's alpha coefficients for Market orientation (0.819), Entrepreneurial orientation (0.835), Performance (0.827) fall above 0.80, showing good reliability of the variables of measurement. Similarly, learning orientation (0.762), Technology orientation (0.797) and Environmental turbulence (0.781) fall in the acceptable range above 0.70, indicating acceptable reliability of the variables of measurement. Thus, the overall reliability of the measures used in this study can be considered acceptable.

3.9 Ethical issues

I give attention to the ethical issues that are brought up by every single study component. The participants were chosen in accordance with their free will and consent. In addition, participants was notified and guaranteed that the information they provide to be kept confidential and used only for educational purposes when the questionnaires are distributed. Furthermore, a statement is in line with the questionnaires prohibit on showing personal information or identifying details. This gave participants the confidence to finish the questionnaire and made it simpler to stop respondents from providing biased or misleading information. The gathered data was therefore be kept confidential and used only for that reason. In general, the entire study process was take place within the parameters of appropriate professional ethics.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1. Introduction

The data presentation, analysis, and interpretation of the results are included in this chapter. The demographic profiles of the respondents are described before the study begins. The research methodology determined a sample size of 221 from the questionnaires distributed to employees of selected banks located in head office, Addis Ababa. Of these, 202 were accepted as valid, while 19 were rejected due to inadequate data quality. The remaining 202 questionnaires had an excellent response rate of 91%. The data collected were entered and analyzed using SPSS software version 27.

4.2. Descriptive Statistics of Demographic Profile of Respondents

In this section, the selected demographic characteristics of the study respondents such as gender, age, educational level, work experience, and current position are presented. Descriptive statistics using frequencies were used to analyze the demographic characteristics of the respondents, and hence the results of the analysis are described in detail below.

Table 4.1: Demographic profile of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	114	56.4	56.4	56.4
	Female	88	43.6	43.6	100.0
	Total	202	100.0	100.0	
Age of respondent	20-29	75	37.1	37.1	37.1
	30-39	90	44.6	44.6	81.7
	40-49	34	16.8	16.8	98.5
	50 years and above	3	1.5	1.5	100.0
	Total	202	100.0	100.0	
Educational level	Degree	141	69.8	69.8	69.8

	Masters	61	30.2	30.2	100.0
	Total	202	100.0	100.0	
Work Experience	Less than 1 year	14	6.9	6.9	6.9
	2- 5 years	82	40.6	40.6	47.5
	6- 10 years	71	35.1	35.1	82.7
	11- 15 years	22	10.9	10.9	93.6
	Above 15 years	13	6.4	6.4	100.0
	Total	202	100.0	100.0	
Current Position	Trainee Junior	14	6.9	6.9	6.9
	Junior officer	82	40.6	40.6	47.5
	senior officer	98	48.5	48.5	96.0
	Director	8	4.0	4.0	100.0
	Total	202	100.0	100.0	

Source: Own data Survey, 2024

From the total respondents of the survey, 56.4% were male and 43.6% were female. This indicates a good representation of both genders, ensuring the study did not suffer from gender bias. Regarding age groups, 37.1% of the respondents were aged 20-29, 44.6% were aged 30-39, 16.8% were aged 40-49, and 1.5% were 50 years and above. This distribution shows a diverse age range among respondents, minimizing age group bias. In terms of educational level, 69.8% of the respondents held a degree, while 30.2% had a master's degree. None of the respondents reported having an educational level below a diploma, indicating a well-educated sample. Work experience varied among respondents, with 6.9% having less than 1 year, 40.6% having 2-5 years, 35.1% having 6-10 years, 10.9% having 11-15 years, and 6.4% having over 15 years of experience. This distribution reflects a range of experience levels among participants. Regarding current positions, 6.9% were trainee juniors, 40.6% were junior officers, 48.5% were senior officers, and 4.0% were directors. This distribution indicates a hierarchical representation within the sample.

Overall, the demographic characteristics of the respondents demonstrate diversity across gender, age, educational level, work experience, and current position, ensuring a comprehensive representation in the study.

4.3 Descriptive Statistics of Study variable

The descriptive statistics of the variables are presented here after; revealing the mean, standard deviation, maximum and minimum of the attributes in each predictor variable. To determine the percentage of respondents that strongly agreed or disagreed with the variables' items, the average score on a 5-point Likert scale was calculated, with 5 representing strong agreement and 1 representing strong disagreement for each variable.

Pihie & Akmaliah (2009) states that, as demonstrated by comparative bases of mean score of five-point Likert scale instrument, mean score less than 3.39 is regarded low, mean score between 3.40 - 3.79 is considered moderate, and mean score more than 3.8 is considered high.

Table 4.2: Descriptive Statistics for study variables

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MO	202	1.83	5.00	4.0495	.61132
EO	202	1.60	5.00	3.7871	.72265
LO	202	1.40	5.00	3.9802	.57442
TEO	202	1.20	5.00	4.0446	.59030
ENVTUR	202	1.83	5.00	3.9290	.53864
PER	202	1.17	5.00	3.9719	.59923
Valid N (listwise)	202				

Source: SPSS output 2024

Market Orientation has Mean (4.0495) Banks prioritize understanding and catering to customer needs. SD (0.61132) this indicates a moderate spread in the data. There's a mix of Banks with a strong market orientation (closer to 5) and those with a weaker orientation (closer to 1.83). The data suggests that the bank is generally perceived positively in terms of its approach to customer satisfaction, employee efforts, competitive responsiveness, and integration across departments to serve target markets. However, there may be some variability in perceptions.

Entrepreneurial Orientation has Mean (3.7871) suggesting a moderate entrepreneurial focus overall. Companies may be less risk-taking and innovative compared to those high on market orientation. SD (0.72265) this is larger than market orientation, indicating a wider spread in the data. Some banks exhibit strong entrepreneurial tendencies (closer to 5), while others are less entrepreneurial (closer to 1.60). The results suggest that the bank generally exhibits a positive attitude towards innovation and risk-taking, with varying levels of emphasis across different aspects.

Learning Orientation has Mean (3.9802) this suggests banks value continuous learning and adaptation. SD (0.57442) this is lower than entrepreneurial orientation, indicating a tighter clustering of data points around the mean. Most companies seem to have a similar level of learning orientation. The results suggest that there is generally alignment with the bank's vision and recognition of the importance of learning and critical reflection.

Technology Orientation has Mean (4.0446) suggesting a high emphasis on technology. Banks are likely using technology to some extent to achieve their goals. SD (0.59030) indicating a similar level of spread in the data. Some banks heavily leverage technology (closer to 5), while others use it to a lesser degree (closer to 1.20). The data suggests that the bank is proactive in adopting and utilizing new technologies, investing in new product development, maintaining a consistent budget, and improving employee technical skills through training programs. Additionally, the bank is perceived to closely monitor technological changes. These findings indicate a positive attitude towards the bank's technological strategies and capabilities.

Environmental Turbulence has Mean (3.9290) this suggests a somewhat turbulent environment, which can be caused by factors like competition or uncertainty. SD (0.53864) this indicates a moderate spread in the turbulence levels. Some companies experience more turbulence (closer to 5) than others (closer to 1.83). The data suggests that the banking sector is experiencing notable changes in customer preferences, technology, and competition, while also presenting opportunities for growth and adaptation. This information can inform strategic decision making within the bank to better address market dynamics and customer needs.

Performance has Mean (3.9719) it's difficult to draw strong conclusions from this alone. The mean performance is close to the other orientations, but there might not be a clear correlation

without further analysis. SD (0.59923) this is similar to technology orientation, indicating a moderate spread in performance. The data suggests that the bank is performing well across various key metrics including financial performance, customer satisfaction, customer retention, and brand reputation. These positive perceptions indicate a strong and successful operation within the banking sector.

Overall banks in this data set seem to prioritize market orientation, technology usage, and learning to some extent. However, they are less likely to exhibit strong entrepreneurial tendencies. The environment these banks operate in is somewhat turbulent.

4.5 Inferential Analysis

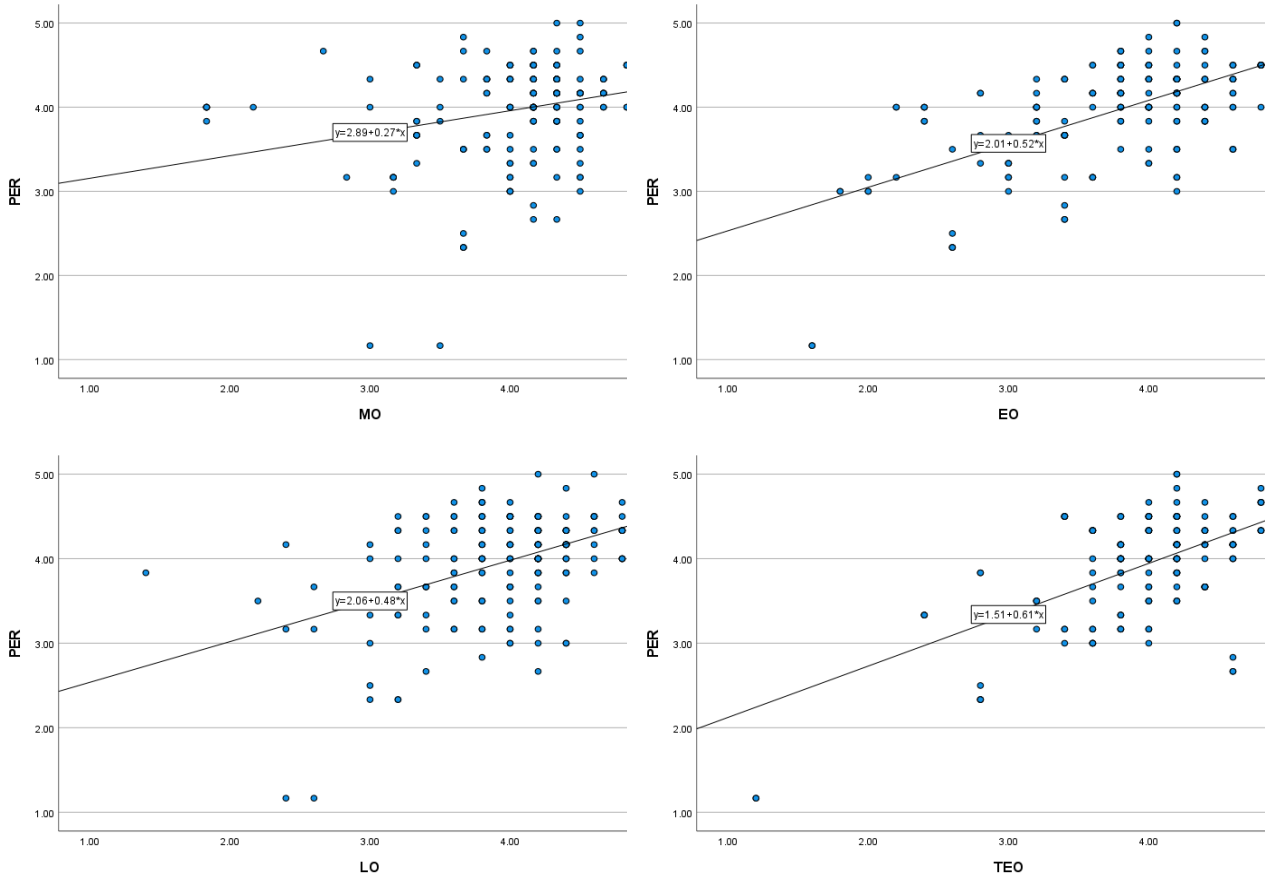
4.5.1 Diagnostic Test of Assumptions of Classical Linear Regression Model.

When running a Regression, there are several assumptions that need to be checked and ensure the data meet for the analysis to be reliable and valid. Accordingly, five assumptions tests of CLRM (I.e. linearity, homoscedasticity, autocorrelation, Multicollinearity, and normality) were conducted and discussed below.

4.5.1.1 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. The mean values of the outcome variable for each increment of the predictor(s) lie along a straight line. If the model is a non-linear relationship using a linear model then this obviously limits the generalizability of the findings (Field, 2009). Using SPSS software, scatter plots of the regression residuals for each model were created to observe if there was a linear relationship between the dependent and independent variables.

Figure 4.1: Scatter plot of residuals



Source: SPSS output 2024

By visually looking it could be concluded that the relationship between each independent and the dependent variable is found to be linear as shown in figure 4.1 above.

4.5.1.2 Multicollinearity

When there is a correlation between two independent variables, it is known as multicollinearity. Assessing the associations among the independent variables is a method for discovering multicollinearity. High multicollinearity increases the possibility that a predictor of a favourable result may be judged non-significant and removed from the model (Sekaran and Bougie, 2016).

Both tolerance and variance inflation factor (VIF) measures were used to assess multicollinearity. According to Sekaran and Bougie (2016), a VIF value of more than 10 should be taken seriously. When testing for multicollinearity, another crucial factor to take into account

is the tolerance statistic, which is the reciprocal of the VIF. The researcher used a typical cut off value of 0.10 for tolerance and a value of less than 10 for VIF, as suggested by Sekaran and Bougie (2016), to determine if the study indicates multicollinearity.

Table 4.3: Multicollinearity analysis

Coefficients

Model		Tolerance	VIF
	Market Orientation	.732	1.366
	Entrepreneurial Orientation	.567	1.763
	Learning Orientation	.616	1.623
	Technology Orientation	.614	1.629
	Environmental turbulence	.452	2.214

a. Dependent Variable: PER

Source: SPSS output 2024

The information in the (Table 4.3) above also allows us to check for multicollinearity. We have $VIF < 10$ and $Tolerance > 0.1$ for all variables in our multiple linear regression models. Therefore, it can be said that there is no multicollinearity issue with the explanatory variables because all of the study's variables have low correlation power.

4.5.1.3 Autocorrelation Test

According to Field (2013) the idea that errors are independent of one another, suggesting that subjects are responding independently, is known as autocorrelation or independence of errors. The residuals are subjected to a serial correlation test using the Durbin-Watson statistic. The test statistic ranges from 0 to four a value of two indicate that there is no autocorrelation. However, a value nearing zero, or below two, denotes a positive autocorrelation, and a value nearing four, or above two, denotes a negative autocorrelation. Values more than 3 or less than 1 should be taken seriously.

Table 4.4: Autocorrelation model summary

Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Durbin-Watson
1	.734 ^a	.538	.527	.41230	1.712

- a. Predictors: (Constant), ENVTUR, MO, EO, TEO, LO
- b. Dependent Variable: PER

Source: SPSS output 2024

From our test, the value of Durbin Watson is about 1.712. As a result, according to table 4.4 below, it falls between $0 < 1.712 < 4$. There is no violation of autocorrelation when the Durbin Watson value is near to 2, indicating a possible presence of positive autocorrelation.

4.5.1.4 Normality test

4.5.1.4.1 Skewness& Kurtosis

The degree to which the sample data follows a normal distribution of error is the primary objective of normality. In regression analysis, normal distributions of the variables are assumed. Kline (2011) defines an extreme skewness level as having an absolute value larger than 3, and an excessive kurtosis level as having an absolute value greater than 8. Before conducting any inferential statistical analysis, an issue should be addressed when the permissible levels of skewness (3) and kurtosis (8) are not met.

Table 4.5: Descriptive Statistics that shows Skewness& Kurtosis

Descriptive Statistics

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
MO	202	-1.661	.171	3.711	.341
EO	202	-.909	.171	.560	.341
LO	202	-1.025	.171	2.074	.341
TEO	202	-1.435	.171	4.827	.341
ENVTUR	202	-.858	.171	1.837	.341
PER	202	-1.511	.171	4.141	.341

Source: SPSS output 2024

The result in the above table showed that skewness and kurtosis for all variables lie on the level and the data appeared to be normally related to each of the indicator variables used in the study.

This assumption can also be verified by examining the model's P-P plot and the standardized residuals histogram. The residuals are distributed closer to normality the closer the dots are to the diagonal line. This implies that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve (Keith, 2006). Therefore, the researcher also uses a P-P plot and histogram to verify for normality in order to demonstrate the validity of these assumptions.

As can be observed in the below figure 4.2 it indicates that the requirement is satisfied and there is no major deviation from normality.

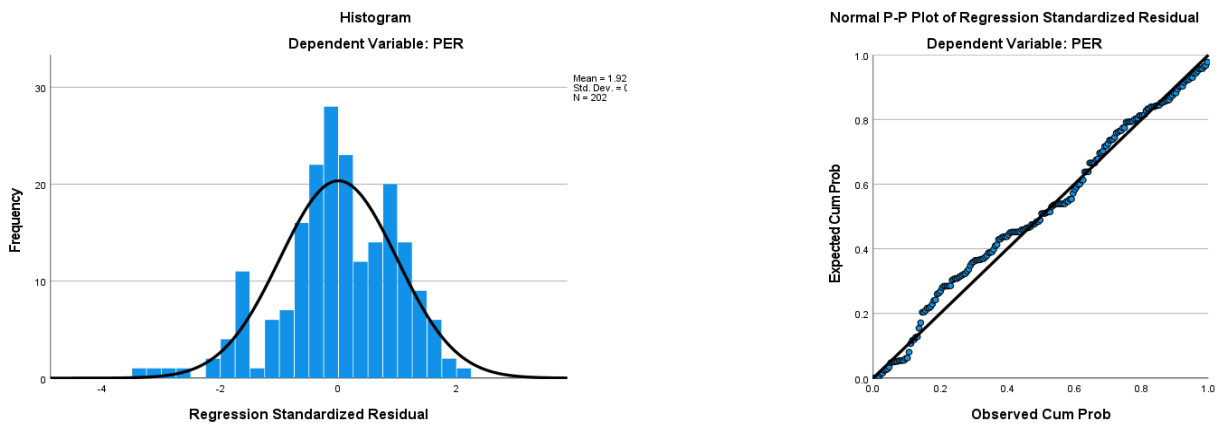


Figure 4.2: Normality Test with P-P plot and histogram

4.5.1.5 Homoscedasticity Test

The assumption of homoscedasticity refers to the equal variance of errors across all levels of the independent variables. This indicates that there is a consistent distribution of errors among the variables. By visually examining a plot of the standardized residuals by the regression standardized predicted value, homoscedasticity can be verified. According to Osborne and Waters (2002), fan and butterfly forms are typical patterns of violation; heteroscedasticity is indicated when the scatter is not even. In light of this, the researcher used the SPSS software to construct a scatter plot of standardized residuals versus standardized expected values.

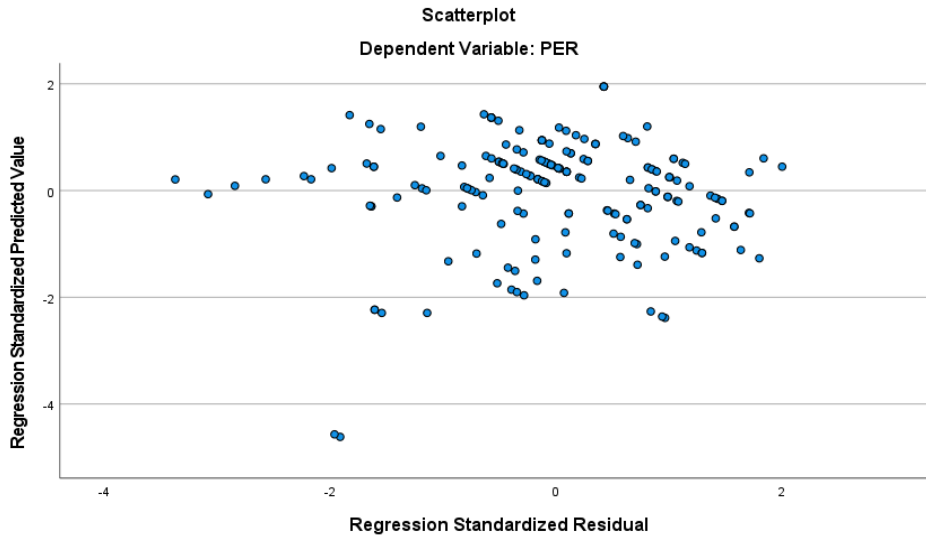


Figure 4.3: Homoscedasticity Test for the multiple regression analysis

Source: SPSS output 2024

Figure 4.3 illustrates the uniformly distributed standardized residuals from this study, which leads to the conclusion that heteroscedasticity is not a significant issue for this set of data.

4.5.2 Pearson Correlation Analysis

A value between -1 and +1 inclusive is obtained from the Pearson correlation analysis, which measures the correlation (linear dependence) between two variables. As an indicator of the degree of linear dependence between two variables, it is frequently used in the sciences (Field, 2009). The strength of association (r) value in a Pearson correlation study is crucial in assessing the degree of links between variables. Field (2009) states that the correlation coefficient is a widely used indicator of effect size, values of 0.10 and 0.29 represent a weak correlation, 0.30 and 0.49 is a medium correlation and 0.50 and 1.0 is a strong correlation. A positive correlation indicates a direct relationship, where both variables increase or decrease together. A negative correlation indicates an inverse relationship, where one variable increases while the other decreases.

Table 4.6: Pearson’s Coefficient of Correlation

Correlations

	MO	EO	LO	TEO	ENVTUR	PER
MO	1					
EO	.479**	1				
LO	.377**	.496**	1			
TEO	.297**	.451**	.411**	1		
ENVTUR	.412**	.572**	.576**	.607**	1	
PER	.273**	.623**	.461**	.598**	.572**	1

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

Source: SPSS output 2024

The table provides Pearson correlation coefficients and their significance levels for the relationships between six variables: Market Orientation (MO), Entrepreneurial Orientation (EO), Learning Orientation (LO), Technological Orientation (TEO), Environmental Turbulence (ENVTUR), and Performance (PER). Here's a detailed interpretation of how each variable correlates with Performance (PER):

The lowest correlation is found between Market Orientation and Performance. The results of the Pearson correlation analysis revealed that there was a positive correlation between Market Orientation and Performance ($r = 0.273$, $p < 0.01$) which implies a weak relationship between the aforementioned variables.

Entrepreneurial Orientation is positively correlated to Performance with a Pearson correlation coefficient of $r = 0.623$ and Sig. (2-tailed) is 0.000 which is $p < 0.01$ so that, there is a high relationship between the two variables. Thus, the analysis indicated that Entrepreneurial Orientation was the most correlated variable with the dependant variable Performance.

Performance is positively correlated to Learning Orientation with a Pearson correlation coefficient of $r = 0.461$ and Sig (2-tailed) is 0.000 which is $p < 0.01$. Therefore there is moderate relationship between the two variables.

Technological Orientation is positively correlated to Performance with a Pearson correlation coefficient of $r=0.598$ and Sig. (2-tailed) is 0.000 which is $p < 0.01$ so that, there is a high relationship between the two variables.

Environmental Turbulence is positively correlated to Performance with a Pearson correlation coefficient of $r=0.572$ and Sig. (2-tailed) is 0.000 which is $p < 0.01$ so that, there is a high relationship between Environmental Turbulence and Performance.

In summary, all correlations are statistically significant at the 0.01 level. These results suggest that among the orientations studied, entrepreneurial and technological orientations have the strongest associations with performance, followed by environmental turbulence and learning orientation. Market orientation, while still positively correlated with performance, has the weakest relationship among the variables considered.

4.5.3 Regression analysis

4.5.3.1 Regression analysis with strategic orientation Dimensions as Predictors of bank Performance.

Table 4.7: Regression model summary

Model Summary

Model					Change Statistics				
	R	R ²	Adjusted R ²	Std. Error of the Estimate	R ² Change	F Change	df1	df2	Sig. F Change
1	.728	.530	.521	.41475	.530	55.643	4	197	.000

- a. Predictors: (Constant), TEO, MO, LO, EO
- b. Dependent Variable: PER

Source: SPSS output 2024

For testing the hypotheses, the researcher run multiple regressions by putting strategic Orientation dimensions. R square (Coefficient of determination) describes the degree to which the model explains the observed variation of organizational performance relative to the mean. R is a statistical measure of how close the data are to the fitted regression line and how well the

model describes the response. The adjusted R square used to compare the explanatory power of the model that contains different predictors.

Model 1 shows a significantly R-squared value of 0.530, indicating that 53% of the variance in the dependent variable (performance) is explained by the independent variables (SO variables). R value of 0.728, the model describes 72.8% of the responses suggesting that the model is a good fit for the data. The adjusted R-squared is also higher at 0.521. Therefore, the strategic orientation variables predicted 52.1% and the remaining 47.9% of bank performance was predicted by other extraneous variables. This is statistically significant ($p = 000$).

Table 4.8: ANOVA result table

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.287	4	9.572	55.643	.000
	Residual	33.888	197	.172		
	Total	72.174	201			

- a. Dependent Variable: PER
- b. Predictors: (Constant), TEO, MO, LO, EO

Source: SPSS output 2024

The ANOVA test statistic helps to determine whether the difference between group means are statistically significant, examine the group means by comparing them with each other, determine how well the model fits the data and to determine whether the model meets the assumptions of the analysis or not. The total sum of squares shows the deviations of all the observations of the dependent variable from the mean. The portion of the total variability that is not explained by the model is the residual. The above model 1 indicates the total variability in the observation (72.1%), 33.8% is not explained by the model. The level of significance is less than 0.05 it can be concluded that a linear relationship exists between organizational performance and strategic orientation dimensions.

Table 4.9: Multiple regression results for the effects of strategic Orientation subscales on bank performance

Coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		Beta	Std. Error	Beta	t	Sig.
1	(Constant)	.905	.265		3.421	.001
	MO	-.094	.056	-.096	-1.689	.093
	EO	.362	.052	.436	6.955	.000
	LO	.131	.061	.126	2.138	.034
	TEO	.385	.057	.379	6.709	.000

a. Dependent Variable: PER

Source: SPSS output 2024

The sign of the regression coefficient indicates whether there is positive or negative relation between each independent variable and dependent variable. The p - values for the coefficients indicate whether these relationships are statistically significant or not.

In model one the constant term is 0.905, meaning when all independent variables are zero, the predicted value of PER is 0.905. The standardized coefficients (Beta) show the relative importance of each independent variable.

Table 4.9 indicated that the influence of market orientation, entrepreneurial orientation, learning orientation and technology orientation on performance level in Ethiopian banking sector. Market orientation ($\beta_1 = -0.094$, $t = -1.689$, $p > 0.05$) found to be insignificant in predicting performance.

The Unstandardized regression coefficient β represents the change in the outcome resulting from a unit change in the predictor and that if a predictor is having a significant impact to predict the outcome then this β should be different from 0 (and big relative to its standard error).

The p-value is less than 0.05 for all the variables except market orientation hence, it indicates that the 3 independent variables are significant predictor of performance (dependent variable) and market orientation found to be statistically insignificant in predicting performance.

Therefore, the β is different from 0 and the researcher found that the predictor variables make a statistically significant contribution in predicting performance, entrepreneurial orientation (β_2) = 0.362, learning orientation (β_3) = 0.131, technology orientation (β_4) = 0.385 are statistically significant variables in predicting performance. Whereas market orientation (β_1) = -0.094 statistically insignificant relationship with performance since its p-value is greater than 0.05.

4.6 Moderation Analysis

When predictor and moderator variables are interval or continuous, hierarchical regression analyses are used for testing moderating effects. Most commonly, researchers assume that a continuous moderator variable alters the relationship between the independent and dependent variables in a linear function (Baron & Kenny, 1986).

To determine their primary effects, the predictor variables and moderator variable are first added to the regression equation (individually). The interaction term, which is produced by multiplying predictor by the moderator, comes next. Therefore for the purpose of this study the hierarchical regression approach is used in this process (Cohen & Aiken, 1983), to determine the moderation effect of environment turbulence on the relationship between SO dimensions and Performance. The moderator hypothesis is then supported if the change in the model's ability to predict the interaction term (R^2) is statistically significant. It is said to have a moderating effect, and the moderator hypothesis is supported (Baron & Kenny, 1986). In more explicit terms the following steps were followed:

Table 4.10: Hierarchical regression results for the interaction effect of market orientation and environment turbulence

Model	Predictor variable	R ²	R ² Change	Standardized Coefficients	Sig. F Change
1	MO ENVTUR	.329	.329	.046 .553	.000
2	MO*ENVTUR	.335	.006	-.823	.167

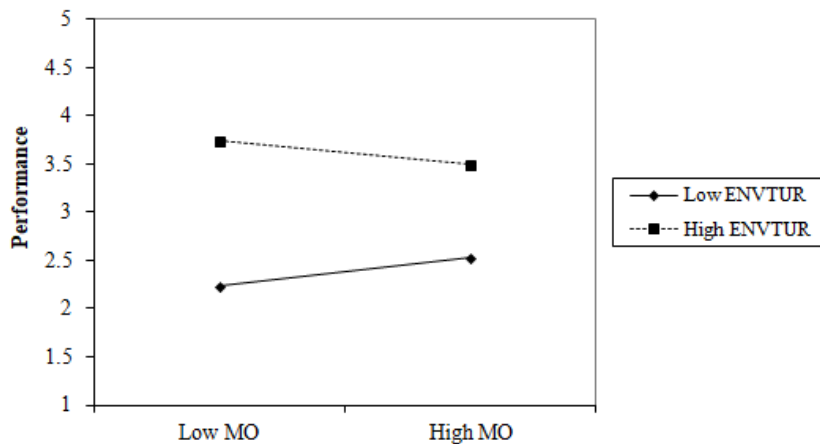
Source: Own Survey, computed in SPSS, 2024

As shown in model 1 which is testing a main effects yielding statistically significant and positive regression result for market orientation ($\beta = 0.046$

, $P < 0.05$) and environment turbulence ($\beta = 0.553$, $P < 0.05$). Which constitute a total variability of ($R^2 = 0.329$, $P < 0.05$). Therefore the model which tests the direct effects of market orientation and environment turbulence is significant.

The hierarchical model 2 which test the interaction effect MO*ENVTUR in predicting organization performance shows there is insignificant interaction between market orientation and environment turbulence ($\beta = -0.823$, $P > 0.05$) Which shows the change in the variability of the model is statistically insignificant, therefore it can be stated that environment turbulence does not moderate the relationship between market orientation and organization performance.

Figure 4.4: Conditional effect of interaction variables



Source: Hayes process model 1 version 3.3, two way linear interaction (2024)

The above figure indicates that market orientation does not have significant contribution on performance with low and high level of environment turbulence.

Table 4.11: Hierarchical regression results for the interaction effect of entrepreneurial orientation and environment turbulence

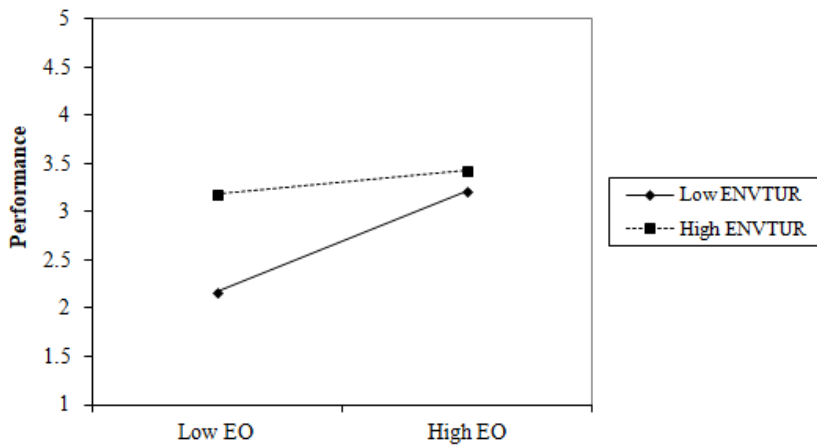
Model	Predictor variable	R ²	R ² Change	Standardized Coefficients	Sig. F Change
1	EO ENVTUR	.458	.458	.440 .320	.000
2	EO*ENVTUR	.486	.028	-1.396	.001

Source: Own Survey, computed in SPSS, 2024

As shown in model 1 which is testing a main effects yielding statistically significant and positive regression result for entrepreneurial orientation ($\beta = 0.440, P < 0.05$) and environment turbulence ($\beta = 0.320, P < 0.05$). Which constitute a total variability of ($R^2 = 0.028, P < 0.05$). Therefore the model which tests the direct effects of entrepreneurial orientation and environment turbulence is significant.

The hierarchical regression model 2 which test the interaction effect EO*ENVTUR in predicting organization performance shows existence of statistically significant interaction between entrepreneurial orientation and environment turbulence in predicting organization performance ($\beta = -1.396, P < 0.05$). That explained variance in the model beyond that due to the main effects (R^2 change = 0.028, $P < 0.05$). Which shows the change in the variability of the model is statistically significant, therefore it can be stated that environment turbulence moderate the relationship between entrepreneurial orientation and performance.

Figure 4.5: Conditional effect of interaction variables



Source: Hayes process model 1 version 3.3, two way linear interaction (2024)

Here also as we can read from the figure that entrepreneurial orientation will have a significant contribution on performance for banks with low level of environment turbulence. With high level of environment turbulence the moderation effect become insignificant, that means providing entrepreneurial orientation for banks with high level of environment turbulence will not have a significant effect on the level of performance.

Table 4.12: Hierarchical regression results for the interaction effect of learning orientation and environment turbulence

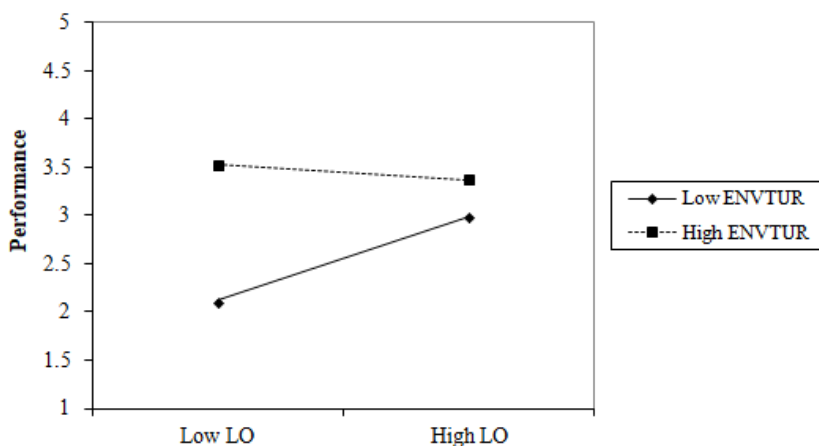
Model	Predictor variable	R ²	R ² Change	Standardized Coefficients	Sig. F Change
1	LO ENVTUR	.353	.353	.197 .458	.000
2	LO*ENVTUR	.380	.027	-1.609	.004

Source: Own Survey, computed in SPSS, 2024

As shown in model 1 which is testing a main effects yielding statistically significant and positive regression result for learning orientation ($\beta = 0.197, P < 0.05$) and environment turbulence ($\beta = 0.458, P < 0.05$). Which constitute a total variability of ($R^2 = 0.353, P < 0.05$). Therefore the model which tests the direct effects of learning orientation and environment turbulence is significant.

The hierarchical regression model 2 test the interaction effect LO*ENVTUR in predicting organization performance shows existence of statistically significant interaction between learning orientation and environment turbulence in predicting organization performance ($\beta = -1.609, P < 0.05$). That explained variance in the model beyond that due to the main effects (R^2 change = 0.027, $P < 0.05$). Which shows the change in the variability of the model is statistically significant, therefore it can be stated that environment turbulence moderate the relationship between learning orientation and performance.

Figure 4.6: Conditional effect of interaction variables



Source: Hayes process model 1 version 3.3, two way linear interaction (2024)

we can see from the figure that the interaction effect get significant at the lower level of environment turbulence therefore we can explain that learning orientation will have statistically significant effect on performance for respondents with a low level of environment turbulence.

Table 4.13: Hierarchical regression results for the interaction effect of technology orientation and environment turbulence

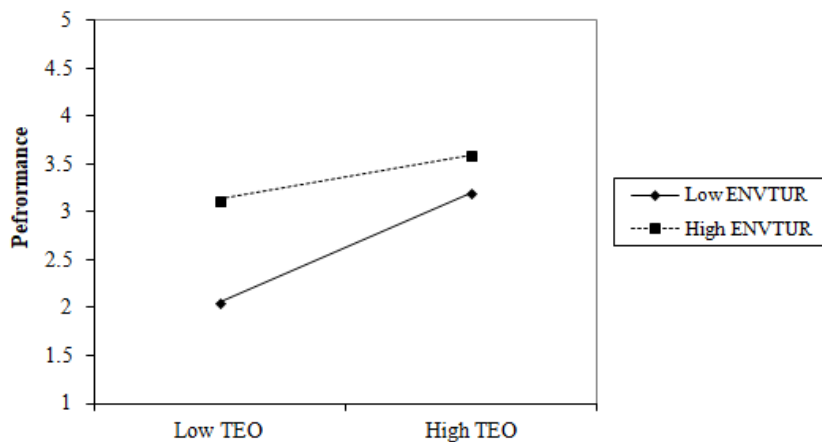
Model	Predictor variable	R ²	R ² Change	Standardized Coefficients	Sig. F Change
1	TEO ENVTUR	.427	.427	.398 .330	.000
2	TEO*ENVTUR	.453	.026	-1.059	.003

Source: Own Survey, computed in SPSS, 2024

As shown in model 1 which is testing a main effects yielding statistically significant and positive regression result for technology orientation ($\beta = 0.398$, $P < 0.05$) and environment turbulence ($\beta = 0.330$, $P < 0.05$). Which constitute a total variability of ($R^2 = 0.427$, $P < 0.05$). Therefore the model which tests the direct effects of learning orientation and environment turbulence is significant.

The hierarchical regression model 2 also illustrate existence of statistically significant interaction between technology orientation and environment turbulence in predicting organization performance ($\beta = -1.059$, $P < 0.05$). That explained variance in the model beyond that due to the main effects (R^2 change = 0.026 , $P < 0.05$). Which shows the change in the variability of the model is statistically significant, therefore it can be stated that environment turbulence moderate the relationship between technology orientation and performance.

Figure 4.7: Conditional effect of interaction variables



Source: Hayes process model 1 version 3.3, two way linear interaction (2024)

Here also as we can read from the figure that technology orientation will have a significant contribution on performance for banks with low level of environment turbulence. With high level of environment turbulence the moderation effect become insignificant, that means providing technology orientation for banks with high level of environment turbulence will not have a significant effect on the level of performance.

Generally the hierarchical moderation analysis tells us environment turbulence significantly moderate the relationship between the predictors (entrepreneurial, learning, technology orientation) and organization performance. The result also shows environment turbulence has no significant effect in moderating the relationship between the market orientation and organization performance.

4.7 Discussion of Findings

Multiple Regression analysis was carried out to test the practice of strategic orientation dimensions and its impact on organization performance and The result of the inferential analysis shows that all correlations are statistically significant at the 0.01 level as (defined by Pearson's correlation). LO, TEO and ENVTUR have medium and strong correlation with performance. MO has weak correlation with performance.

The first hypothesis of the study was to find out how market orientation affects Ethiopian commercial banks' performance. According to the regression analysis's findings ($\beta_1 = -0.094$, $t = -1.689$, $p > 0.05$), market orientation has found insignificant result on bank performance. The hypothesis that market orientation has significant effect on bank performance is rejected since the p-value is greater than 0.05. This implies, marketing activities without enhancement of technology, learning and entrepreneurial orientation cannot be successful Past studies like (Dionysus and Arifin, 2020) support the result.

Finding the effect of entrepreneurial orientation on bank performance was the second research goal. According to $\beta_2 = 0.362$, $t = 6.955$, and $p < 0.05$, the regression analysis results showed a substantial positive relationship between entrepreneurial orientation and bank performance. According to the findings, a unit increase in entrepreneurial orientations such as Innovativeness,

Pro activeness, Risk taking will improve organisation performance by 0.362 units. The hypothesis that entrepreneurial orientation has significant effect on organization performance is failed to reject since the p-value is less than 0.05. According to the findings, entrepreneurial orientation will improve organisation performance Past studies like (Long, 2013) support the result.

The study also aimed to determine how learning orientation affects bank performance. According to regression analysis, learning orientation and bank performance have a significant positive connection ($\beta_3 = 0.131$, $t=2.138$, and $p<0.05$) had the smallest effect on performance relative to the others, which means that adding one more learning orientation's such as Shared vision, Commitment to learning, Open mindedness would result in an increase in bank performance by 0.131. The hypothesis that learning orientation has significant effect on organization performance is failed to reject since the p-value is less than 0.05 this investigation's findings are comparable to those of earlier research (Mahmoud et al., 2016; Bature et al., 2018).

The fourth goal of the study was to find out how technology orientation affects organizational performance. The regression results was $\beta_4=0.385$, $t=6.709$, and $p <0.05$ showing that there was a favorably significant relationship between technology orientation and bank performance and had a greatest significant effect on performance. A unit change in technology orientations such as Commitment to research and development, Acquisition of new Technologies, Application of the latest technology would lead to an increase in performance by 0.385, according to the study's findings. The hypothesis that technology orientation has significant effect on organizational performance is failed to reject since the p-value is less than 0.05 Past studies like (Masa'deh et al., 2018) support the result. Technology orientation from the strategic orientations, dominantly affects the relationship of strategic orientations and organizational performance

Results from the Hierarchical regression analysis also indicate the moderating effect of environment turbulence on the relationship between strategic orientation dimensions and organization performance Entrepreneurial orientation it was observed to be negative and significant ($\beta = -1.396$, $P<0.05$), Learning orientation it was observed to be negative and significant ($\beta = -1.609$, $P<0.05$), Technology orientation it was observed to be negative and significant ($\beta = -1.059$, $P<0.05$). Unlikely from this measurement Market orientation has negative and insignificant result ($\beta = -0.823$, $P>0.05$). It finds that environmental turbulence such

as market turbulence, technology turbulence and competitive intensity changes the positive impact of strategic orientation dimensions on organization performance. Second, the finding indicates that the benefit of strategic orientation in management practices positively yield during the low environmental turbulence. The result shows that greater environmental turbulence negatively affects banks with greater strategic orientation suffer this finding supports the view of (Pratono (2016); Mohammad, 2022).

4.8 Hypothesis Testing

Based on the outcomes of the Multiple regression analysis, it was discovered that, entrepreneurial orientation ($\beta = 0.362$, $p < .001$), learning orientation ($\beta = 0.131$, $p < .05$), and technology orientation ($\beta = 0.385$, $p < .001$) all strongly predicted performance. But market orientation has found insignificant result ($\beta = -0.094$, $p = 0.099$). Results from the Hierarchical regression analysis also indicate the moderating effect of environment turbulence on the relationship between strategic orientation dimensions and organization performance. Entrepreneurial orientation it was observed to be negative and significant ($\beta = -1.396$, $P < 0.05$), Learning orientation it was observed to be negative and significant ($\beta = -1.609$, $P < 0.05$), Technology orientation it was observed to be negative and significant ($\beta = -1.059$, $P < 0.05$). But Market orientation it was observed to be negative and insignificant ($\beta = -0.823$, $P > 0.05$).

Table 4.14: Hypothesis testing using regression result

S.N	Hypotheses	Result
1	H1: Market Orientation has positive relation with organizational performance	Rejected
2	H2: Entrepreneurial Orientation has positive relation with organizational performance	Failed to Rejected
3	H3: Learning Orientation has positive relation with organizational performance	Failed to Rejected
4	H4: Technology Orientation has positive relation with organizational performance	Failed to Rejected
5	H5: Environment turbulence moderates the positive relationship between strategic orientation dimensions and organizational performance	
	Market Orientation * Environment turbulence	Rejected
	Entrepreneurial Orientation * Environment turbulence	Failed to Rejected
	Learning Orientation * Environment turbulence	Failed to Rejected
	Technology Orientation * Environment turbulence	Failed to Rejected

Source: own analysis

CHAPTER FIVE

CONCLUSION AND RECOMENDATIONS

5.1 Introduction

This chapter presents conclusions drawn and recommendations forwarded based on the finding of the research work. It also puts forth future research directions steaming from the limitations of the research.

5.2 Conclusion

The study's conclusions point to a negative and insignificant relation between an organization's performance and its market orientation. Despite the fact that market orientation brings about competitive advantage, profitability, and new product innovation. Thus, this study adds new perspectives to the body of knowledge already available on market orientation. Financial institutions that demonstrate a strong entrepreneurial orientation perform better. These banks possess the ability to observe and manipulate their surroundings with the aim of identifying novel prospects and fortifying their competitive advantages. The study concludes that the organisation has benefited from innovation in gaining a durable competitive edge and that taking risks has enabled the business to identify a specialised niche market. Banks can attain a greater degree of performance and a competitive advantage by adopting a learning oriented approach. The shared goal and learning investment strengthen this even more. Performance within the organisation eventually improves. The study also discovered a favourable relationship between an organization's performance and its technological orientation. In order to get an advantage over rivals, banks have been the first to allocate money for investments in cutting-edge technologies. Banks have a competitive edge because they are the first to adopt new techniques and innovations. It is determined that the bank differentiates its brand from rivals by focusing on technology.

The other conclusion is displayed in the results of environment turbulence as a moderator. Environment turbulence significantly moderates the outcome of entrepreneurial orientation, learning orientation and technology orientation, it's concluded that the level of environment turbulence on strategic circumscribe will determine performance. The observed banks fail to gain the opportunity from the high environmental turbulence. It demonstrates that banks which apply

strategic ideas tend to perform better in low turbulence environments than in high turbulence environments. At low environmental turbulence are better able to capture the value from strategic tactics than the higher. Banks can more accurately predict strategic conditions and plan their strategic orientation accordingly. Banks can allocate resources more efficiently, focusing on investments that align with their strategic orientation without the distraction of constant environmental shifts. This can lead to increased customer loyalty, satisfaction, and retention, ultimately driving higher performance through reduced customer acquisition costs. A bank might have strong strategic orientation, but it requires dynamic capability to deal with turbulence.

5.3 Recommendation

- However, MO has found insignificant effect on organizational performance; this indicates that the bank's strategic alignment on marketing strategy and capabilities with business process was not confirmed in the bank. Therefore, the bank has to work strategic alignment to strengthen the combined effect of strategic orientations on business performance.
- The study also suggested that banks should scan their environment in order to identify new opportunities that will give them a competitive edge.
- In addition, it is very much important that the banks learn within the organization rather than merely imitating from other organization so as to create superior value and to achieve competitive advantage. Furthermore, everyone within the organisation needs to have similar goals and aspirations and learning cannot be viewed as cost but an investment.
- This study recommended that there is a need for more utilization of advanced technologies in commercial banks with special emphasis on new product development. Commercial banks should consider harnessing on the technology orientation to seek brand premium to the competitors with the disclosed features of enhancing its capacity to meeting customer preferences.
- It is recommended banks better to practice strategic orientation in their businesses during low environment turbulence. And have to focus on their dynamic capability to deal with the unexpected changes. Complementary capabilities that transform strategies that match the changing market, if they aim to keep up their performance.

5.4 Limitation of the Study

Only four commercial banks with headquarters in Addis Ababa City were included in the survey, and it was conducted only from the viewpoint of the employees. But it would make more sense to look at it from both employees and customer's point of view. The study ignored qualitative factors in favor of a purely quantitative methodology. The data was only gathered via questionnaires; alternative techniques, including field observation and interviewing, may have been employed to get a different viewpoint. Furthermore, the research employed a cross sectional design and was unable to determine the relationship between the study variables over time. A longitudinal study could offer more detailed understanding of the causal relationships between organizational performance and strategy orientation, as well as the role of environmental turbulence.

5.5 Suggestions for future research

- Numerous prior research studies indicate a good correlation between market orientation combined with other variables and business performance. However, this study did not experience it. Consequently, further research is required to determine the validity of this idea. This could offer a more comprehensive view of the value of strategic orientation for the banking industry at large. For example by including employee motivation as a mediating factor.
- As mentioned in the limitation section, additional longitudinal research is needed to ascertain the relationship between organizational performance and strategic orientation.
- To improve the study's representativeness the sample size could be expanded to include more departments and be more widely distributed by including all other private and public banks.
- Further researches are required involving interaction of SO with several social, economic, political factors and assess its impact on performance on banks and other sectors in Ethiopia. In addition to interaction effect there could be different forms of indirect effect of SO on performance through other bridging variables.

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APPENDICES

A) Questionnaire



Addis Ababa University

Masters of Management of Science

Questionnaire to be filled by bank employees

Name of student: Yishak Lemi Burusa

Telephone: +251-923250357

Email address: yishaklemi87@gmail.com

Dear Respondents:

This questionnaire is designed to collect primary data for thesis entitled “The Moderating Role of Environmental turbulence in the Relationship between strategic Orientation and organization Performance: The Case of Ethiopian Commercial Banks” The research is conducted as a partial fulfillment of the requirement for the Masters of Science in management. Please read each query carefully and respond to it to the best of your ability, mark [√] the boxes supplied where necessary. There are no correct or incorrect answers; your replies are critical to the study. All responses to this survey are 100% private.

Thank you for taking the time to complete this questioner!

Part I: General Information of the Respondents

1) Sex of respondent:

Male [] Female []

2) Age of respondent:

20-29 years old [] 40-49 years old []
 30-39 years old [] 50 years old and above []

3) Educational level:

Diploma [] Masters []
 Degree [] PHD and Above []

4) Work Experience:

Below 1 year [] 6- 10 year []
 1- 5 years [] 11- 15 years []
 Above 15 years []

5) Current Position:

Trainee Junior [] Senior officer []
 Junior officer [] Director []

Part II: strategic orientation Measures

Please put mark in the following questions in terms of how much you agree with the statement.

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

	<i>Construct</i>	<i>Weight</i>				
<i>No.</i>		1	2	3	4	5
1	Our bank measures customer satisfaction frequently					
2	Our bank considers customer satisfaction as					

	the key driver of business objective					
3	Employees in My bank exerts the maximum effort to create value for our customers					
4	Our bank responds rapidly to competitive actions					
5	Our bank regularly looks for opportunities to gain an advantage over our competitors					
6	Top managers of the bank regularly visit our current and prospective customers					
7	All of our departments are integrated in serving the needs of our target markets					

	<i>Construct</i>	<i>Weight</i>				
<i>No.</i>		1	2	3	4	5
1	Our bank stimulate technological, product-market innovation, and experimentation					
2	Our Bank used to look for new ways to do things					
3	Employees in the Bank are willing to engage in new innovations					
4	Our bank continuously monitors trends and anticipates future demand conditions					
5	Our bank strives to be a “first mover” to capture the benefits of being an industry pioneer					
6	Our bank foster and encourage a proper level of business, financial, and personal risk taking					
7	Our bank enhance its competitive risk position by researching risk factors and by applying techniques that have worked in other domains					

<i>Construct</i>		<i>Weight</i>				
<i>No.</i>		1	2	3	4	5
1	All employees are committed to the goals of this bank					
2	There is total agreement on our bank's vision across all levels, functions, and divisions					
3	Employees view themselves as partners in charting the direction of the bank					
4	The basic values of this bank include learning as key to improvement					
5	The sense around here is that employee learning is an investment, not an expense					
6	Personnel in this bank realize that the very way they perceive the marketplace must be continually questioned.					
7	We are not afraid to reflect critically on our decisions and activities taken over time.					

<i>Construct</i>		<i>Weight</i>				
<i>No.</i>		1	2	3	4	5
1	Our bank is very active in developing new technologies					
2	We spend more than our competitor in our industry on new product development					
3	Our bank purchases and uses new technologies to position itself ahead of competitors					
4	Our bank has a consistent budget for new technologies					
5	Our bank is skillful in applying new technologies to problem solving					

6	Our bank monitors up-to-date technological changes and developments closely					
7	Our bank improves technical skills of employees through frequent training programs					

	<i>Construct</i>	<i>Weight</i>				
<i>No.</i>	<i>Environment turbulence</i>	1	2	3	4	5
1	Over time in the banking sector, customers' product preferences have changed quite a bit					
2	We serve too many of the same customers that we used to in the past					
3	The technology in the banking sector is changing rapidly					
4	Competition in the banking sector is intensive					
5	There are many aggressive promotion campaigns in the banking sector					
6	Technological, market changes and competitiveness among banks provides big opportunities in the banking sector					

Part- III. Organizational performance

The table below contains questions regarding business performance dimensions. Each question has 5 response options, in the right hand side of the table, which ranges from 1 to 5. 1 represent very bad performance while 5 represents very good performance and when you move from 1 to 5, keep in mind you are saying the performance is improved. For each question, please tick mark (√) only one option that best describes your view.

	<i>Construct</i>	<i>Weight</i>				
<i>No.</i>		1	2	3	4	5
	Financial Performance					
1	Growth in Return on investment (ROI)					
2	Growth in Return on Equity (ROE)					
3	Growth in Net income (NI)					
	Non Financial Performance					
1	Success in achieving customer satisfaction					
2	Success in retaining existing and attracting new customer					
3	Success in building positive image about the bank					

አባሪ 1: አማርኛ መጠይቅ



አዲስ አበባ ዩኒቨርሲቲ

የማኔጅመንት ትምህርት ክፍል ድኅረ-ምረቃ መርሀ ግብር

በባንክ ስራተኞች የሚሞላ መጠይቅ

የተማሪ ስም: ይስሃቅ ለሚ ቡሩሳ

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ኢሜል አድራሻ: yishaklemi87@gmail.com

ውድ ምላሽ ሰጪዎች:

ይህ መጠይቅ የተነደፈው “The Moderating Role of Environmental turbulence in the Relationship between strategic Orientation and organization Performance: The Case of Ethiopian Commercial Banks” በሚል ርዕስ የመጀመሪያ ደረጃ መረጃዎችን ለመሰብሰብ ነው። እባክዎን እያንዳንዱን ጥያቄ በጥንቃቄ ያንብቡ እና በተቻለዎት መጠን ምላሽ ይስጡ፣ አስፈላጊ ሆኖ ሲገኝ በቀረቡት ሳጥኖች ላይ ምልክት ያድርጉ (✓) ። ምንም ትክክለኛ ወይም የተሳሳቱ መልሶች የሉም; የእርስዎ ምላሾች ለጥናቱ ወሳኝ ናቸው። ለዚህ ዳሰሳ ሁሉም ምላሾች 100% ግላዊ ናቸው።

ይህንን ጥያቄ ለማጠናቀቅ ጊዜ ስለወሰዱ እናመሰግናለን!

ክፍል I: የተጠያቂዎቹ አጠቃላይ መረጃ

1) ምላሽ ሰጪ ጾታ

ወንድ []

ሴት []

2) ምላሽ ሰጪ ዕድሜ

20-29 ዓመት []

40-49 ዓመት []

30-39 ዓመት []

50 ዓመት እና ከዚያ በላይ []

3) የትምህርት ደረጃ

ዲፕሎማ []

ማስተርስ []

ዲግሪ []

ፒኤችዲ እና በላይ []

4) የስራ ልምድ

ከ 1 ዓመት በታች []

6- 10 ዓመታት []

2-5 ዓመታት []

11- 15 ዓመታት []

ከ15 ዓመት በላይ []

5) አሁን ያለበት የስራ ደረጃ

ሰልጣኝ ጁኒየር []

ከፍተኛ መኮንን []

ጀማሪ መኮንን []

ዳይሬክተር []

ክፍል II: ስልታዊ አቅጣጫ እርምጃዎች

እባክዎን በመግለጫው ምን ያህል እንደሚሰማሙ በሚከተሉት ጥያቄዎች ላይ ምልክት ያድርጉ።

1= በጽኑ አልስማማም። 2 = አልስማማም። 3 = ገለልተኛ። 4 = እስማማለሁ። 5 = በጣም እስማማለሁ።

ቁጥር	መለኪያ	ልኬት				
		1	2	3	4	5
1	ባንኮችን የደንበኞችን እርካታ በተደጋጋሚ ይለካል					
2	ባንኮችን የደንበኞችን እርካታ እንደ ዋና የንግድ አላማ ይቆጥራል።					
3	በእኔ ባንክ ውስጥ ያሉ ሰራተኞች ለደንበኞቻችን እሴት ለመፍጠር ከፍተኛውን ጥረት ያደርጋሉ					
4	ባንኮችን ለተወዳዳሪ ድርጊቶች ፈጣን ምላሽ ይሰጣል					
5	ባንኮችን ከተወዳዳሪዎቻችን የበለጠ ጥቅም ለማግኘት እድሎችን በየጊዜው ይፈልጋል					
6	የባንኩ ከፍተኛ አስተዳዳሪዎች የበሬት እና የአሁን ደንበኞቻችንን በየጊዜው ይጎበኛሉ					
7	ሁሉም ክፍሎቻችን የዲላማ ገበያዎቻችንን ፍላጎቶች ለማገልገል የተዋሃዱ ናቸው					

ቁጥር	መለኪያ	ልኬት				
		1	2	3	4	5
1	ሁሉም ሰራተኞች ለዚህ ባንክ አላማ ቁርጠኛ ናቸው					
2	በሁሉም ደረጃዎች እና ክፍሎች በባንኮችን እይታ ላይ አጠቃላይ ስምምነት አለ					
3	ሰራተኞቹ የባንኩን አቅጣጫ በመቅረጽ ራሳቸውን					

	እንደ አጋር ይመለከታሉ					
4	የዚህ ባንክ መሠረታዊ እሴቶች እንደ ማሻሻያ ቁልፍ መማርን ያካትታሉ					
5	የሰራተኛው መማር እንደ ወጪ ሳይሆን እንደ የገቢ ምንጭ ነው የሚታየው					
6	በዚህ ባንክ ውስጥ ያሉ ሰራተኞች የገበያ ሁኔታን የሚገነዘቡበት መንገድ ያለማቋረጥ ሊጠየቅ እንደሚገባ ይገነዘባሉ					
7	በጊዜ ሂደት በተወሰዱ ውሳኔዎቻችን እና ተግባሮቻችን ላይ አስተያየት ለመስጠት አንፈራም					

ቁጥር	መለኪያ	ልኬት				
	የትምህርት አቅጣጫ	1	2	3	4	5
1	ባንካችን የቴክኖሎጂ፣ የምርት ገበያ ፈጠራን እና መከራን ያበረታታል					
2	ባንካችን ነገሮችን ለመስራት አዳዲስ መንገዶችን ይፈልጋል					
3	በባንኩ ውስጥ ያሉ ሰራተኞች በአዳዲስ ፈጠራዎች ውስጥ ለመሳተፍ ፈቃደኞች ናቸው					
4	ባንካችን ያለማቋረጥ አዘግሚያዎችን ይከታተላል እና የወደፊት የፍላጎት ሁኔታዎችን አስቀድሞ ይጠብቃል					
5	ባንካችን የኢንዱስትሪ ፈር ቀዳጅ የመሆንን ጥቅም ለመያዝ “የመጀመሪያ ተንቀሳቃሽ” ለመሆን ይጥራል					

6	ባንካችን ተገቢውን የንግድ፣ የፋይናንስ እና የግል አስጊ ስራዎችን ያበረታታል					
7	ባንካችን የስራ ስጋት ሁኔታዎችን በመመርመር እና በሌሎች ዘርፎች ላይ የሚሰሩ ቴክኒኮችን በመተግበር የውድድር ስጋት ቦታውን ያሳድጋል					

ቁጥር	መለኪያ	ልኬት				
		1	2	3	4	5
1	ባንካችን አዳዲስ ቴክኖሎጂዎችን በማዘጋጀት ረገድ ከፍተኛ እንቅስቃሴ እያደረገ ነው					
2	በአዲሱ የስራ ፈጠራ ላይ በባንካችን ውስጥ ከተወዳዳሪዎቻችን የበለጠ ወጪ እናደርጋለን					
3	ባንካችን ከተፎካካሪዎች ቀድሞ ለመቀመጥ አዳዲስ ቴክኖሎጂዎችን ይገዛል እና ይጠቀማል					
4	ባንካችን ለአዳዲስ ቴክኖሎጂዎች ወጥ የሆነ በጀት አለው					
5	ባንካችን ችግሮችን ለመፍታት አዳዲስ ቴክኖሎጂዎችን በመተግበር ረገድ የተካነ ነው					
6	ባንካችን ወቅታዊ የቴክኖሎጂ ለውጦችን እና እድገቶችን በቅርበት ይከታተላል					
7	ባንካችን በተደጋጋሚ የስልጠና መርሃ ግብሮች የሰራተኞችን የቴክኒክ ችሎታ ያሻሽላል					

ቁጥር	መለኪያ	ልኬት				
		1	2	3	4	5
1	የአካባቢው ተግዳሮት ምርጫዎች ትንሽ ተለውጠዋል					
2	ከዚህ በፊት እናገለግላቸው የነበሩትን በጣም ብዙ ደንበኞችን አሁንም እናገለግላለን					
3	በባንክ ዘርፍ ያለው ቴክኖሎጂ በፍጥነት እየተቀየረ ነው					
4	በባንክ ዘርፍ ያለው ውድድር ከፍተኛ ነው					
5	በባንክ ዘርፍ ብዙ የማስተዋወቂያ ዘመቻዎች አሉ					
6	የቴክኖሎጂ፣ የገበያ ለውጦች እና በባንኮች መካከል ያለው ተወዳዳሪነት በባንክ ዘርፍ ትልቅ እድሎችን ይፈጥራል					

ክፍል- III ድርጅታዊ አፈፃፀም

ከዚህ በታች ያለው ሰንጠረዥ የባንክ ሥራ አፈፃፀም መለኪያዎችን በተመለከተ ጥያቄዎችን ይህል። እያንዳንዱ ጥያቄ 5 የምላሽ አማራጮች አሉት፤ በሠንጠረዥ በቀኝ በኩል፤ እሱም ከ1 እስከ 5። 1 በጣም መጥፎ አፈፃፀምን ሲወክል 5 ደግሞ በጣም ጥሩ አፈፃፀምን ይወክላል እና ከ1 ወደ 5 ሲሸጋገሩ አፈፃፀሙ ተሻሽሏል እያልክ መሆኑን አስታውስ/ሺ። ለእያንዳንዱ ጥያቄ፣ እባክዎን እይታዎን በተሻለ ሁኔታ የሚገልጽ አንድ አማራጭ ብቻ (✓) ላይ ምልክት ያድርጉ።

ቁጥር	መለኪያ	ልኬት				
		1	2	3	4	5
1	በኢንቨስትመንት ተመላሽ እድገት (ROI)					
2	በተመላሽ የሀብት እድገት (ROE)					
3	በተጣራ ገቢ ውስጥ እድገት					
	የገንዘብ ያልሆነ አፈፃፀም					
1	የደንበኞችን እርካታ በማግኘት ረገድ ስኬት					
2	ነባሩን በማቆየት እና አዲስ ደንበኛን የመሳብ ስኬት					
3	ስለ ባንክ አወንታዊ እይታን በመገንባት ስኬት					

B) Rotated Component Matrix

Component

	1	2	3	4	5	6	7	8	9	10
PER3	.707									
PER6	.650									
PER1	.628									
PER5	.625									
PER2	.588									
PER4	.498									
MK1		.759								
MK5		.717								
MK3		.708								
MK4		.660								
MK2		.569								
MK6		.498								
EN3			.818							
EN4			.673							
EN5			.611							
EN6			.595							
EN7			.505							
ETU1				.661						
ETU2				.630						
ETU5				.599						
ETU6				.565						
ETU4				.463						
ETU3				.412						
LE4				.395						
LE5					.706					
LE2					.704					
LE1					.688					
LE6					.589					
LE7					.414					
TE1						.749				
TE3						.714				
TE2						.679				
TE5						.519				
TE4						.479				
MK7							.592			
EN2							.567			
EN1								.851		
LE3								.451		
TE6									.807	
TE7										.624

C) Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	11.510	28.775	28.775	11.510	28.775	28.775	3.939	9.846	9.846
2	3.488	8.719	37.494	3.488	8.719	37.494	3.773	9.432	19.278
3	2.215	5.539	43.032	2.215	5.539	43.032	3.359	8.398	27.677
4	2.006	5.016	48.048	2.006	5.016	48.048	3.335	8.337	36.014
5	1.716	4.291	52.339	1.716	4.291	52.339	3.199	7.997	44.011
6	1.495	3.737	56.076	1.495	3.737	56.076	3.106	7.765	51.776
7	1.256	3.140	59.216	1.256	3.140	59.216	1.867	4.667	56.443
8	1.212	3.029	62.245	1.212	3.029	62.245	1.740	4.350	60.794
9	1.156	2.890	65.135	1.156	2.890	65.135	1.436	3.589	64.382
10	1.071	2.677	67.812	1.071	2.677	67.812	1.372	3.429	67.812
11	.959	2.398	70.210						
12	.851	2.128	72.339						
13	.800	2.001	74.339						
14	.775	1.937	76.276						
15	.733	1.832	78.108						
16	.714	1.786	79.893						
17	.663	1.658	81.552						
18	.645	1.613	83.165						
19	.581	1.453	84.618						
20	.554	1.386	86.003						
21	.501	1.251	87.255						
22	.487	1.217	88.472						
23	.477	1.193	89.665						
24	.431	1.079	90.743						
25	.421	1.054	91.797						
26	.411	1.029	92.825						
27	.375	.937	93.763						
28	.332	.829	94.592						
29	.297	.742	95.334						
30	.281	.703	96.037						

31	.263	.657	96.693						
32	.246	.616	97.309						
33	.206	.516	97.825						
34	.177	.443	98.268						
35	.162	.405	98.673						
36	.147	.367	99.040						
37	.132	.330	99.370						
38	.098	.244	99.614						
39	.091	.228	99.842						
40	.063	.158	100.000						

Extraction Method: Principal Component Analysis.

D) Scree plot

