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# **MARKET ORIENTATION AND ORGANIZATIONAL PERFORMANCE: THE CASE OF AWASH BANK SHARE COMPANY**

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## DECLARATION

The signatory hereby certifies that this thesis is entirely original with no submissions to other universities. Every source of information utilized to compile this thesis has been properly credited.

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## **Abstract**

*The aim of this article is to examine the impact of market orientation on Awash Bank's organizational performance. In the banking industry, this research creates a conceptual framework for the development of market orientation and examines how it affects organizational performance. 190 top bank managers provided data using quantitative ways, and useful data was further examined using inferential techniques on spss24. The results of the overall market orientation analysis demonstrate that Awash Bank is applying market orientation to a good degree; responsiveness received the highest grade. This finding suggests that Awash Bank S.C. is able to act on the market information and implement appropriate changes and innovations to meet the market demands. Responsiveness reflects the firm's agility and adaptability, which are essential for surviving and thriving in the dynamic and competitive banking industry. Responsiveness also indicates the firm's commitment and capability to deliver superior value and satisfaction to its customers, t may result in the retention and loyalty of customers. The remaining points are awarded to customer orientation, intelligence dissemination, intelligence generation and competitor orientation, respectively. The attention of top branch managers demonstrates a mediocre link with market orientation. As per the findings, market orientation is a crucial issue that the managers at Awash Bank take into consideration; however there is room for development in certain areas. Strong banking institutions play a vital role in every nation and can support economic growth by providing effective financial services.*

**Key words:** *Market orientation, Customer orientation, Competitor orientation, intelligence generation & dissemination.*

## Acronyms

<b>AB</b>	<b>Awash Bank</b>
<b>AMFI</b>	<b>Association of Microfinance Institution</b>
<b>ANOVA</b>	<b>Analysis of Variance</b>
<b>BSC</b>	<b>Balanced scorecard</b>
<b>EFQM</b>	<b>European Foundation for Quality Management</b>
<b>IPMS</b>	<b>Integrated Performance Measurement System</b>
<b>MARKOR</b>	<b>Measure of Market Orientation</b>
<b>MKTOR</b>	<b>Measure of Market Orientation</b>
<b>PMM</b>	<b>Performance Measurement Matrix</b>
<b>PP</b>	<b>Performance Prism</b>
<b>PPS</b>	<b>Performance Pyramid System</b>
<b>RDF</b>	<b>Result and Determinants framework</b>
<b>RoA</b>	<b>Return on assets</b>
<b>RoE</b>	<b>Return on equity</b>
<b>RoI</b>	<b>Return on Investments</b>
<b>SPSS</b>	<b>Statical Package for Social Sciences</b>
<b>VIF</b>	<b>Variance Inflation Factor</b>

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## **CHAPTER ONE**

### **1. Introduction**

The concepts of organizational performance and market orientation are introduced in this chapter. Additionally, it defined the study problem and, from there, the research purpose, which is to examine organizational performance and market orientation in the context of Awash Bank Share Company. The chapter further emphasized the study's importance by outlining its benefits to various organizations, the banking industry as a whole, policymakers, and the body of current literature.

#### **1.1 Background of the study**

To keep ahead of the competition, each organization must adhere to the marketing concept. It is based on the idea that a firm's long term goal is to meet customer needs and make more profits (Kohli and Jaworski 1990). This means that businesses need to be proactive in responding to client needs and changes in the market. Businesses are expected to have a sustainable advantage over their competitors and greater profitability if they can anticipate changing circumstances and better align with market expectations (Day 1994).

Marketing is the process of persuading consumers of the value of a good or service in order to make a purchase. It is possible to view marketing as an organizational function and a collection of procedures for managing customer relationships in ways that are advantageous to the company and its shareholders as well as for creating, providing, and conveying value to customers. Hise (1965) Since the term "marketing" is so wide and connected to so many different things, a business may use a variety of strategies to increase its chances of success. Businesses used to have distinct market strategies. For example, in the 1960s, a company that utilized a product orientation was primarily concerned with the quality of its own product. A company would think that consumers would purchase and use its product if it was of a high caliber. From the 1970s until the present, organizations have created and implemented marketing strategies. Various studies currently suggest that market orientation is the most effective strategy. (Cross and colleagues, 2007).

When making strategic decisions, market orientation primarily relates to market intelligence, or information about consumers, rivals, and other significant stakeholders and trends (Slater et al. 2010). They went on to say that employing market information may lead to continuous enhancements in the quality of goods and services as well as the development of novel products that meet evolving consumer demands; a market-oriented approach yields better sales growth and profitability. Different studies on the impact of market orientation on company performance have shown the positive relationship between market orientation and business performance. Studies conducting for more insights of market orientation has started recently following Kohli and Jaworski(1990) and Narver and Slater (1990) work, (Sin, et al., 2000).

The subjective approach primarily examines how well businesses do in relation to their own objectives, assessments, and competition. The objective notion, which is based on real performance metrics, is the alternative approach.

The majority of objective metrics are associated with financial metrics, such as return on equity (ROE), return on assets (ROA), return on investments (ROI), growth in sales, profit, and other indications. (Smith, J.R. 1995; Johnson, D.M.; Golden, P.A. 1995).According to Kohli & Jaworski (1990), there are four elements that impact business success: market volatility, technological upheaval, competitive intensity, and economic performance, which includes the potential impact of a national economy. Ethiopian banks have tried to come up with new ways to improve their organizational performances in order to compete. If a bank can identify in advance which services customers want and plan and execute strategies to meet those needs, the bank will achieve a competitive edge over its rivals and gain a bigger market share, thus better performance. Banks should efficiently examine competitor strategies and actions and try to oppose the actions by offering superior products and services to their customers. The bank managers need to realize that their institutions would perform well if they build inter-functional coordination abilities, which will foster the competitive behavior of innovativeness.

Presently, practically all businesses, whether in developed or developing nations, view market orientation as a critical component of their decision-making process. The literature on this idea suggests that the requirement for market orientation is caused by external forces including competition, market turbulence, and technological turbulence (Malhotra, 2001). As a result, businesses now adopt a market-oriented culture, attitude, or way of acting (Kohli & Jaworski, 1990, Narver & Slater, 1990).

## **1.2 Statement of the problem**

To thrive in the fiercely competitive business world of today, companies must establish a sustainable competitive advantage. Many studies in management and marketing (Hultand & Ketchen, 2001; Jowarski & Kohli, 1993) have shown that market orientation is a key factor for competition. Being market oriented can benefit organizations, and they should enhance their market orientation if they want to remain competitive. Many services that include a two-way relationship between a company's employees and its clients, such retail banking and health care, can be impacted by market orientation (Brown and Swartz, 1989; Zeithaml, Parasuraman, and Berry, 1990).

By embracing a market orientation, a service provider can generate and provide a service mix that is viewed by the core consumers as having greater quality, all the while making a profit and obtaining a competitive edge. Because of the nature of the two-way exchange process, customers may directly notice numerous changes based on their own opinions, which may make the effect of a market orientation in a service organization more visible (Chang, Mehta, Mazur, Polsa, and Chen 1999). A conceptual framework for cultivating market orientation and its effect on business performance in the banking industry will be presented in this study. Prior research on market orientation in the industrial sector of developed nations shown that a few organizational system characteristics affect both market orientation and corporate performance. "Managers should strive to enhance the market orientation of their business in their effort to achieve higher business performance," according to Kohli and Jaworski (1993). Moreover, a company that strengthens its market orientation will perform better in the market, according to Narver & Slater (1990). Since a firm's survival relies on its ability to create value, and value is

determined by customers (Day, 1990), marketing is a crucial factor for long-term business success. As a result, one of management's most crucial responsibilities is evaluating organizational performance. The subject of market orientation has been the subject of extensive investigation. It is asserted that a company's increased business success and its market orientation are related.

Furthermore, whereas a large body of research has been done in rich and developing nations alike on the subject of market orientation and its effects on organizational performance, little to no research has been done in Ethiopia. Because of the importance of market orientation and the dearth of knowledge on its effects in the Ethiopian setting, the main focus of this research is on the impact of market orientation on the organizational performance of Awash Bank S.C.

### **1.3 Research Questions**

We cannot be certain that the aforementioned conclusions apply to our situation because, according to local studies, not much has been done on the organizational performance and market orientation of banks and other financial institutions. Since the goal of this study is to ascertain how market orientation affects organizational performance in the context of Awash Bank, it attempted to address the following query:

- 1) What are the market orientations that Awash Bank has adopted?
- 2) What connection exists between marketing performance and market orientation?
- 3) To what extent is the bank market oriented?

### **1.4 Objectives of the study**

Investigating market orientation and organizational performance in the context of Awash Bank S.C. is the goal of this study.

#### **1.4.1 General Objective of the study**

This study's primary goal is to investigate Market orientation and organizational performance of Awash Bank S.C and to give the necessary recommendation for the organization and others.

### 1.4.2 Specific Objective of the study

The following are the main goals and purposes of this research:

- To determine the extent of Awash Bank S. C's involvement in market orientation programs.
- To determine the extent of Awash Bank S.C considers Market orientation in designing its marketing management development programs.
- To investigate how market orientation affects Awash Bank S.C.'s organizational performance.
- To examine the strength of the Company's market orientation effectively supports its organizational performance efforts.

### 1.5 Significance of the study

Significant of the study summarized as follows:

The significance of the study can be summarized as follows:

1. Gaining an understanding of market orientation and organizational performance can help Awash Bank operate better and compete more successfully in the local banking sector.
2. Academicians believe the study can contribute to the body of knowledge already available on marketing and how it affects profit. It may inspire more research to build upon and broaden the current investigation.
3. The study's conclusions are helpful to anyone involved in the finance sector, particularly bank marketing strategy developers. They are also beneficial to academics and researchers as they contribute to the body of knowledge in the field of marketing. It also facilitates the pursuit of research by other scholars in unexplored areas of interest. It also assists Awash Bank's management in evaluating how well they have implemented appropriate channel strategies for the distribution of their services and goods.

Additionally, it helps the bank's shareholders evaluate how well the bank's distribution tactics are working as they navigate the region's fiercely competitive financial market.

The bank's distribution tactics can be applied by other firms to enhance their own performance.

### **1.6 Scope of study**

The study focuses on the Awash Bank Share Company. And the study will investigate the market orientation and organizational performance within the company. Due to time and budgetary constraints, it would be extremely difficult to cover every branch of the bank geographically, hence the study will only focus on a few Awash Bank locations in Addis Abeba.

### **1.7 Limitation of study**

The study does not include the entire employees of the organization in the study. And the sample of employees comes from each executive level categorized work units of the selected branches of the bank. Nevertheless, it makes the assumption that, given time and financial restrictions, different working sections at the branch level can fairly represent the variety of the bank and that the samples of managers with a background in marketing from each of the chosen bank branches are appropriate and sufficient for the purpose. Since it may be hard to get some employees due to various reason such as employee may be on leaves or field work etc.

### **1.8 Organization of the Study**

There are five chapters in this research. The study's background, an overview of Awash Bank S.C., the issue statement, research questions, and objectives, the study's significance, its scope and limitations, and its organization are all included in the first chapter, which serves as an introduction. The second chapter reviews the literature, providing a critical analysis of the works of scholars on the subject of the study. The research design and methodology employed to conduct the study are covered in the third chapter. In this chapter, the researcher attempts to plan the study by outlining the sample size, source, and methods for collecting data. Chapter 4 presents the study's findings, which include data gathering, analysis, conclusions, interpretation, and discussion. This chapter ends with a synopsis and some suggestions.

## CHAPTER TWO

### Literature Review

#### 2. Introduction

One of the key tactics of contemporary marketing practice, market orientation can help an organization come up with a better plan and improve the enterprise's ongoing success. Thus, it is also beneficial for the growth of research in this area to organize and analyze the research findings about the relationship between market orientation and organizational performance. The relevant literature on the relationship between market orientation and organizational performance as offered by different researchers, academics, analysts, and writers is reviewed in this chapter. A review of the theoretical literature comes first, followed by an empirical assessment of the literature relevant to the topic of investigation.

#### 2.1 Theoretical Review

##### 2.1.1 Market-orientation concepts

Market oriented businesses are those that value close relationships with customers and use market information to guide their strategic decision making. They collect and analyze information about customers' present and future needs, and about competitors' strengths and strategies; they disseminate that information throughout the organization; and they act in a coordinated way to create superior value for customers (e.g., Kohli and Jaworski, 1990; Narver and Slater, 1990). A market orientation is a culture in which all employees are dedicated to the continuous creation of superior value for customers (e.g., Narver and Slater, 1990; Deshpande, Farley and Webster, 1993; Day, 1994). A market orientation has three main behavioral components: "customer orientation"—the ongoing understanding of the needs of both the current and potential target customers and the application of that knowledge for creating customer value; "competitor orientation"—the ongoing understanding of the abilities and strategies of the main current and potential alternative providers of the target customers and the application of such knowledge in creating superior customer value; and "interfunctional coordination"—the coordination of all functions in the business in using customer and other market information to create superior value for customers (Narver and Slater, 1990). Historically market orientation is

defined as the organization's stage of development, or as reflecting the level of organizational maturity.

According to Narver and Slater, a market-oriented culture is a business culture that all employees are constantly dedicated to creating superior value for customers. One way to achieve a market orientation is approach of planning that by using educational programs and organizational change efforts to create the best benefit for our clients and the other approach is an empirical approach that business learns continuously trying to create superior value for customers. Thus, the value of customers and continually improve their skills and resources and processes.

#### **2.1.1.1 market-oriented meaning**

According to Kohli, market orientation in 1990 is "a series of specific corporate behaviors and activities that are a series of actions that generate market intelligence based on current and future customer needs and spread and share throughout the organization, But also the process of collaboration and feedback.

Other scholars define market orientation from the perspective of culture. Narver and Slater examined and analyzed the market orientation from another perspective - the organizational culture in the enterprise. They define market orientation as "an organizational culture that continually encourages all employees in an organization to take the actions required to create and deliver surplus value to their customers and achieve superior organizational performance."

### 2.1.1.2 Market-oriented measurement

The two primary and fundamental measures of market orientation are the Market orientation measurement scales developed by Jaworski & Kohli (1993) and Narver & Slater (1990). Based on their behavioral definition of the market orientation idea, Jaworski & Kohli (1993) created the 32-item market orientation MARKOR scale. Kohli, Jaworski, and Kumar (1993) then lowered and improved the scale to 21 items. The three behavioral dimensions—wide organization-wide development and distribution, as well as reactivity to market intelligence—are meant to be measured by these items. The three behavioral components of Narver and Slater's (1990) cultural definition—customer orientation, competitor orientation, and interfunctional coordination—are reflected in the 15-item MKTOR scale. In the literature, both assessment scales have yielded a significant number of findings about the causes and effects of market orientation (Kirca et al., 2005). Nonetheless, a number of research contrasting the two indicate that, when it comes to the relationship between market orientation and performance, the MARKOR-scale appears to have more explanatory power than the MKTOR-scale (Cano et al., 2004; Deshpandé & Farley, 1998; Matsuno et al., 2005). While MKTOR has drawn a lot of criticism for its dearth of items addressing the cultural factors that they emphasize in their definition, of the two measurement scales, the MARKOR-scale appears to be more congruent with the market orientation definition.

The MARKOR-scale has faced criticism for narrowly focusing on customers and rivals in its market analysis and for including scant information about other external factors like suppliers, technology, government regulations, and stakeholders that could potentially impact how customer needs evolve (Kohli et al., 1993; Matsuno et al., 2000). The items on this scale might not accurately reflect the theoretical dimensions as one would anticipate because it is difficult to discern between the three dimensions of the construct (Kohli et al., 1993; Matsuno et al., 2000). This is another issue with the scale.

### **2.2.2 The concept of organizational performance and measurement**

Given the complex and varied interactions between many components, performance reflects a state of competitiveness, which is attained by a degree of effectiveness and productivity that guarantees its stable position on the market (Dragomir & Pânzaru, 2014).

According to Zainudin and Sugiono (2016), business performance is the capacity of an organization to adapt to its external environment and formulate a sound plan of action that balances management's ability to foster harmony inside the organization. Organizational performance is also defined as a company's capacity to meet its goals and objectives through competent management, sound governance, and a persistent dedication to achieving business objectives.

Financial performance and operational performance indicators are both included in the broader idea of business performance (Venkatraman and Ramanujam, 1986). As Paniggyrakis and Theodoridis (2009) noted, return on investment (ROI) and return on assets (ROA) are financial indicators of an organization's performance. It is defined in both financial and non-financial contexts. Return on equity and return on asset were the financial metrics employed by Mehra, Joyal, and Rhee (2011) to assess the performance of banks. When financial indicators alone are insufficient to measure corporate performance, non-economic metrics including market share, product development, and manufacturing efficiency are employed.

### 2.2.2.1 The meaning of organizational performance

Performance can be described as the assessment of the constituents that try to measure the capability and ability of a company in achieving the constituents' aspiration levels using efficiency, effectiveness, or social referent criteria (Jenatabadi, 2015). The responsibility of achieving performance within an organization lies directly in the leadership of the organization as they are required to create and execute decisions/strategies that will lead to attaining the goals and objectives of the organization (Abukabar, 2017).

### 2.2.2.2 Measurement of organizational performance

Establishing an organizational performance measurement and assessment system is one of the most crucial requirements for assessing the development of the organizations (OECD, 2001), their actions, and their environments (Richard et al., 2009). Few firms, it appears, have organized procedures to guarantee that their strategy and surroundings align with their performance measurement systems (Lynch and Cross, 1991; Kennerley and Neely, 2003).

Consequently, since management occurs both before and after measurement, "performance management" and "performance measurement" are enhanced in an iterative process (Lebas, 1995). Performance measurement should ultimately aim to "learn" rather than "control" (Davenport, 2006). Here, the term "performance management" refers to a broad range of approaches, measurements, procedures, and systems that track and oversee an organization's performance in order to continuously assess its own efficacy and efficiency from the perspectives of marketing, finance, operations, human resources, and information systems (Melchert and Winter, 2004; Chvatalova and Koch, 2015).

Beyond defining the term "organizational performance," the key question still stands as to what metrics should be used to measure and track efficiency in both the organization as a whole and in specific processes like sales, production, logistics, and human resources (Kaganski et al., 2013). However, because there are so many different performance indicators for the various goals that make up performance management, neither the

planners nor the implementers are always aware of the distinctions between the conceptual and empirical justifications for the indicators' functions. Nonetheless, other writers contend that the application of performance indicators in an organization is crucial when it comes to guiding it toward achieving its objectives (Tangen, 2004).

Designing a performance measurement system is a complex task due to some challenges that Tangen (2004) identified:

- Ambiguous terminology;
- A wide range of current measures available for selection;
- A variety of factors that affect output and the choice of metrics to employ;
- There are a lot of requirements that a performance system needs to meet.

While Neely et al. (1997) contend that these functions are intended to achieve, verify, and challenge, Otley (2004) asserts that measurement systems play three distinct roles in organizations by offering a tool for financial management, information on the overall performance of the organization, and a means of motivation and control.

Thus, according to Garengo et al. (2005), a MESOP should also consider the following as essential components: depth/detail, scope, cause and effect relationships, clarity and simplicity, dynamic adaptability, focus on stakeholders, financial and non-financial measures, strategic alignment, development, and orientation to processes.

In light of the fact that key performance indicators (KPIs) cannot only rely on financial data but also on metrics like quality, customer satisfaction, innovation, and market share, the assessment of an organization's performance should be connected to an assessment system that offers reliable information regarding the strategy's success (Drucker, 1995). The following is a description of models that have a major influence on how performance metrics are designed.

### **The Performance Measurement Matrix (PMM)**

This model helps the organization establish its strategic objectives and transforms them into performance measures through a hierarchical and integrated approach by combining the various business performance classes and blending the financial and non-financial

perspectives with the internal and external perspectives (Neely et al., 2000). It enables you to follow the pathways of any performance indicator that an organization may have.

### **The RDF model is Results and Determinants Framework (RDF)**

According to Bourne et al. (2000) and Neely et al. (2000), there are two basic categories of performance measures in any organization: those that focus on the factors that influence the outcomes (quality, flexibility, use of resources, and innovation) and those that relate to the outcomes (competitiveness, financial performance).

### **The Performance Pyramid System (PPS)**

This model, which is divided into four tiers and has a pyramidal design, describes the performance metrics that are a part of the organizational hierarchy (Bourne et al., 2000). One advantage of this model is that it makes it easy to see the distinction between metrics that are important to the internal components (productivity, time cycle, and waste) and those that are important to the exterior components (quality, delivery, and customer satisfaction) (Neely, 2000). It is difficult to use because, among other things, it doesn't explicitly address the form of the measures or the process for creating them (Hudson et al., 2001), doesn't include the idea of continuous improvement, and doesn't provide a mechanism for identifying the key performance indicators (Tangen, 2004).

### **Balanced Scorecard (BSC)**

Because it is the most researched and possibly the most applicable model, the BSC model is the one that is most frequently cited in the literature with positive and/or negative references. Top managers can quickly obtain a comprehensive view of the business by using a set of measurements that increase the measurement of the link with the strategy on four different perspectives: financial, customer, internal processes, learning, and growth (Tangen, 2004). According to Kaplan and Norton (1992), the BSC forces managers to concentrate on metrics that are crucial by eliminating redundant information and minimizing the number of measures that are employed.

In order to establish strategic alignment, this model emphasizes striking a balance between financial and non-financial criteria (Hudson et al., 2001).

### **Integrated Performance Measurement System (IPMS)**

Integrity and implementation are the two key components of a performance measurement system that are emphasized by the IPMS concept. While implementation relates to the achievement of business objectives and policies across four levels: corporate, business units, business processes, and activities, integrity refers to the capacity of the performance measurement system to promote the integration of the various business areas (Bititci et al., 1998).

This model is built around seven fundamental dimensions: five internal dimensions that track every step of the production process (costs, factors of production, activities, products, and revenues) and two external dimensions that track the organization's position in the competitive context (financial performance and competitiveness). In order to attain strategic alignment, this approach places a strong emphasis on striking a balance between financial and non-financial variables (Hudson et al., 2001).

### **European Foundation for Quality Management (EFQM)**

According to this concept, self-assessment is a regular, methodical, and thorough examination of the operations to offer input on the outcomes for the business. Nevertheless, there are difficulties in operationalizing this paradigm (Neely et al., 2000). In addition to not using benchmarking processes or external evaluations, it also doesn't provide a clear method for gauging success at the strategic, tactical, and production levels of a hierarchy (Anand and Kodali, 2008).

### **The Performance Prism (PP)**

According to Bourne et al. (2003), the PP model starts with the requirements and preferences of stakeholders rather than the plan. According to Neely et al. (2002), it is incorrect to construct these resources only based on the notion that strategy should dictate how performance measurements are determined. Instead, stakeholders' requirements and preferences should be prioritized.

One of the model's strongest points is that it questions the organizational strategy prior to the process of choosing which measures to implement. According to Tangen (2004), the PP model guarantees that the selection of performance metrics has a strong basis. On the other hand, the model's implementation of performance measurements is not successful enough (Tangen, 2004).

### 2.2.3 Market Orientation in Ethiopia Banking Industry

The new government's economic reform in 1992 led to the restructuring of the financial institutions to align with the market-based policy framework. The legal basis for investing in the banking industry was established by the Monetary and Banking Proclamation No. 83/1994 and the Licensing and Supervision of Banking Business No. 84/1994.

Kotler (1994) stated that banks were late in embracing marketing concepts and they only viewed marketing as a way of advertising and sales promotion, not as a business philosophy. Baker (1993) observed that there was a noticeable absence of a marketing approach at the level of the whole organization and at the level of the functions that involve planning and using marketing tools.

The market efficiency of the banks was challenged by recent trends such as fast development of information technology and rising competition, while customers became more proactive and powerful. Banks had to be more adaptable, more creative and more market focused to cope with these trends effectively.

Consumers are requesting more for less money. According to Ho and Hvang (2007), there is fierce competition in every direction on the financial services map. The commercial bank of Ethiopia is a good example for this situation. Customer-oriented movement was not obvious prior to private banks' debut and expansion into the market, but the bank is currently working hard to increase its market share.

Through investments in E-banking, marketing techniques, prize-linked deposits, and promotions, domestic banks are working to improve the quality of their services. To remain competitive in the market, banks in the sector use a variety of marketing and promotional techniques, such as market orientation.

Banks have grown increasingly market-oriented and are implementing aggressive policies in the marketplace. They have also added contemporary marketing responsibilities to their agendas (Howcroft and Durkin, 2003). As such, market orientation as a concept and the myriad of issues surrounding its definition, measurement, application, causes, and effects have gained prominence in the banking industry (Slattery and Nellis, 2005; Lancaster and van der Velden, 2004; Nielsen KockJaensson HoestandSelnes, 2003).

Furthermore, in the context of a developing nation's banking sector, (Sattam D. Alshammri, 2003) investigated whether the association between market orientation and performance is validated. His findings are consistent with earlier studies on the traits and effects of market orientation.

## **2.3 Empirical Review**

### **2.3.1 An Empirical Study of Market Orientation on Organizational Performance**

This paper summarizes and evaluates the domestic and international empirical research on the link between market orientation and organizational performance, and discovers that the research findings can be classified into three categories: First, the market orientation directly affects organizational performance; second, Organizational performance acts as a mediator or a moderator between variables; third is the market orientation has no direct effect on organizational performance. The next section introduces the research results on the three relations between market orientation and organizational performance.

An empirical investigation of market orientation and performance in a transition economy (Ghana) was carried out by Apiah-Adu (2011). The purpose of this paper is to examine the impact of internal marketing on commercial banks' organizational commitment, market orientation, and business performance. The researcher claims that even though the management literature is full of empirical studies on market orientation, a review of the evidence so far suggests that the majority of studies have been done in developed countries. The author goes on to say that there is a dearth of empirical research

on market orientation in emerging nations, even though the business environment in many developing economies is changing quickly and influences organizations' shift from production to marketing orientation. This study examined the relationship between market orientation and business success in an open developing nation in an effort to shed more light on the importance of market orientation globally. We also looked at how market growth, competition intensity, and dynamism might affect this relationship. The results show that while market orientation does not appear to directly affect sales growth or return on investment, the market orientation-performance relationship is influenced by the competitive environment.

The effect of internal marketing on market orientation and corporate success was investigated by Amue and Igwe (2013). They gathered information from Pakistan's twelve commercial banks. They collected data from 500 bank employees using quantitative approaches, and they then used inferential techniques on SPSS 18.00 to further evaluate the useful data. The study's findings indicated that internal marketing initiatives had a big impact on workers' dedication, market orientation, and the company's overall profitability. Furthermore, it was not shown how organization commitment mediated the relationship between internal marketing and market orientation. The research looked at the contributions by including market orientation and business performance into a particular study. The study's authors advise applying the frugal approach by using organization commitment as the sole mediating variable. Lastly, this study is one of the few that focuses on internal marketing in the banking sector of Pakistan.

An empirical study on the impact of market orientation and organizational culture on the performance of microfinance institutions in Kenya was carried out by Aliyu (2014). Their study aims to evaluate how market orientation and organizational culture affect performance. Microfinance institutions that belong to Kenya's Association of Microfinance Institutions (AMFI) make up the study population. Using a standardized questionnaire, the researchers collected primary data using a descriptive cross-sectional survey approach. They employed regression analysis to test their hypotheses. Their results demonstrate that performance variances are strongly and favorably influenced by

corporate culture. It was established that market orientation has a partial mediating role in the relationship between performance and organizational culture. The researchers hypothesized that since organizational culture has a beneficial impact on market orientation, businesses should devote more resources to this process in order to gain a sustained competitive edge through providing excellent customer service. They came to the conclusion that mature sectors with a wide range of customer needs are more likely to have organizational culture and market orientation have an impact on performance.

Firms with better marketing abilities have higher tendency to gather market information, discover unmet needs, launch new products, advertise and make the product available to customers than their rivals (Fahy, et al, 2000). Morgan et al. further clarify that these marketing abilities will help to the effective implementation of marketing strategies where customers are happy, market share increases, sales grows, and profitability improves. Hogan and Armstrong (2001) assert that a firm's competitive position and financial performance relies on the degree to which the firm develops key capabilities that are essential to produce, distribute, or market its products.

These empirical studies support the idea that firms that have the ability to launch new products that offer value to customers will be successful in the market. The ability to innovate and introduce new bank products and services will enhance business performance. Distribution ability in the banking sector represents the delivery channel ability of the bank to make its services easily available and accessible to customers. Banks that have the ability to use electronic banking points or expand their branch operations can attract new customers, keep the existing customers and improve their market share and profitability.

## 2.4 Conceptual framework and Hypothesis

### 2.4.1 Conceptual framework

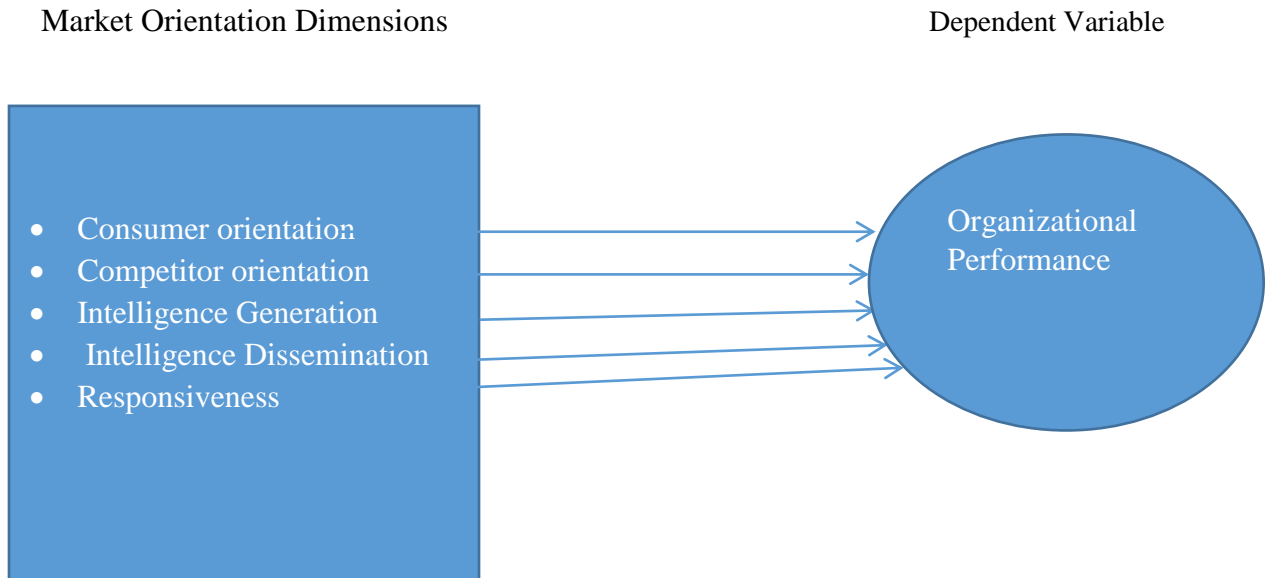


Figure 01. Conceptual Framework

### 2.4.2 Research Hypothesis

The conceptual framework and empirical review mentioned above serve as the basis for the following hypotheses.

One facet of market orientation is customer orientation. It is described as an organization's understanding of client needs and capacity to consistently deliver excellent goods and services that will increase clients' value (Neneh, 2018; Narver & Slater, 1990). According to Kohli and Jawoski (1990), a key component of market orientation is customer orientation. Notably, customer orientation was defined by Feng et al. (2019) and Jaakkola et al. (2009) as a method that a business uses to satisfy and meet the needs of its customers. In light of this, the business must give all relevant information about its products, including how well they can meet the demands and desires of customers, as this will affect organizational performance. As a result, the following effects can be expected:

- **H1- There is a significantly positive association between Consumer orientation and Organizational performance.**

Organizations with higher level of competitor orientation may have a better comprehension of those crucial elements in the actions of competitors, buyers' value chain and how those actions change over time (Crick, et al., 2020; Day & Wensley, 1988). Such comprehension can be useful for the firm to create and deliver superior value to a customer with subsequent positive effect on the firm performance as following competitors' actions closely may also encourage innovation by being careful of what kind of innovative strategy that is being used by the competitors (Gaur et al., 2011; Johnson, et al., 2009). Despite the enormous benefits of competitor orientation, some other studies have argued that excessive focus on competitors may impair the ability of an organization to distinguish itself and, as such, may divert its ability to properly observe the changes in customer needs and market segments, thereby lowering the creation and development of innovative strategies (Day & Wensley, 1988). As a result, the following effects can be expected:

- **H2- There is a significantly positive association between Competitor orientation and Organizational performance.**

The information generated by intelligence generation is only valuable if it is distributed and integrated with other information within the organization. A firm's competitive advantage based on knowledge – one that increasingly depends on its know-how – is only as strong as its ability to share and apply knowledge within and across the organization's boundaries (see CROSS FUNCTIONAL TEAMS). Some argue that effective knowledge management needs an organization without boundaries, which takes good ideas from different functions and from external organizations and uses them in many areas. As Lew Platt, former CEO of Hewlett-Packard, said, "If only we knew what we know" (quoted in Brown and Duguid, 2000). These words reveal a hard truth about most organizations: the knowledge and the know-how of their workforce is often underused – confined in departments and functional units. As a result, the following effects can be expected:

- **H3- There is a significantly positive association between intelligence generation and Organizational performance.**

The definition of market orientation provided by Kohli and Jaworski (1990, p. 6) forms the basis of Kohli and Jaworski's implementation strategy. This definition includes "the organization wide collection of market intelligence related to current and future customer needs, distribution of the intelligence across departments and organization wide reaction to it." The authors acknowledged that some of the previously mentioned precursors to a market orientation—top management involvement, interdepartmental interaction, organizational systems and structure—and contended that because senior managers are in charge of these elements, managerial action can contribute to the threat of a market orientation. As a result, the following effects can be expected:

➤ **H4-There is a significantly positive association between intelligence dissemination and Organizational performance.**

Mulugeta Gebre-Medhin Kassie (2015) conducted a study to evaluate the relationship between marketing orientation and company success. The three public and fifteen private banks that have been in the business for at least three years were the units of analysis employed in the study. High-level managers are typically the primary information sources at strategic business unit levels, which have been the unit of analysis for 49 assessing market orientation (Jaworski and Kohli, 1993). It is expected that managers at various organizational levels will serve as the primary informants. This way, upper-level managers can cover a broader organizational perspective, while lower-level managers who are closer to the market can offer more truthful information about customers and the competition the bank faces. As a result, bank managers from various hierarchical positions, such as branch managers and top-level marketing managers, participated in the study by answering survey questions.

**H5-There is a significantly positive association between responsiveness and Organizational performance.**

## **CHAPTER THREE**

### **Research design and methodology**

#### **3. Introduction**

This chapter describes the approach that will be used to collect and analyze pertinent data and information for the study in order to meet its goals. It covers the target population, sample size, sampling procedure, data analysis methodologies, research approach, research design, and sample design.

#### **3.1 Background of the company**

With a paid-up capital of Birr 24.2 million and 486 founding shareholders, Awash Bank (AB) began its banking operations on Feb 13, 1995. By the end of June 2021, its paid-up capital and number of shareholders had grown to Birr 8.2 billion and over 5745, respectively. Awash Bank is the leading private commercial bank in Ethiopia and the first one to surpass a billion profit marks in the country's private banking history. The bank has achieved significant organic growth and improved customer experience since its inception. The bank also contributes to Ethiopia's economic development and progress and has 822 branches across the nation, of which 361 are located in Addis Ababa as of March 2023.

#### **3.2 Research approach**

The banking industry is recognized as a vital component of the services sector and serves as an essential financial intermediary in the economy due to its active involvement in client dealing and financial handling. For this reason, an active service industry was chosen in order to investigate how market orientation affects Awash Bank's performance. Both qualitative and quantitative research methodologies are employed by the investigator. Multi-criteria measurement scales have been designed to quantify market orientation and corporate performance characteristics. These scales are based on earlier research conducted in industrialized countries. All of the study's construct measures were modified from earlier investigations. The entire study made use of the 5-point Likert scale. The 33-item MKTOR measure (Naver and Slater, 1990) was employed by the

researchers to gauge market orientation. It evaluates the following sub factors: responsiveness, intelligence generation, information dissemination, competitor orientation, and customer orientation. To assess the company's performance, a modified version of the Gupta and Govindrajana (1984) instrument was employed.

### **3.3 Research design**

Based on the specific objective of the study, three types of research can be distinguished: exploratory, explanatory, and descriptive. The goal of descriptive research is to explain and analyze the world as it is. The things and the events that make up the many disciplines of study are described, contrasted, classified, analyzed, and interpreted by looking at individuals, organizations, institutions, techniques, and materials. It seeks to characterize the current situation as it is. Conversely, explanatory research seeks to determine the causal relationship between variables. In order to: (1) determine the size or scope of a specific issue, behavior, or phenomena; (2) make a few preliminary assumptions (or "hunches") regarding that phenomenon; or (3) Exploratory research is sometimes carried out in new fields of inquiry to determine the viability of doing a more comprehensive study about that phenomenon (Bhattacharjee, 2012).

Considering such, the research will have futures that provide explanations. Explanatory in that it aims to forecast and explain how material market orientation and organizational performance are related to one another. Both qualitative and quantitative research methodologies will be employed by the investigator. Multi-criteria measurement scales have been designed to quantify market orientation and corporate performance characteristics. These scales are based on earlier research conducted in industrialized countries. All of the study's construct measures were modified from earlier investigations. The entire study made use of the 5-point Likert scale. The 33-item MKTOR measure (Naver and Slater, 1990) was employed by the researchers to gauge market orientation. It measures the sub factors competitor orientation, customer orientation, and interfunctional coordination. A modified variation of the Gupta and Govindrajana (1984) instrument was used to gauge the performance of the company.

Because the researcher explains the cause and effect link between the variables.

### Description Variables of the Study

- **Dependent variable: organizational performance**
- **Independent variables: market orientation**

## 3.4 Sampling design

### 3.4.1 Target Population

The entire group of people, events, or topics that the researcher wants to investigate is referred to as the "population" (Sekaran, 2005). The total set of cases or units from which the researcher wants to make conclusions is known as the study population. Determining the population based on the study's goals is a crucial first step in creating a research design. The specific demographic that data is searched for is known as the target population in statistics. Ngechu (2004) defines a population as a precisely defined group of individuals, services, objects, events, or homes that are the subject of an investigation. Because these employees at Awash Bank are in charge of the branch marketing and/or sales activities, this study concentrated on the assistant branch managers, branch managers, or customer relationship managers from each branch. Awash Bank is located in the city of Addis Ababa. The Bank has four regional offices in Addis Ababa that supervise the city branches' operations.

<b>Region</b>	<b>Branch</b>
South Addis	94
East Addis	89
North Addis	85
West Addis	93
<b>Total</b>	<b>361</b>

Table 3.1 Sample Population

So the population was **361 branches**

### 3.5 Sampling technique

Sampling is the process of selecting a representative sample, or subset, of the population. Sampling increases research's economy and accuracy. The sample approach determines how broadly the research findings can be applied. Probability sampling and non-probability sampling are the two categories of sampling procedures. When probability sampling is used, each item in the population has an equal chance of being included in the sample. One way to do random sampling is to create a sampling frame in advance and choose a sample from it using a computer program that generates random integers (Zikmund, 2013). Non-probability sampling, as opposed to probability sampling, reduces the likelihood that certain members of the population will participate in the study. Each member of the population has a predetermined chance of being selected. Non-probability sampling techniques, according to Kothari (2004), do not offer a foundation for forecasting the chance that a certain item in the population will be included in the sample. To choose the respondents who would be best for gathering the necessary data, the researcher employed the purposive sampling technique. Because of their positions and strong ties to the process, branch managers, assistant managers, and customer relations managers choose the interview questions in this study in order to obtain the finest information.

### 3.6 Sample Size

Using the worldwide research sampling size determination formula, the study's sample size is established. The following is used to calculate the population sample size based on Yamane's statistical formula (1967).

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = Sample Size

N = Total Population Size

e = Acceptable Level of Error 5% (0.05)

1= the probability of the event occurring

$$n = \frac{361}{1 + 361(0.05)^2}$$

$$n = 190$$

Since the target population is 361 employees at Awash Bank S.C, the corresponding sample size as per the above formula is **190 employees**. So that the unit of analysis are

one employee from one bank branch that individual might be branch manager, assistant branch manager or customer relationship manager that will depend on the structure of the branch because the structure of the branch vary due to various reasons.

### **3.7 Sampling procedure**

Convenience sampling is used as the process to select survey participants. The participants are branch managers, assistant managers or customer relation managers one of them from each branch will be selected based on their availability of the respondents during the research study data collection period.

### **3.8 Sources of data**

The researcher uses both primary and secondary data to get all the information needed. During the study's data collection phase, a researcher selects research participants and administers a standardized questionnaire to them in order to gather primary data. The secondary data is gathered from published as well as unpublished related area of researches, documents, reports, books, journals, newspapers, records and other relevant written sources that will be useful to conduct the research.

#### **3.8.1 Primary source**

Primary data were collected using a semi-structured and structured questionnaire. The Awash Bank stakeholder managers were given the option to self-administer the questionnaire through email or by dropping it off and picking it up later. The questionnaire was primarily used by the researcher to gather data. There are three different kinds of measurement questions in the questionnaire. The researcher designed the first section, which consists of demographic data that is more prevalent. A scale developed by Narver and Slaters (1990) was utilized in the second section of the questionnaire to gauge market orientation. Each market orientation component in the assessment identified three or more words. These claims outline the proper behavior of a market-oriented company in accordance with the market orientation model. There are 33 sentences in all. Every proposal was assessed using a Likert scale with 1 denoting "not at all" and 5 denoting "to an extreme extent." In contrast, the third half of the questionnaire used a modified version of the Gupta and Govindrajan (1984) instrument, which

comprises six components to measure the financial and non-financial performance of the organization. There are a total of 33 questions on the 5-point rating system, with 1 being the lowest score and 5 being the highest. These questions are also linked to different performance standards.

### **3.8.2 Secondary Source**

The secondary data used by the researcher are better organized and come from a variety of sources, including websites, marketing journals, bank magazines, and reports. Any written material on the subject is a valuable asset for the study to broaden the researcher's understanding of the subject.

### **3.9 Data Collection methodologies**

This study's data came from primary as well as secondary sources. This is done in order to record both the qualitative and quantitative aspects of organizational performance and market orientation. The main data obtained using a formal questionnaire. Awash Bank employees who are in charge of branch marketing and organizational performance activities were the target audience for copies of the questionnaire that was given to them. Assistant branch managers, marketing representatives, and customer relations representatives from each branch were among these staff members.

### **3.10 Data analysis methods**

As per Sekaran (2005), data analysis encompasses several interconnected procedures carried out to provide a concise overview of the gathered data and arrange it in a way that addresses the research inquiries. Among the operations are coding, tabulating, categorizing, and modifying. To find the answers to the research questions, data must also be organized, transformed, summarized, and categorized. Data must first be cleansed, updated, checked for accuracy, and coded before being analyzed with SPSS. These procedures are necessary to guarantee that the data is gathered and methodically arranged to make analysis easier (Mugenda & Mugenda, 2003).

The minimum, maximum, mean, and standard deviation of the variables are examples of descriptive statistics that are used in conjunction with inferential statistics, such as correlation analysis, to fully analyze the data. Correlation analysis examines the direction

and significance of the correlation between the variables under consideration. The quantitative data was examined using the Statistical Package for Social Sciences (SPSS), version 24.

### **3.11 Validity and reliability**

Qualitative research substitutes concepts such as dependability for reliability and quality or trustworthiness for validity (Davies & Dodd, 2002). Reliability in quantitative research pertains to the ability to replicate study results. All responders will receive the same questionnaires with the same questions in order to verify dependability. The reliability of the questionnaire is evaluated using Cronbach's alpha. The research is reliable if every construct explains the Cronbach's Alpha value, which is greater than 0.7 (Nunnally & Bernstein, 1994; Nunnally, 1974).

According to Healy and Perry (2000), validity determines whether the study measures what was expected of it or how truthful the study's conclusions are. The questionnaire that the researcher created has the advantage of measuring precisely what the researcher intends to measure, demonstrating that internal validity is checked to compute research. It was created based on the researcher's needs and advisors' comments regarding the study topic. Morals

Respondents are assured that their answers will be treated in the strictest of confidence, and they are not need to sign their name in order to preserve the privacy of the information they provide. The purpose of the study was disclosed in the introduction of the questionnaire. Additionally, the researcher makes an effort to avoid making vague or deceptive statements in the survey. Finally, only consenting individuals received the questionnaires.

## Chapter Four

### Statistical Analysis

#### 4.1 Introduction

In this chapter, we delve into the statistical analysis of the data collected to investigate the market orientation and its relationship with organizational performance at Awash Bank Share Company. The preceding chapters have provided a comprehensive overview of the research context, objectives, literature review, and methodology employed in this study. At this point, we focus on the data analysis, applying both inferential and descriptive statistical methods to answer the study questions and validate the hypotheses.

#### 4.2 Descriptive Statistics

##### 4.2.1 Respondents Profile

In the research conducted, an analysis of the demographic characteristics of valid respondents was undertaken, revealing insights into their age distribution, academic background, professional experience, and occupational roles. The key findings as it represents in table 4.1 is Among the individuals surveyed, 75.8% are male, accounting for 144 individuals, while 24.2% are female, comprising 46 individuals. In total, the survey includes responses from 190 individuals:

Regarding age, the predominant age bracket among valid respondents falls within the range of 51-60 years, comprising 79 individuals, indicative of a mature demographic profile. On average, valid respondents are likely to be aged between 41 and 50 years.

In terms of academic experience, the majority of valid respondents, constituting 54.2%, hold a Master's degree, underscoring a high level of educational attainment within the surveyed population. Additionally, a significant proportion, comprising 44.2%, possess a university degree, while a smaller fraction, amounting to 1.6%, holds a PhD, indicative of a diverse range of academic qualifications.

Professional experience among valid respondents reveals that the dominant tenure bracket spans 9-14 years, accounting for 51.1% of the total, suggesting a considerable level of industry experience among respondents. Furthermore, a notable proportion, comprising 33.7%, holds experience within the 6-8 years range, indicating a substantial presence of mid-career professionals. Comparatively fewer individuals possess 1-3 years (3.7%) or 3-5 years (11.6%) of experience, highlighting a lesser prevalence of early-career professionals within the sample.

In terms of occupational roles, a significant majority of valid respondents, totaling 64.2%, occupy managerial positions within the organization, suggesting a hierarchical structure with a substantial number of individuals in leadership roles. Additionally, there is a notable representation of supervisors, constituting 35.8% of the valid parent population, indicative of a diverse array of responsibilities within the surveyed population. These results add to a thorough understanding of the research population by offering insightful information about the demographic makeup of the legitimate parent sample.

**Table 4.1 Demographic of Respondents**

Gender			
		Frequency	Percent
	Male	144	75.8
	Female	46	24.2
	Total	190	100.0
Age			
		Frequency	Percent
	21 - 30	16	8.4
	31 - 40	57	30.0
	41 - 50	38	20.0
	51 - 60	79	41.6

	Total	190	100.0
Academic			
		Frequency	Percent
	PHD	3	1.6
	Master's Degree	103	54.2
	University Degree	84	44.2
	Total	190	100.0
Experience			
		Frequency	Percent
	1 - 3 Years	7	3.7
	3 - 5 Years	22	11.6
	6 - 8 Years	64	33.7
	9 - 14 Years	97	51.1
	Total	190	100.0
Position			
		Frequency	Percent
	Supervisor	68	35.8
	Manager	122	64.2
	Total	190	100.0

**Source: SPSS output 2024**

#### 4.2.2 Mean and Standard Deviation

The study's variables' descriptive statistics are shown in this section. The distribution of any variable is described by its mean and standard deviation. The mean is the average value of the variable, while the standard deviation is the measure of the variation of the values around the mean. Table 4.2.2 shows the mean and standard deviation of the variables of consumer orientation, competitor orientation, intelligence generation, intelligence dissemination, responsiveness, and organizational performance. The table as well as show the number of observations. The descriptive statistics help us to understand the characteristics of our data to compare the variables and to prepare the data for the inferential statistics that we will perform in the next section.

**Table 4.2 Descriptive Statistics of Variables**

Descriptive Statistics			
	N	Mean	Std. Deviation
Customer.O	190	4.48	0.01989
Competitor.O	190	3.84	0.02612
Intelligence.G	190	4.09	0.01463
Intelligence.D	190	4.18	0.02221
Responsiveness	190	4.41	0.01145
Valid N (listwise)	190		

**(Source: SPSS output 2024)**

The table displays the descriptive statistics of the independent variables in the research on market orientation and organizational performance at Awash Bank S.C. The independent variables are dimensions of market orientation measured on a five-point Likert scale, where higher scores indicate higher levels of agreement. The mean values represent the average scores for each dimension, while the standard deviation values represent the

variation or dispersion of the scores from the mean. The table shows that the market orientation dimension of customer orientation has the highest mean score (4.48), indicating a high degree of agreement with this dimension. Responsiveness has the second highest mean score (4.41), followed by Intelligence Dissemination (4.18), Intelligence Generation (4.09), and Competitor Orientation (3.84). This implies that Awash Bank S.C is more customer-oriented and responsive than competitor-oriented and market-intelligent. A high score for Customer Orientation means that the respondents agree with statements such as ‘We constantly monitor our level of commitment and orientation to serving customer needs’ and ‘We measure customer satisfaction systematically and frequently. Responsiveness has the lowest standard deviation (0.01145), meaning that the scores for this dimension are very consistent and less varied than the scores for the other dimensions. Intelligence Generation has the second lowest standard deviation (0.01463), followed by Customer Orientation (0.01989), Intelligence Dissemination (0.02221), and Competitor Orientation (0.02612). This implies that the scores for Responsiveness and Intelligence Generation are more reliable and precise than the scores for the other dimensions. A low standard deviation for Responsiveness means that the respondents have similar opinions about statements such as ‘We rapidly respond to competitive actions that threaten us’ and ‘We are quick to respond to significant changes in our business environment.’ (Creswell & Creswell, 2018; Pallant, 2016).

### **4.3 Inferential Statistics**

This study investigates the impact of market orientation on organizational performance in Awash Bank Share Company, a leading bank in Ethiopia. Market orientation is a strategic orientation that focuses on understanding and satisfying the needs of customers and competitors (Narver & Slater, 1990). It comprises five dimensions: consumer orientation, competitor orientation, intelligence generation, intelligence dissemination, and responsiveness (Kohli & Jaworski, 1990). Organizational performance is evaluated by various criteria, such as profitability, customer satisfaction, and market share (Venkatraman & Ramanujam, 1986). The study investigates the claims that all aspects of market orientation improve the performance of organizations. Inferential statistics are used to achieve this. Inferential statistics enable researchers to make inferences from a

sample to a population and to assess the significance, direction, and magnitude of the relationships between variables (Field, 2013). The main inferential statistical technique used in this study is multiple linear regression analysis, which examines how a set of independent variables (market orientation dimensions) predict a dependent variable (organizational performance).

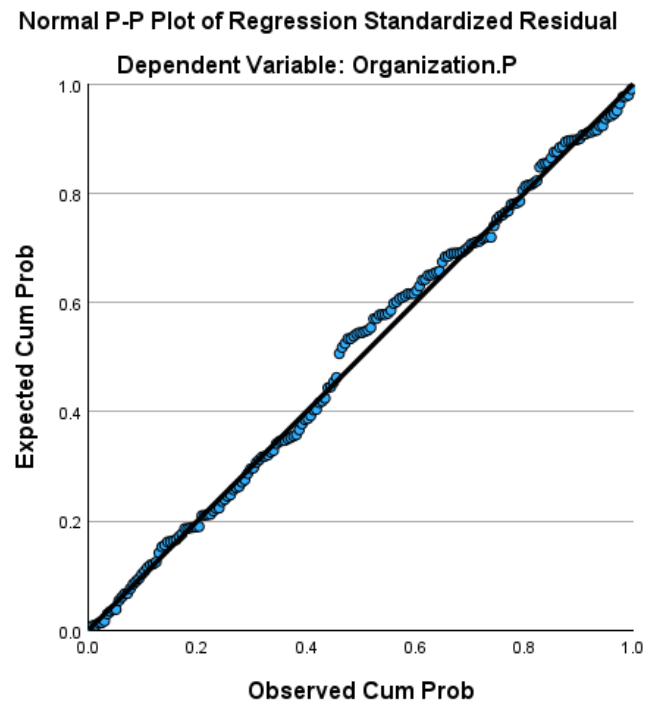
#### **4.3.1 Multiple linear regression assumption**

Before applying multiple linear regression analysis to test the hypotheses, it is necessary to check that the assumptions of this statistical technique are satisfied. (Field, 2013). Testing these assumptions is important to ensure the accuracy and reliability of the regression results and to justify the use of this inferential method in the study. Therefore, by using inferential statistics and testing the assumptions, the researcher can rigorously analyze the data, assess the relationships between market orientation and organizational performance, and draw meaningful insights for strategic decision-making at Awash Bank Share Company.

##### **Assumption -1 linearity**

The linearity assumption of the linear regression model, which states that there is a linear relationship between the independent and dependent variables, can be evaluated graphically using the normal P-P plot of regression standardized residual. The plot shows the observed cumulative probability of the residuals versus the expected cumulative probability of a normal distribution. The residuals are the errors between the observed and predicted values of the dependent variable. If the plot is approximately linear, it means that the residuals are normally distributed and the linearity assumption is met. If the plot is not linear, it means that the residuals are not normally distributed and the linearity assumption is violated. (Smith, 2020).

For this reason, the linear regression model's linearity assumption may be verified and the data's fit assessed using the normal P-P plot of regression normalized residual.



**Figure 02: Linearity Test**

**Source: SPSS output 2024**

#### Assumption 2 – No Multicollinearity

To check for the presence of multicollinearity among the independent variables, we calculated the variance inflation factor (VIF) and Tolerance for each coefficient. The VIF values ranged from 1.100 to 1.217, which are well below the commonly used threshold of 10. This indicates that there is no strong evidence of multicollinearity among the independent variables in our model. Another multicollinearity metric that is connected to the VIF values is tolerance. The amount of variance in an independent variable that cannot be accounted for by other independent variables is measured by tolerance. Greater levels of multicollinearity are indicated by lower tolerance ratings. As a general rule, a tolerance value of less than 0.10 suggests a significant issue with multicollinearity. The

below table , tolerance values for all the independent variables are above 0.80, which suggests that there is no significant multicollinearity among them. This means that each independent variable has a high proportion of unique variance that is not shared with the other independent variables. As a result, we might presume that there is little correlation between the independent variables. Therefore, we can assume that the coefficient estimates and their standard errors are reliable and precise.

**Table 4.3 No Multicollinearity**

Model	Collinearity Statistics	
	Tolerance	VIF
Customer Orientation	0.909	3.100
Competitor Orientation	0.900	0.111
Intelligence Generation	0.892	1.121
Intelligence Dissemination	0.822	1.217
Responsiveness	0.833	1.200

**Source: SPSS output 2024**

Assumption 3- No auto correlation

Regression study of the market orientation dimensions' impact on organizational performance is reported in the model summary. The Durbin-Watson statistic tests the null hypothesis of no autocorrelation in the residuals, which are the differences between the observed and predicted values of the dependent variable. Autocorrelation occurs when the residuals are correlated with themselves at different time lags, violating the assumption of independence and reducing the reliability of the model. The Durbin-Watson statistic ranges from 0 to 4, with 2 indicating no autocorrelation, values below 2 indicating positive autocorrelation, and values above 2 indicating negative

autocorrelation (Rubinfeld, 2011). The Durbin-Watson statistic in the model summary is 2.035, which is close to 2 and has a p-value greater than 0.05, meaning that we cannot reject the null hypothesis of no autocorrelation. Therefore, we can conclude that the residuals are independent and the model is valid.

**Table 4.4 No autocorrelation**

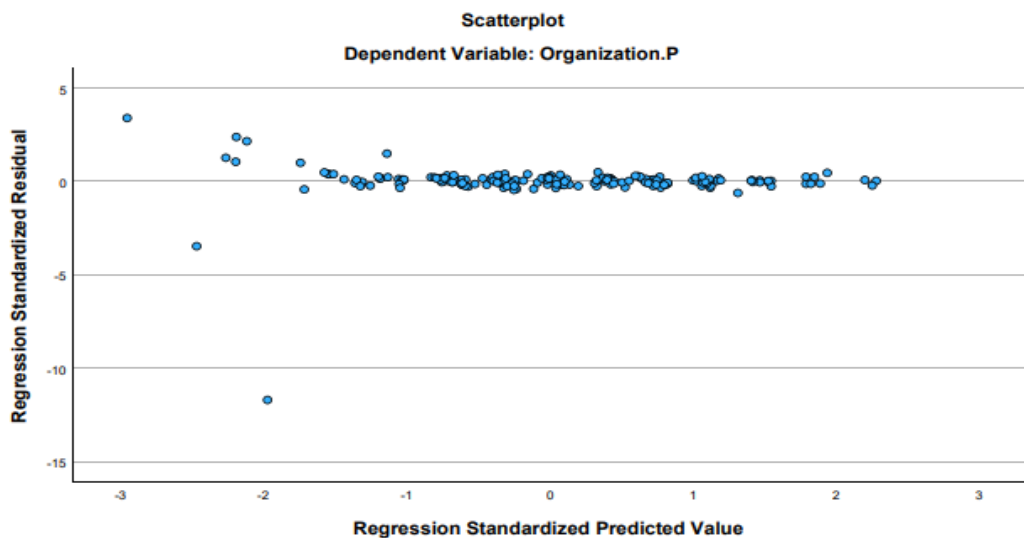
Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.765 <sup>a</sup>	.885	.874	.06068	2.035

a. Predictors: (Constant), Responsiveness, Competitor.O, Customer.O, Intelligence.G, Intelligence.D  
 b. Dependent Variable: Organization.P

**Source: SPSS output 2024**

Assumption 4– homoscedasticity

The data in the scatterplot satisfies the homoscedasticity assumption. This means that the residuals (the difference between what we observe and what we predict) have similar variation across the range of the predictor variable (Regression Standardized Predicted Value). The data points are mainly concentrated between -1 and 2 on the x-axis and -5 and 5 on the y-axis.



**Figure 03: Homoscedasticity Test**

Source: SPSS output 2024

### 4.3.2 Regression Analysis

Using a regression model, we can estimate the relationship between one or more independent variables (the factors that affect the outcome) and a dependent variable (the desired result). Regression model can be used to test hypotheses, measure the strength and direction of the relationship, and predict future values of the dependent variable based on the independent variables (Rubinfeld, 2011). In this research, we use regression model to examine how market orientation dimensions (customer orientation, competitor orientation, intelligence generation, intelligence dissemination, and responsiveness) affect organizational performance. We conduct the regression analysis to answer the following questions: How strong is the relationship between each market orientation dimension and organizational performance? Which market orientation dimension has the most impact on organizational performance? How accurately can we predict organizational performance based on market orientation dimensions?

**Table 4.5 Regression analysis model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.765 <sup>a</sup>	.885	.874	.06068	2.035

a. Predictors: (Constant), Responsiveness, Competitor.O, Customer.O, Intelligence.G, Intelligence.D  
b. Dependent Variable: Organization.P

Source: SPSS output 2024

The above table model summary shows the results of a multiple regression analysis that examines how market orientation dimensions affect organizational performance. The model has a high R square of 0.885, which means that it explains 88.5% of the variation in organizational performance. The adjusted R square is 0.874, which adjusts for the number of predictors in the model. The average variation of the observed values from the

projected values is represented by the standard error of the estimate, which is 0.06068. The Durbin-Watson statistic is 2.035, which tests for the presence of autocorrelation in the residuals. The model has six predictors: constant, customer orientation, competitor orientation, intelligence generation, intelligence dissemination, and responsiveness. All of them have positive and significant effects on organizational performance, except for the constant term.

Table 4.6 Anova Test

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.965	5	.193	72.388	<.001 <sup>b</sup>
	Residual	.685	186	.004		
	Total	1.650	191			

a. Dependent Variable: Organization.P

b. Predictors: (Constant), Responsiveness, Competitor.O, Customer.O, Intelligence.G, Intelligence.D

**Source: SPSS output 2024**

The ANOVA table displays the findings of a regression analysis that looks at the relationship between organizational performance and market orientation variables. The dependent variable is Organization performance, and the predictors include Constant, Responsiveness, Competitor orientation, Customer orientation, Intelligence generation, and Intelligence dissemination. The ANOVA table tests whether there is a statistically significant relationship between the dependent variable and at least one of the predictors. The null hypothesis, according to which there is no association between any of the predictors and the dependent variable, can be rejected, is supported by the ANOVA's F-value of 72.388 and the accompanying p-value of less than 0.01 (shown as <0.01). Therefore, we can conclude that there is a statistically significant relationship between organizational performance and market orientation dimensions.

### 4.3.3 Results of the regression analysis

The image shows a table of coefficients from a regression analysis of how market orientation dimensions (independent variables) affect organizational performance (dependent variable). The independent variables are Customer orientation, Competitor orientation, Intelligence generation, Intelligence dissemination, and Responsiveness. The table has columns for Unstandardized Coefficients B, Standardized Coefficients Beta, t-value, and Significance level. All independent variables have positive and significant effects on organizational performance, except for the constant term.

The regression equation for Organization performance of Awash Bank S.C can be formulated as follows:

$$\text{Organization performance} = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + e$$

*Organization.P*

$$\begin{aligned} &= 0.275 + 0.415 \times \text{Customer.O} + 0.084 \times \text{Competitor.O} + 0.145 \\ &\times \text{Intelligence.G} + 0.203 \times \text{Intelligence.D} + 0.280 \\ &\times \text{Responsiveness} + e \end{aligned}$$

Where:

- Organization performance is the dependent variable representing organizational performance
- Customer Orientation is the independent variable representing customer orientation
- Competitor orientation is the independent variable representing competitor orientation
- Intelligence generation is the independent variable representing intelligence generation
- Intelligence dissemination is the independent variable representing intelligence dissemination
- Responsiveness is the independent variable representing responsiveness
- e is the error term.

**Table 4.7 Coefficients**

		<b>Coefficients<sup>a</sup></b>				
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.275	.350		-1.136	.257
	Customer.O	.415	.036	.660	6.905	<.001
	Competitor.O	.084	.028	.135	2.742	.007
	Intelligence.G	.145	.030	.201	4.060	<.001
	Intelligence.D	.203	.031	.340	9.225	<.001
	Responsiveness	.280	.032	.465	13.042	<.001

a. Dependent Variable: Organization.P

Source: SPSS output 2024

#### 4.3.4 Hypothesis Testing

**H1: There is a significantly positive association between Consumer orientation and Organizational performance.** This hypothesis is supported by the data, as the p-value (Sig.) for Customer Orientation is less than 0.01, indicating a high level of statistical significance. The standardized coefficient beta for Customer Orientation is 0.660, which means that for every one unit increase in Customer orientation, there is a 0.660 unit increase in Organization performance, holding all other variables constant. This implies that customer orientation is an important factor for enhancing organizational performance, as it reflects the extent to which the organization understands and satisfies the needs and preferences of its customers.

**H2: There is a significantly positive association between Competitor orientation and Organizational performance.** This hypothesis is also supported by the data, as the p-value (Sig.) for Competitor orientation is less than 0.01, indicating a high level of statistical significance. The standardized coefficient beta for Competitor orientation is 0.135, which means that for every one-unit increase in Competitor orientation, there is a 0.135 unit increase in Organization performance, holding all other variables constant. This implies that competitor orientation is a relevant factor for improving organizational performance, as it reflects the extent to which the organization monitors and responds to the actions and strategies of its competitors.

**H3: There is a significantly positive association between intelligence generation and Organizational performance.** This hypothesis is also supported by the data, as the p-value (Sig.) for Intelligence generation is less than 0.01, indicating a high level of statistical significance. The standardized coefficient beta for Intelligence generation is 0.201, which means that for every one-unit increase in Intelligence generation, there is a 0.201 unit increase in Organization performance, holding all other variables constant. This implies that intelligence generation is a significant factor for boosting organizational performance, as it reflects the extent to which the organization collects and analyzes information about the market environment, such as customer needs, competitor actions, and industry trends.

**H4: There is a significantly positive association between intelligence dissemination and Organizational performance.** This hypothesis is also supported by the data, as the p-value (Sig.) for Intelligence dissemination is less than 0.01, indicating a high level of statistical significance. The standardized coefficient beta for Intelligence dissemination is 0.340, which means that for every one-unit increase in Intelligence dissemination, there is a 0.340-unit increase in Organization performance, holding all other variables constant. This implies that intelligence dissemination is a crucial factor for enhancing organizational performance, as it reflects the extent to which the organization shares and communicates the market information among its members and departments, and facilitates coordination and integration.

**H5: There is a significantly positive association between responsiveness and Organizational performance.** This hypothesis is also supported by the data, as the p-value (Sig.) for Responsiveness is less than 0.01, indicating a high level of statistical significance. The standardized coefficient beta for Responsiveness is 0.465, which means that for every one-unit increase in Responsiveness, there is a 0.465-unit increase in Organization performance, holding all other variables constant. This implies that responsiveness is the most vital factor for improving organizational performance, as it reflects the extent to which the organization acts on the market information and implements appropriate changes and innovations to meet the market demands

Independent Variable	Hypotheses	Test	Test Statistic	p-value	Test result
Customer orientation	Customer Orientation has a positive effect on Organization performance	Simple linear regression	t = 6.905, df = 94	0.001	Accepted
Competitor.O	Competitor orientation has a positive effect on Organization performance	Simple linear regression	t = 2.742, df = 94	0.007	Accepted
Intelligence.G	Intelligence generation has a positive effect on Organization performance	Simple linear regression	t = 4.060, df = 94	0.001	Accepted
Intelligence.D	Intelligence dissemination has a positive effect on Organization performance	Simple linear regression	t = 9.225, df = 94	0.001	Accepted
Responsiveness	Responsiveness has a positive effect on Organization performance	Simple linear regression	t = 13.042, df = 94	0.001	Accepted

**Table 4.8 Summary of the tested hypothesis**

**Source: SPSS output 2024**

#### 4.4 Discussion of Results

The purpose of this study was to investigate how market orientation affects Awash Bank S.C.'s organizational performance. Five dimensions were used to measure market orientation: customer orientation, competitor orientation, intelligence generation, intelligence dissemination, and responsiveness. Organizational performance was measured by four indicators: customer satisfaction, customer retention, market share, and profitability. The data was collected from a survey of 190 employees of Awash Bank S.C. and analyzed using multiple regressions. The research questions were:

1. What are the market orientations that Awash Bank has adopted?
2. What connection exists between marketing performance and market orientation?
3. To what extent is the bank market oriented?

The findings of this study are consistent with the literature that suggests that market orientation is a key determinant of organizational performance (AL-Shourah, 2021; Kirca et al., 2005). The results indicate that Awash Bank S.C. has a high level of market orientation, as it demonstrates a strong focus on customer needs, competitor actions, market information, and organizational responsiveness. The results also support the resource-based view of the firm, which argues that market orientation is a valuable, rare, inimitable, and non-substitutable resource that can enhance the firm's competitive advantage and performance (Barney, 1991).

Among the dimensions of market orientation, responsiveness emerged as the most influential factor for organizational performance. This finding implies that Awash Bank S.C. is able to act on the market information and implement appropriate changes and innovations to meet the market demands. Responsiveness reflects the firm's agility and adaptability, which are essential for surviving and thriving in the dynamic and competitive banking industry. Responsiveness also indicates the firm's commitment and capability to deliver superior value and satisfaction to its customers, which can lead to customer loyalty and retention.

Customer orientation was the second most important dimension of market orientation for organizational performance. This finding implies that Awash Bank S.C. has a clear

understanding and appreciation of its customers' needs and preferences, and strives to satisfy them through its products and services. Customer orientation reflects the firm's customer-centric culture, which can enhance the firm's reputation and image, as well as its customer base and market share. Customer orientation also indicates the firm's ability to create and maintain long-term relationships with its customers, which can result in customer trust and advocacy.

Intelligence dissemination was the third most important dimension of market orientation for organizational performance. This finding implies that Awash Bank S.C. has an effective system of sharing and communicating the market information among its members and departments, and facilitates coordination and integration. Intelligence dissemination reflects the firm's internal communication and collaboration, which can improve the firm's efficiency and effectiveness, as well as its innovation and learning. Intelligence dissemination also indicates the firm's alignment and congruence of its goals and strategies, which can enhance the firm's coherence and consistency.

Intelligence generation was the fourth most important dimension of market orientation for organizational performance. This finding implies that Awash Bank S.C. has a strong capability of collecting and analyzing information about the market environment, such as customer needs, competitor actions, and industry trends. Intelligence generation reflects the firm's external orientation and scanning, which can enable the firm to identify and exploit opportunities, as well as to anticipate and avoid threats. Intelligence generation also indicates the firm's market knowledge and insight, which can support the firm's decision making and planning.

Competitor orientation was the least important dimension of market orientation for organizational performance. This finding implies that Awash Bank S.C. has a moderate level of attention and response to the actions and strategies of its competitors. Competitor orientation reflects the firm's competitive awareness and positioning, which can help the firm to benchmark and differentiate itself from its rivals. Competitor orientation also indicates the firm's competitive intensity and rivalry, which can motivate the firm to improve its quality and service.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter offers recommendations in addition to summarizing the results and discussing the inferences made from the investigation.

#### 5.1 Summary of major findings

To discuss the summary of the finding of the study; demographic characteristic of the respondent are as follows, regarding gender 75.8% Male and 24.2% female were covered. Age groups 51 to 60 years contribute the higher percentages (41.60%) while the rest of age groups comprise 58.4%. Regarding educational status 54.2% of the respondents had master's degree followed by first degree (44.2%) PHD holders comprise the rest 1.6%. When it comes to the job status much of the respondents were at branch managers (64.2%) and the rest (35.8) were assistant branch managers or customer relationship managers. Overall, the distribution of the sample reflects the proportion at population level.

#### 5.2 Conclusion

Examining Awash Bank's market orientation practices and the connection between market orientation and business performance are the main goals of this research. The researcher has gathered information from 190 Awash Bank of Ethiopia branches in order to fulfill the study's objective. To measure market orientation, the senior branch managers of these institutions engage by completing the MKTOR measurement, which was created by Narver and Slater. Prior to conducting additional data analysis with SPSS24, the acquired data is subjected to tests for normality and reliability.

The attention of top branch managers demonstrates a mediocre link with market orientation. As per the findings, market orientation is a crucial issue that the managers at Awash Bank take into consideration; however there is room for development in certain areas. Strong banking institutions play a vital role in every nation and can support economic growth by providing effective financial services.

Thus, market orientation affects how well a company performs. Theoretical and empirical data, according to researchers, suggests that greater degrees of market orientation result in improved performance.

Rather than existing above these marketplaces, market orientation gives us a mechanism to formally establish our relationship with the markets we service. Applying market orientation enhances organizational profitability and growth, both of which are necessary for its survival and competitiveness. Managers of banks, whether public and private, must be aware of their clients' needs and meet them. Thus, managers would benefit greatly from market orientation in several ways: they would be better able to understand the business operating environment, behave as a cohesive team rather than as heads of distinct departments, and base their decisions on a thorough understanding of the market.

### **5.3 Recommendation**

The researcher's advice begins with an examination of demographic data, including gender, age, educational background, and position-related concerns. In contemporary times, numerous studies have revealed that women possess superior managerial and customer service abilities compared to men. However, this is not the case on Awash Bank, where male dominance is present. A bank must take gender issues into account if it is to execute market orientation and put in its best effort. In addition, the majority of people are concentrated in the 51–60 age range for management experience and age, and new energy has an impact on their managing talent as well, therefore the Awash Bank has to take this into account. Ultimately, a master's degree is the most common educational background among Awash Bank managers, similar to the other demographic divisions. Education and training to improve management are important, as previously mentioned. Consequently, the administration must give this sector their full attention. scholars found that women possess more potent.

The researcher suggests that the bank provide special consideration to devoted clients who are regarded as employees outside of the organizations in their capacity as a market orientation researcher. Consideration must be given to all facets of consumer acquisition and satisfaction; short-term financial advantage alone may result from acquiring

customers only. Thus, for Awash Bank's branches to achieve long-term resilience and take a substantial share of the market and economy of the country, efficient coordination between them is necessary. Furthermore, banks ought to make the most of client and market data in order to elucidate the associated facets of market orientation. Banks should continuously update and enhance the following to align with the most recent elements pertinent to the market and service orientation culture:

1. Using banks to institutionalize and strengthen scientific marketing research
2. Enhance the culture of teamwork to improve information sharing and boost synergistic
3. Employees ought to receive training on the various facets of market orientation.

Examining the opinions of the workforce can assist managers in identifying, assessing, and controlling the associated intraorganizational drivers required to raise customer satisfaction. Managers should always be asking themselves what they can change about their banks, including internal organizational structures, work schedules, service protocols, and reward and training programs. In summary, bank managers and supervisors may benefit from a market-oriented approach.

First and foremost, bank managers need to be aware that high standards of market- and service-oriented operations within banks are built upon organizational principles. Second, managers must analyze, evaluate, and diagnose every facet of market and service orientation in order to benchmark and track how well their particular firm is performing in each of those categories. Third, managers are aware of the strong correlation between organizational commitment and loyalty and any specific arrangement of a bank's principles and practices.

## **5.2 Limitations of the study**

Like many survey research, this one has certain inherent limitations. Initially, self-report measures were employed in the study, despite the fact that this methodology has been frequently utilized in earlier research (Narver and Slater, 1990; Kohil and Jaworski, 1990). The manager's evaluation might not match the opinions of the other marketing

staff members. Second, there was a time limitation that made it necessary to reduce sampling, which resulted in a relatively small sample size.

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## 1. Appendices

### APPENDIX

#### Study Questionnaire

Addis Ababa University School of commerce

Department of Marketing Management

#### Dear respondent

A postgraduate student from the Addis Ababa University School of Commerce produced this questionnaire. This study's goal is to compile the most pertinent information regarding Awash Bank S.C.'s organizational performance and market orientation. Therefore, the researcher respectfully asks for your assistance and willingness to engage in answering the surveys. Please respond to the question if you agree; it could take a few minutes to finish.

#### Part one (personal data)

Please tick “√” the appropriate answer only

S/No	Questions	Response	
1.	Gender	Male	[ ]
		Female	[ ]
2.	Age	Under 25 years	[ ]
		31-40	[ ]
		41-50	[ ]
		51-60	[ ]
		More than 60+	[ ]
3.	Academic Qualifications	PHD	[ ]
		Master's Degree	[ ]
		University Degree	[ ]
		Advance Diploma	[ ]

		Diploma	[ ]
		Less than Diploma	[ ]
		Any other (Specify)....	[ ]
4.	Your working experience in Awash Bank S.C	Less than 1 year	[ ]
		1-3 Years	[ ]
		3-5 Years	[ ]
		5-7 Years	[ ]
		7-14 Years	[ ]
		More than 14	[ ]
5.	Job position	Clerical	[ ]
		Supervisor	[ ]
		Manager	[ ]
		Other-----	[ ]
6.	Job Specialization	Certificate	[ ]
		Diploma	[ ]
		Degree	[ ]
		Master	[ ]
		PHD	[ ]
		Other -----	[ ]

**Part Two: - (MKTOR)**

**Please provide Awash Bank's rating in the sections below. Select the column that best expresses your overall thoughts about each numbered item.**

**Section A. MKTOR**

No	Topics	Level of agreement				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
	<b>Customer Orientation</b>					
1	We continue to show our customers our utmost dedication.					
2	We are always adding value for our clients.					
3	Our staff members are aware of their clients' needs.					
4	We track and evaluate client satisfaction levels on a regular basis.					
5	The primary goal of our staff is to ensure that customers are satisfied.					
6	Post-sale service is something that our staff members are expected to focus on closely.					
	<b>Competitor Orientation</b>					
7	Our staff members frequently inform one another about our rivals.					

8	We are very quick to react to any new initiatives our rivals take.					
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No	Topics	Level of agreement				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
9	Top management routinely discusses the tactics and strengths of competitors.					
10	Our consumers are regularly in contact with employees from several functional areas.					
11	We focus on clients and clientele where we already have a competitive edge or where we can get one.					
	<b>Intelligence Generation</b>					
12	Employees at Awash Bank connect directly with customers to gain a better understanding of how to satisfy their needs.					
13	At Awash Bank, we have meetings with clients at least once a year to determine what financial services they will require down the road.					
14	We undertake a lot of in-house market research at					

	Awash Bank. research.					
15	We take a while to notice shifts in our clients' preferences for particular goods or services.					
16.	At least once a year, the bank conducts end-user surveys to evaluate the caliber of its financial services offerings.					

No	Topics	Level of agreement				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
17.	The bank evaluates the potential effects of changes on the banking environment, including competition, laws, and technological advancements, on its clientele on a regular basis.					
18.	We take a while to notice significant changes in our industry, such as those involving competition, technology, or regulations.					
	<b>Intelligence Dissemination</b>					
19	At least once per quarter, Awash Bank has interdepartmental meetings to talk about developments and trends in the market.					
20	Our business unit's marketing staff meets with other functional areas to explore the future needs of our clients.					
21	The bank disseminates					

	information about our customers on a regular basis through publications including newsletters and reports.						
22	This business unit regularly disseminates data on customer satisfaction at all levels.						
23	When a significant event occurs with one of the market's main customers, the entire business unit is quickly informed.						
24	It takes a while for one department to notify other departments when it learns something significant about a rival.						
	<b>Responsiveness</b>						
25	We take a very long time to consider how to react to price changes made by our competitors.						
26	We frequently overlook changes in our customers' needs for our products and services for a variety of reasons.						

27	We continuously assess our efforts in product development to make sure they are meeting client needs.						
28	Periodically, a number of departments convene to strategize how best to adapt to ongoing changes in our business environment.						
29	Should a significant rival initiate a comprehensive effort aimed at our clientele, we would promptly take action.						
30	Within this business unit, the various departments' activities are synchronized effectively.						
31	Concerns raised by customers are ignored by this business unit.						
32	Even if we developed a fantastic marketing strategy, we most likely couldn't put it into action quickly enough.						
33	The departments in question work together to make changes to a product or service when we discover that customers would like						

	them to be made.						
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**Section B Organizational Performance Measures:**

On the following scale, how would you rank the business performance of your company:  
 1. Lower 2. Low 3. Average? Which of the following rating scales—4.higher, 5.higher—  
 best captures your assessment of your competition in the banking services industry?  
 Please indicate where your company is with each of the following statements by putting  
 write mark to the scale that best represents your opinion.1=lower 2=low 3=average  
 4=high 5=higher

No	Items	Level of agreement				
		Very low	Low	Average	High	Very High
<b>A.</b>	<b>Financial Measures:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Sales volume					
2	Market share growth					
3	Operating income					
4	ROI (return on investment)					
5	ROE (return on equity)					
6	Net income					
<b>B.</b>	<b>Non-Financial Measures:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	Success in achieving customer satisfaction					
2	Success in retaining current customers					
3	Success in attracting new customers					
4	Success in building a positive image					
5	Success in overall performance of a company					

**Thank you for your time**

## Frequencies

		Statistics				
		Gender	Age	Experience	Academic	Position
N	Valid	190	190	190	190	190
	Missing	0	0	0	0	0
Mean		1.2421	2.9474	4.3211	2.4263	2.6421
Std. Deviation		.42949	1.02733	.82107	.52689	.48065

## Frequency Table

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	144	75.8	75.8	75.8
	Female	46	24.2	24.2	100.0
	Total	190	100.0	100.0	

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21 - 30	16	8.4	8.4	8.4
	31 - 40	57	30.0	30.0	38.4
	41 - 50	38	20.0	20.0	58.4
	51 - 60	79	41.6	41.6	100.0
	Total	190	100.0	100.0	

## Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 3 Years	7	3.7	3.7	3.7
	3 - 5 Years	22	11.6	11.6	15.3
	6 - 8 Years	64	33.7	33.7	48.9
	9 - 14 Years	97	51.1	51.1	100.0
	Total	190	100.0	100.0	

### Academic

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	PHD	3	1.6	1.6	1.6
	Master's Degree	103	54.2	54.2	55.8
	University Degree	84	44.2	44.2	100.0
	Total	190	100.0	100.0	

### Position

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Supervisor	68	35.8	35.8	35.8
	Manager	122	64.2	64.2	100.0
	Total	190	100.0	100.0	

## Descriptives

	N	Minimum	Maximum	Mean	Std. Deviation
Customer.O	190	4.40	4.80	4.6000	.01989
Competitor.O	190	4.20	4.60	3.8400	.02612
Intelligence.G	190	4.10	4.50	4.0900	.01463
Intelligence.D	190	4.00	4.40	4.1800	.02221
Responsiveness	190	3.70	4.10	4.4100	.01145
Organization.P	190	4.60	5.00	4.4000	.14179
Valid N (listwise)	190				

## Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.765 <sup>a</sup>	.888	.874	.06068	2.035

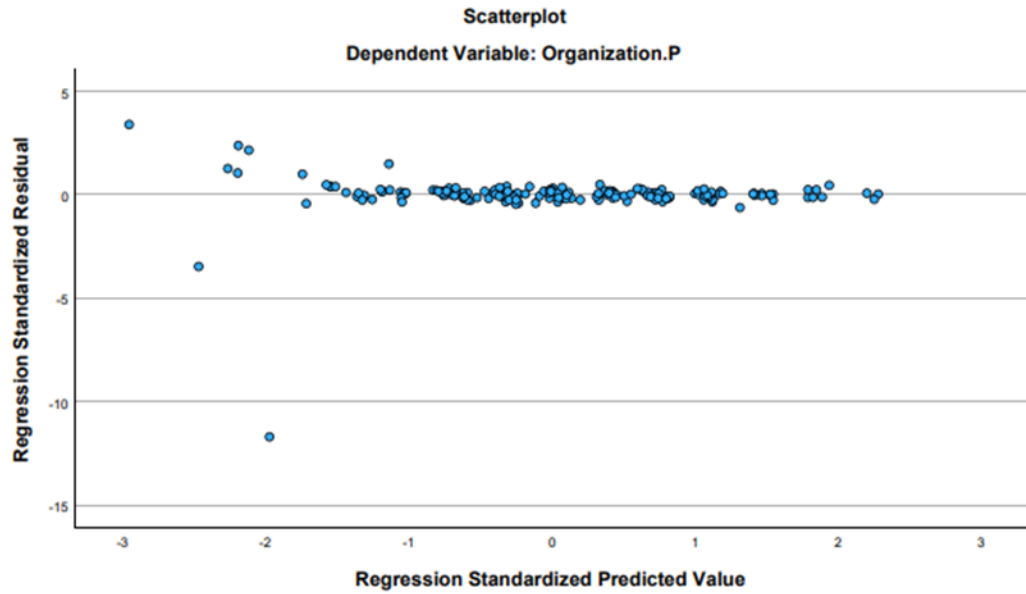
a. Predictors: (Constant), Responsiveness, Intelligence.G, Competitor.O, Customer.O, Intelligence.D

b. Dependent Variable: Organization.P

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.965	5	.193	72.388	.000 <sup>b</sup>
	Residual	.686	186	.004		
	Total	1.650	190			

a. Dependent Variable: Organization.P

b. Predictors: (Constant), Responsiveness, Intelligence.G, Competitor.O, Customer.O, Intelligence.D



		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.275	.350		-1.136	.000
	Customer.O	.415	.036	.660	6.905	.740
	Competitor.O	.084	.028	.135	2.742	.003
	Intelligence.G	.145	.030	.201	4.060	.000
	Intelligence.D	.203	.031	.340	9.225	.000
	Responsiveness	.280	.032	.465	13.042	.000

a. Dependent Variable: Organization.P

## Charts

