

**Addis Ababa University
School of Commerce**



**The Effect of Decision Making for
Organizational Effectiveness: A Case of Some
Small and Medium Manufacturing Enterprises
of Addis Ababa city**

**By:
Tesfa Mulu Tewolde**

**A Research Submitted in Partial Fulfillment of
The Requirements for the Award of Master of
Arts in Business Leadership at Addis Ababa
University**

**Advisor:
Teklegiorgis Assefa (PhD.)**

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DECLARATION

Unless otherwise stated, I, Tesfa Mulu Tewolde, declare that the project "Decision Making for Organizational Effectiveness: A Case of Some Small and Medium Manufacturing Enterprises in Addis Ababa City" is my own work and has not been submitted anywhere else for any academic qualification partial fulfillment or research publication.

Name: Tesfa Mulu

Signature: -----

Date: August/2021

APPROVAL

Tesfa Mulu's project, "Decision Making on Organizational Effectiveness: A Case of Some Small and Medium Manufacturing Enterprises in Addis Ababa City," was submitted for partial fulfillment of a Masters of Arts in Business Leadership [MBL] at Addis Ababa University School of Commerce. It was not previously submitted for academic award fulfillment or any other purpose at Addis Ababa University School of Commerce.

Advisor Name: Tekelgiorgis Asefa (Asst Prof.) (PhD.)

Signature: -----

Date: August /2021

CERTIFICATION

This is to certify that the project “Decision Making for Organizational Effectiveness: A Case of Some Small and Medium Manufacturing Enterprises in Addis Ababa City” submitted for partial fulfillment of the Masters of Arts in Business Leadership [MBL] at Addis Ababa University School of Commerce is Tesfa Mulu's original work and has not been submitted for any academic award partial fulfillment previously.

Certified d by:

<u>Internal Examiner</u>	<u>External Examiner</u>	<u>Advisor</u>
Fiseha Gebreannania (PhD)	Mulatu Takele (PhD.)	Tekelgiorgis Asefa (PhD.)
Name	Name	Name
signature	signature	signature
Date	Date	Date

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ABSTRACT

The purpose of this study was exploring two factors of decision making; decision making process and decision making style of the Addis Ababa city effective small and medium manufacturing enterprises. To achieve this aim, a quantitative research approach is used. A population of 175 enterprises is considered and a sample of 122 enterprises is selected using the stratified random sampling technique. Out of the 122 questionnaires distributed 98 of them are collected which makes the response rate of 80%. Descriptive statistics is used for analyzing the data. The result of the data analysis showed that all the five decision making styles are followed by the enterprise managers with the aggregate mean score value of 3.37, 3.34, 2.89, 2.74 and 2.14 for the , intuitive, rational , spontaneous ,dependent, avoidant decision making styles respectively. Moreover; the data analysis result showed that the rational decision making process is followed by the effective enterprise managers. Adaptation of decision making style over the situation the enterprises face over time and following rational decision making process are proposed as the recommendation of this study.

Keywords-: *Decision making style. Decision making Process, Addis Ababa city SME*

CHAPTER ONE

INTRODUCTION

This chapter covers the following topics: the study's background, the problem statement, the study's objectives, the study's importance, the study's scope, the study's limitations, the operational definition of important terminology, and the study's organization.

1.1. Background of the study

In today's volatile, complex, and fastchanging world, the success of any business is largely determined by the quality of its managers' decisions. The predictability of the environment will have an impact on the quality of decisions made (Kahneman and Klein; 2009). The settings, circumstances, and influences that affect an organization's capacity to achieve its goals are referred to as the organization's environment (Ngirwa, 2006). The organizational environment in the larger view represents the unlimited factors and comprises of every element outside the organization: But, in a specific view, it represents the important factors that most actually affect the organization and its survival. Misbah, D. et al (2016) categorized the environmental factors that actually affect organizational survival into internal and external factors.

The internal factor includes employees, customers, shareholders, retailers, and distributors; whereas the external factors incorporate the political, economic, social, technological, and legal issues of the environment. Controlling and influencing the internal factors is under the power of the organization management, however; controlling and influencing the external factor is beyond the control of the organization management

Organizations have to face vague situations as a result of the variety of patterns and events happening across environmental sectors, which create larger amount of uncertainty in the environment and are latent threats to the survival of an organization. Uncertainty is produced as a result of volatility in the external environment of the organization which creates deficiency in the information required for understanding cause and effect patterns. This makes decision-making a challenging activity in organizations. However, despite its challenging nature, a variety of decisions that spans from routine to life challenging are made by organizational leaders and managers in addressing problems with the intention of achieving organizational objectives. The organizational effectiveness of a certain

organization is measured by the performance measuring parameters of the effectiveness model it is following. The Addis Ababa city Administration Job Creation and Enterprise Development Bureau (AACJCEDB) uses total capital accumulate by the enterprises (ignoring working area), and a number of employees working in the enterprise as a performance measuring parameter for evaluating the effectiveness of Small and Medium Manufacturing Enterprises working the city.

According to the Federal Small and Medium Manufacturing Industries Promotion Agency report ('Zekire' Manufacturing bulletin, 2013) 4713 Small and Medium Manufacturing Enterprises (SMMEs) in Addis Ababa city that are doing business in different subsectors. Different reports revealed that these enterprises are encountered different problems and challenges that arise from the internal and external business environment that includes problems related to leasing financing, and working capital loan, lack of proper production and selling area, problem in market linkage, poor quality product manufacturing, weak technology use, and etc. However; despite these problems and challenges, there are some SMMEs that exhibited strength in asset accumulation, job creation, and work process according to AAJCEDB unofficial report (Bureau report, 2021). Considering the statement “ *Every success, every mishap, every opportunity seized or missed by an organization (large or small) is the result of a decision that someone made or failed to make; with an assumption of good decisions and their fast implementation determine essentially the performance of an organization*” (Roger, P. et al,2016), this research intends to assess some of the decision makings issues those brings organizational effectiveness for some of the Addis Ababa City SMMEs in the time span 2015-2021.

1.2. Statement of the problem

Small and medium enterprises (SMEs) are businesses that keep up revenues, assets, or a number of employees below a certain threshold. There is no universally agreed definition for small and medium enterprises (Rahel, 2008). Each country has its own definition of what makes up SMEs. However; Some of the commonly used yardsticks are the number of employees, total net assets, sales and investment level, number of annual working hours, annual turnover, annual balance sheet or production volume, and independence of the company (Harjula, 2008) among which the number of employees and the annual turnover seems to be the most important criteria used (Peacock, 2004).

The Ethiopian government Federal Small and Medium Manufacturing Industry Development Agency establishment Council of Ministers Regulation (Regulation No. 373/2016) defines small and medium manufacturing industries in the following way. Small manufacturing industries are industries that are engaged in the manufacturing sector having a total capital, excluding building from Birr 100,001 to Birr 1,500,000 (One Hundred Thousand One Birr to One Million Five Hundred Thousand Birr) and engaged from 6 to 30 workers including the owner, his family members and other employees and medium manufacturing industries are industries that engaged in the manufacturing sector having a total capital, excluding building from Birr 1,500,001 to Birr 20,000,000 (One Million Five Hundred Thousand One Birr to Twenty Million Birr) in the manufacturing sector and engages from 31 to 100 workers including the owner, his family members, and other employees.

In Addis Ababa, the city, 4,416 (four thousand four hundred and sixteen) different small and medium scale manufacturing enterprises are doing business in different subsectors ('Zekire' manufacturing bulletin, 2020). The list of the subsectors the enterprises are operating includes leather and leather products manufacturing, agro-processing, metal and woodwork product manufacturing, handicraft, jewelers and mine products manufacturing, chemical and chemical products manufacturing, construction inputs manufacturing, textile and garment manufacturing, and other subsectors.

The performance of these SMEs has fallen short of expectations due to various challenges although improvements have been registered during the last few years (EEA, 2015). Some of the causes and challenges for the performance failure of the enterprises includes problems related to finance, access to market and low competitiveness, business information, working premises, poor acquisition of technical skills and managerial expertise, appropriate technology, and access to quality infrastructure (Rahel, 2008) (EEA,2015) (Habtamu,2015)('Zekire' manufacturing bulletin, 2020).

Despite the availability of the above-mentioned and other challenges that come from the external business environment, there are some enterprises that are showing a good result in their business achieving the goals they set. According to the information obtained from the AAJCEDB, in the years 2015-2020, out of the 4,416 enterprises operating in the city only 175 (one hundred seventy-five) SMMs showed a good result in meeting the performance measurement parameters set by the bureau for measuring the organizational

effectiveness of SMEs. The AAJCEDB is making a tremendous effort to boost the performance of all the SMMEs operating in the city.

The performance of an organization is the outcome of the management functions such as planning, organizing, and control that are determined by decision. To achieve a good result in a challenging environment requires making a quality decision in all managerial functions. The quality of a decision made by managers is influenced by the decision making approach utilized and the personal behavior of the decision-maker.

Despite, the attention devoted to identifying and solving the problems and challenges of the Addis Ababa city SMEs made by both the government bodies and the enterprises themselves, no significant studies have been conducted on Addis Ababa in relation to the decision-making and organizational effectiveness of the SMEs. In order to give a new contribution, the study was conducted on some of the decision-making factors that contribute for the effectiveness of SMMEs. The paper aims to discuss this issue.

1.3. Research questions

To explore some of the leadership decision-making factors that brought organization effectiveness for some of the Addis Ababa city SMMEs in the year 2015-2020, we will find answers to the following research questions

- . 1. Which performance measuring parameters are used to measure the effectiveness of the Addis Ababa city SMMEs? Do the enterprises really achieve organizational effectiveness?
2. Which type of decision-making style is mostly followed by effective organization managers?
3. What type of decision-making process do effective enterprises managers followed to achieve organizational effectiveness?

1.4. Objectives of the Study

The main and specific objectives of this research work mentioned as follows.

1.4.1. Main Objective of the study

The main objectives of this study are to explore the effect of some of the decision-making factors that influences decision quality.

1.4.2. Specific Objective of the study

The two specific objectives considered for this research work are

1. Understanding the decision making process followed by effective enterprises and
2. Identifying the personal decision making style followed by most enterprise manager

1.5. Significance of the Study

The significance of the findings and conclusion of this research work is expected to have the following significance.

Those managers who are leading stacked or underperforming enterprises due to failure in quality decision-making or inability to make decisions will benefit from the research finding.

New entrants and entrepreneurs who have a plan to set up and manage an enterprise will also benefit from this research. The reason both existing and new entrant managers benefit from this research includes all managerial functions such as planning, organizing, staffing` and etc are made by decision and the quality of the decision depends on the decision-making process and the decision-making style manager follows.

Moreover, the research will have relevance for those governmental and non-governmental bodies who are working in support of SME and young leaders/ decision-makers/ development. They will benefit from this research because the research gives a tool to show the personal decision-making preference inventory questionnaire. By making pilot research using the instrument used in this research, they can easily understand the decision-making style of each trainee or practitioner. Once they find the style they can work on the weak points so that the trainee/ practitioner becomes a better decision-maker

1.6. Delimitation/ Scope of the Study

The temporal, methodological, and geographical scope of this research work includes the following

First; only enterprises that are accredited since 2015 by the Addis Ababa city government have been taken as the population of this study even though there are enterprises accredited before 2015.

Second; the research covers only 98 effective enterprises in the 10 sub-cities of Addis Ababa city; it does not cover all the successful enterprises in the city and other parts of the country. This weakens generalizing the result obtained in the researcher

Third; the result would be better if the general decision-making inventory questioner were prepared for specific organizational effectiveness measuring parameters considering a specific model instead of using it as it is. Moreover; instead of using the secondary data obtained from the government office, it would be better if research were conducted by the researcher to assure the effectiveness of the enterprises considering some performance indicator parameters by using the most widely model followed by Small and Medium Enterprises (goal model).

1.7. Organization of the Study

This research work is organized into five chapters. The first chapter covers the introduction part of the research that includes the background of the study, the problem statement, the research questions, objective, significance, scope, and limitation of the research. The second chapter covers the literature review part both the theoretical concepts and empirical studies relevant to the research topic. The third chapter presents the research design and methodology part. The fourth chapter covers data presentation, discussion, and interpretation. The fifth chapter covers a summary of the research findings, conclusion, and recommendation of the study.

1.8. Limitations of the study

The points that are considered as the limitation of this research work includes failure to make the inferential statistical analysis such as correlation and regression to make analyze the relationship between the independent and dependent variable.

1.9. Definition of Terms

Some of the important terms and concepts used in this research work are defined in the following way

Problem According to the definition given by Merriam Webster dictionary problem is a situation that will harm the current and future business activities of an enterprise. Some of these situations are deviation from past experience, a deviation from a set plan, other people's

problems or decisions, the performance of competitors. In many cases, a problem may be an opportunity in disguise (<https:// Merriam-Webster dictionary/definition/problem>) Accessed on 10 June2021). In this study the definition given by the dictionary is applied.

Small and Medium Manufacturing Enterprises (SMMEs)

“The Federal Small and Medium Manufacturing Industry Development Agency Establishment Council of Ministers Regulation” Regulation No. 373/2016) defines manufacturing as a mechanical, physical, or chemical conversion of a raw material, substance, or component by using machine, equipment or labor into products that worth better value. The same regulation defined small manufacturing industries and medium manufacturing industries as follows."Small manufacturing industry" means an industry having a total capital, excluding building, from Birr 100,001 to Birr 1,500,000 (One Hundred Thousand One Birr to One Million Five Hundred Thousand Birr) in the manufacturing sector and engages from 6 to 30 workers including the owner, his family members and other employees” and “Medium manufacturing industry" means an industry having a total capital, excluding building. from Birr 1,500,001 to Birr 20,000,000 (One Million Five Hundred Thousand One Birr to Twenty Million Birr) in the manufacturing sector and engages from 31 to 100 workers including the owner, his family members and other employees

CHAPTER TWO

LITERATURE REVIEW

This chapter deals with the theoretical concepts and empirical studies related to leadership decision-making and organizational effectiveness covered by previous works. Moreover, the conceptual framework of the study is also presented in this chapter.

2.1. Theoretical Concepts

The theoretical concepts that are relevant to the research topic including decision-making and organizational effectiveness presented by different authors and researchers in relation to organizations, Small and Medium Enterprises (SMEs), and the Addis Ababa City Small and Medium Manufacturing Enterprises are presented in this section.

2.1.1. Concept of Decision-making

Decisions are made by individuals and organizations on a daily basis that range in importance from routine to life-changing despite the difference among humans lifestyles and the type and size of organizations. Merriam Webster dictionary defines decision as to the act or process of [deciding](#); and a determination arrived at after consideration. Decision-making may be described as the process of selecting a course of action from several alternatives so that desired result may be accomplished.

Ata et al (2015) define decision making as a systematic approach that consists of some steps including appreciating of problem, gathering information and data, analyzing data and information, developing alternatives, evaluating these alternatives, and finally choosing an appropriate alternative. Ata et al (2015) further explain this systematic approach is dissimilar depending on three tips: managerial level, the importance of the decision, and decision-making styles. The decision-making style explains how the managers use the information and how they conceptualize and envision the future of their organizations. Standard theories of choice view decision making as an intentional, consequential action based on four things

- I. Knowledge of alternatives.: -Decision-makers have a set of alternatives for actions

- II. Knowledge of consequences. :- Decision-makers know the consequences of the alternatives actions at least up to a probability distribution,
- III. A consistent preference ordering. Decision-makers have consistent values by which the alternative consequences of actions can be compared in terms of their subjective Value
- IV. A decision rule. Decision-makers have rules by which they select a single alternative of action on the basis of its consequences for the preferences

2.1.2. Concept of Organizational Decision making process

In business, whether the enterprise is big or small, changes in condition occur, shifts in personnel take place, and unforeseen contingencies arise. To attain the objectives of the business by overcoming the effects of the above mentioned and other problems decisions are always made in organizations. Decisions made in organization can be categorized as programmed /non programmed, major/ minor, routine and strategic decision, policy /operating decision, long term departmental or non economic decisions, individual and group decisions considering the different parameters including the cause and effect.

Daft (2013) defines organizational decision making as the process of identifying and solving problems by looking at the two stages of decision making: problem identification and problem solution. In the problem identification stage, information about the external and internal environmental conditions are monitored to determine if the organizational performance is satisfactory and to diagnose the cause of any shortcomings. The problem solution stage occurs when alternative courses of action are considered, and the best alternative is selected and implemented

Decision making process is a basic activity in organizations; every aspect of management functions, such as planning, organizing, and control is determined by decisions, the result of which is the performance in the organization. Managerial activities involves a serious of decision such as what should be done, when shall be done, how shall be done, who shall be doing it by properly understanding the why aspect of an event or situation.

Decision-making process involves the existence of a decision problem which have be understood by the decision-maker and accurately defined to find opportunities to solve it. Making great decisions is a key leadership responsibility; managers in all organizational

levels make decisions to achieve firm's objectives and to survive an organization. Companies outshine or decline based on a variety of decisions that have been made by their managers and employees over time, such as: which strategies to pursue, which employees to hire/fire/promote, and how to solve the daily barrage of problems managers and employees alike must deal with. In any organization, decision making is made under the influence of internal and external factors that directly or indirectly influence the decision.

For this reason the decisions made within an organization is taken as a reflection of the way it operates (Mark et al, 2014). Autocratic, participatory, democratic, and a consensus-based decision-making style are recognized as the four managerial decision making style by many authors. Erik V. (2021) stated that choice of a single style among those four styles is driven by two dimensions. The First, the urgency of making the decision which ranges from low urgency where you've got plenty of time to make the call, to high urgency where you need a decision right now. The second dimension is considerations of the size or impact of the decision, from small decisions that won't have a large impact, to big decisions that are going to have a huge impact.

Autocratic Decision-Making

For situations where you have low impact and they're reasonably small decisions, but they get larger as urgency goes up, an Autocratic decision-making style is the most appropriate. In Autocratic decision-making, decisions are made at the top. Buy-in is not seen as an important aspect of making this decision. And actually, it may be counterproductive to involve a lot of people in making the call. Typically, in an environment where you're making Autocratic decisions, work activities and roles are very tightly structured, they're monitored and well controlled. Command and control is very important in these situations

Participatory Decision-Making

For larger decisions where there's higher urgency and you need to make a call soon, but the impact is going to be big, you're looking at a situation where you need to use a Participatory decision-making style. This is where you're going to make a decision with input from the people who are going to be impacted in that final call. Remember, Participatory decisions are made when the decision is much bigger and there's a lot more risk involved. Getting additional information from more people is going to reduce that decision making risk. Also

by getting that buy-in, you're reducing execution risk because people have had an opportunity to give their input and have a say in the final call that's made.

Consensus-Based Decision-Making

For situations where it's a large decision but there's no urgency around it and you've got plenty of time, you can be using a Consensus-based decision-making style. This happens when decisions are reached with a cross-functional team. People from different departments have input, and buy-in is essential. You should reserve this style of decision-making for the biggest decisions you're trying to make. However, recognize this can take a lot of time. You have to get everybody saying "yes" before that decision is made. You're going to have individuals from multiple groups, multiple functions, all working together, coming up with that final perspective for the final decision.

Democratic Decision-Making styles

For mid-sized decisions where there's not a lot of urgency but you do need to make a decision and move on, a Democratic style is the most appropriate. This is where a decision is reached by a majority vote. Buy-in is desirable but it's not essential. These are the decisions we just have to make and move on with life. Individuals are going to interact in this style. You may have a committee where people are going to come together, form an opinion, but ultimately we set a deadline, we vote and we move on.

2.1.3. Organizational Decision making approaches

There are several approaches to decision-making which offer insight into the process by which managers arrive at their decisions. Deepti V. (2021) mentioned four decision making approaches as follows.

The Rational Approach

Rational decision-making approach is a systematic, step-by-step process for making decisions. It assumes that the organization is economically based and managed by decision-makers who are absolutely objective and have complete information. The steps incorporated in the rational decision making approach includes state the situational goal: identify the problem, determining decision type, generate alternatives, evaluate alternatives, choose alternative, and implement the plan and control. Each step requires unique attention.

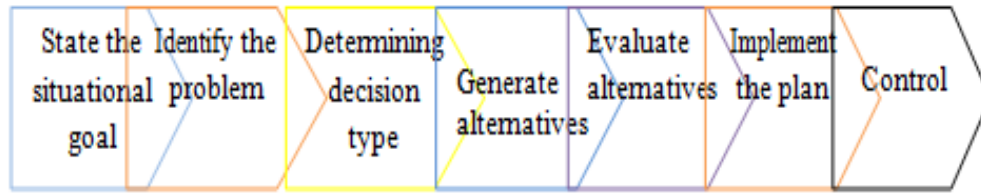


Figure 1: seven steps in rational decision making approach

The rational decision making approach forces the decision-maker to consider a decision in a logical, sequential manner and an in-depth analysis of alternatives helps him to choose on the basis of information rather than personal prejudices, emotions or social pressure. Inability of the manager getting always perfect information and constraint of time and finance by the manager will limit the ability to process information and may not be able to predict future accurately. Also, all the alternatives cannot be quantified making comparisons difficult.

The Behavioral Approach

This approach assumes that decision-makers operate with bounded rationality rather than with the perfect rationality assumed by the rational approach. Bounded rationality is the idea that decision makers cannot deal with information about all the aspects and alternatives pertaining to a problem and therefore choose to tackle some meaningful subset of it.

This process is neither exhaustive nor completely rational and therefore, solutions arrived at are not entirely ideal. Decision-makers operating with bounded rationality limit the inputs to the decision-making process, focus their attention on two or three most favorable alternatives (especially if there is a time constraint), process these in great detail and base their decisions on judgment and personal biases as well as logic.

The Practical Approach:

This approach combines the steps of the rational approach with the worthwhile features and conditions in the behavioral approach to create a more realistic process for making decisions in institutions. According to this approach, rather than generating all alternatives, the decision-maker should try to go beyond rules of thumb and satisfying limitations and generate as many alternatives as possible within the given time, money and other Practicalities of the situation.

Here, the rational approach provides an analytical framework for making decisions while the behavioral approach provides a moderating influence. Those managers who have a tendency of jumping from one decision to another, making decisions hastily and impulsively and barking out orders to subordinates usually do not use much information or a rational approach to decision-making.

The Personal Approach

The preceding three approaches explicitly explain the processes involved into decision-making. However, they do not throw light on how people take decisions when they are nervous, anxious, worried or agitated-whether in organizations or in personal matters. The personal approach to decision-making deals with the personal conflicts that people experience in particularly difficult decision situations.

2.1.4. The Manager Decision making styles

The importance of making wise decisions consistently throughout the entire organization has become a critical task for organizational leaders. Yet despite the significance of this issue for leaders, there are relatively few comprehensive decision-making models that can be utilized at all levels of an organization to aid in the quality of decisions being made. Focusing on the individual differences in decision-making behavior Scott, G. et al (1995) identified five decisions making styles that includes rational, intuitive, dependent, avoidant, and spontaneous. Concisely each style can be understood as follows

- Rational: logical and structured approaches to decision making;
- Intuitive: reliance upon hunches, feelings and impressions;
- Dependent: reliance upon the direction and support of others;
- Avoidant: postponing or avoiding making decisions;
- Spontaneous: impulsive and prone to making “snap” or “spur of the moment” decisions

2.1.5. Concept of Organizational Effectiveness

According to Merriam-Webster, effectiveness is ‘the power to produce the desired result’. Organizational effectiveness is defined as the extent to which an organization achieves its predetermined objectives with the given amount of resources and means without placing

undue strain on its members. The effectiveness of an organization depends on its mission and goals, internal efficiency, strategic positioning, and many more factors. Literature survey on organizational effectiveness reveals that there are many approaches to measure organizational effectiveness.

2.1.6. Organizational Effectiveness (OE) Models

Nwanzu et al. (2018) stated goal attainment, system resource model, internal process model, and stakeholder models as the four renowned models. However; models including the competing values model, strategic constituency model, and abundance model are also mentioned as the organizational effectiveness measurement models. These models have different essences. Summary of the OE models and essence of the models is presented in the table below

Table 1: Essence of Organizational Effectiveness Models

	Model	What the model means
1	Goal	Accomplishing organization
2	Internal process	Accomplishing high-quality internal processes
3	Resource based	Obtaining resources needed for high performance
4	Stakeholder	Satisfying stakeholders of the organization
5	Competing values	The presence of simultaneous opposites
6	Abundance	Flourishing and virtuousness
7	Strategic constituency	Satisfying strategic constituencies that hold sway over the organization

(Source: A Practitioner’s Guide to Organizational Effectiveness | AIHR Digital (digitalhrtech.com)

Organizations use models to measure their effectiveness. However; measuring organizational effectiveness is not a matter of either/or rather, it is about taking multiple perspectives and seeing if the organization is reaching the goals it set out to make, as well as its full potential. Every organization utilizing one or more of the models has to set a performance measuring variable (commonly known as performance indicators). Some of the common performance parameters considered by many organizations and addressed by different researchers are compiled by Erik V. (2021) are shown the table below.

Table 2: Commonly used Performance measuring parameters of OE models

	Organizational Effectiveness	Common Performance measuring parameter	Source
1	Goal model	Profit , product or service quality and quantity, financial goals, shareholder value, societal impact, innovation	Schermerhorn, Hunt, R. N. Osborn, & R. Osborn, 2004) and self study http://stakeholdertheory.org/ accessed on date 8/21/2021
2	Internal process model	Healthiest and efficient of the internal processes and procedures	
3	Resource based Model	the ability to obtain necessary resources from the environments outside the	
4	Stakeholder model	create value for all stakeholders, not just shareholders: satisfying stakeholders of the organization	
5	Competing values model	Achievement of a competitive advantage by exploiting resources those are valuable, rare, and hard to imitate or copy.	
6	Abundance	flourishing and virtuousness	
7	Strategic constituency model	Minimal satisfaction of all of the strategic constituencies (people) of the organization	

The Federal Small and Medium Manufacturing Industries Promotion Agency of the Ethiopian government uses eight criteria for measuring the effectiveness of an enterprises and promoting the industries to the next level. These criteria are number of job positions they created ,total Asset, Profitability ,market share , Annual sales amount , number of product advertisement channels , frequency of exhibition and bazaar participation , productivity and production capacity , establishment of quality control means , nature of product they produced , import substitution and export oriented production , utilization of government support , technology utilization and organization leadership and structure ('Zekire' Manufacturing , 2021). The Addis Ababa City Administration Job creation and Enterprises Development Bureau use the number of employees in the enterprises (which is an considered as an indication for the number of job position created by the enterprise) and total asset accumulated by the enterprise to measure the effectiveness of enterprises (bureau report, 2021)

The Federal Small and Medium Manufacturing Industries Promotion Agency of the Ethiopian government uses eight criteria for measuring the effectiveness of enterprises and promoting the industries to the next level. These criteria are number of job positions they

created, total Asset, profitability, market share, Annual sales amount, number of product advertisement channels, frequency of exhibition and bazaar participation, productivity and production capacity, the establishment of quality control means, nature of the product they produced, import substitution and export-oriented production, utilization of government support, technology utilization and organization leadership and structure ('Zekire Manufacturing, 2013). The Addis Ababa City Administration Job creation and Enterprises Development Bureau use the number of employees in the enterprises (which is a considered as an indication for the number of job position created by the enterprise) and total asset accumulated by the enterprise to measure the effectiveness of enterprises (**bureau unpublished report, 2021**)

2.2. Empirical study

Decision-making is basic activity in organizations. The success of any organization largely depends on the quality of the decisions made by its leaders (Eberlin, R.J. et al, 2008), (Robbins et al., 2009). Stephen (1996) states that success in the innovative programs and learning competencies of an organization depends on the styles of decision-making processes.

Though decision making is a systematic approach and consists of seven steps, namely: appreciating of problem, gathering of information and data, analyzing of data and information, developing of alternatives, evaluating of these alternatives, and finally choosing of appropriate alternative, Ata, E. et al. (2015) stated that this systematic approach is dissimilar depending on the three tips: managerial level, the importance of the decision, and decision making styles.

The decision-making style followed by a manager depends on the differences amongst managers' values, attitudes, education, organization, managerial level. The difference in decision-making style amongst managers is also arisen because of the difference in experience, analytical ability, informing perception and processing of information, the scope of consultation, degree of freedom of choice, availability of resources, and trust and rapport between the managers and the managed (Ehrgott, 2011). Identifying the possible options, identifying the possible consequences that follow from each option, evaluating the desirability of each consequence, assessing the likelihood of each consequence, and making a choice using a decision rule are considered vital skills to make efficient and effective decisions making (Gilboa, 2011).

2.2.1. Decision making in SMEs

Decision-making is a basic activity in any organization and managers at all organizational levels make decisions to achieve the firm's goals and to survive the organization. In any organization, decision-making is made under the influence of internal and external factors that directly or indirectly influence the decision.

The conceptual model of SME performance that recognized the dynamic relationship between the firm and its operating and entrepreneurial characteristics developed by Keats, B.W. et al. (1988) states that the performance outcomes of SMEs are a function of many variables, including owner characteristics, owner behavior, and entrepreneurial influences. Brunetto, Y. et al. (2007) claimed that the decision-making process in SMEs was found to be culturally dependent and every decision-maker follows his own decision-making process.

2.3. Conceptual Frame Work

To achieve the research objective, factors that enable the researcher answer the research questions were selected and organized from the literature reviews. These factors are categorized as the dependent and independent variables of the study. The independent variable is the decision making styles. The dependent variable is organizational effectiveness. The effectiveness of any organization is measured by the performance measuring parameter incorporated on the organizational effectiveness model it utilizes (Erik, V.V. (2021). As presented in the literature review, the performance parameters of the Addis Ababa city SMEs are capital accumulation and number of workers in the enterprise (bureau report, 2021).

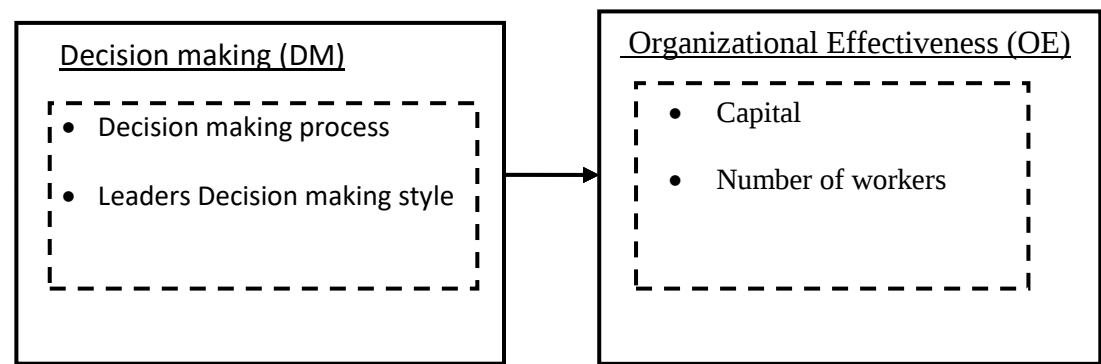


Figure 2: Conceptual Framework

As mentioned in the literature review, the success of organization depends on the quality of the decision made by its manager and employees under the influence of internal and external environmental factors (). Though Decision making is one of the most primary responsibilities of the management in all organizations it varies on the bases of individual's differences since every person has different thinking and information processing style that makes a difference among their decision making styles (Hafizam S. I. et al., 2020) for this reason decision making style is considered as one of the factors that determines the decision quality in this study. James W. D. et al. (2017) stated that decision-making processes are related to decision success. Quite often, the decision making process is fairly specific to the decision being made. Some choices are simple and seem straight forward, while others are complex and require a multi-step approach to making the decisions (Dietrich M, 2010) as stated by Dietrich for a sound and comprehensive decision making, leaders should understand that all rational decision making processes requires a great deal of time and a valid sharing or knowledge of information. For this reason decision making process is considered as the second factor that determines the quality and effectiveness of the decision made by the Addis Ababa city SMMEs managers.

The relevancy of the conceptual framework for answering the research question can be expressed with the following manner. By taking the two performance measuring parameters of capital and number of workers in the enterprise as the means for checking the effectiveness of the enterprises and taking the result obtained, we can explore the decision making styles and processes followed by the effective enterprises managers. Hence, finding answer for the research questions become easy.

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CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter deals with the research design, questionnaire design data collection procedure, population of the study, sampling and sampling technique, data processing, and analysis that were used in the research

3.1. Description of the Study Area

The study was conducted in Small and Medium Manufacturing Enterprises (SMMEs) operating at the Federal Democratic Republic of Ethiopia capital city Addis Ababa. These SMMEs are doing business in different subsectors of the manufacturing sector. Based on the data obtained from the Federal Small and Medium Manufacturing Industries Promotion Authority, a total of 4, 416 small and medium manufacturing enterprises are doing business in Addis Ababa in different subsectors.

Table 3: number of enterprises operating in Subsectors

	Subsector	Number of Enterprises
1	Leather and leather products	107
2	Agro processing	1465
3	Metal and wood	1498
4	Handicraft, jeweler, mining	9
5	Chemical and chemical products	381
6	Construction inputs manufacturing	509
7	Textile and garment	461
8	Others	35

(Source: ‘ Zekire’ manufacturing Bulletin, 2020)

The Addis Ababa City Job creation and Enterprise Development office made a follow up gave support for these enterprises with the intention of achieving the government goals set for the manufacturing sector through the realization of effective SMEs. Giving accreditation on a yearly basis for a successful enterprise that fulfills the parameters set by the bureau is one of the major activities made by the bureau. With this trend, the bureau has made a 10/ten/ round accreditation program since 2008. Those enterprises that got accreditation from the bureau at different years are the focus areas of this research work.

3.2. The Research Approach

The study employs both quantitative and qualitative research approaches to capture data for the purpose of deep analysis and understanding of decision making on organizational effectiveness in some of the effective small and medium manufacturing enterprises of Addis Ababa city. The quantitative approach is used to collect data on the personal decision-making styles of the managers using the five points Likert scale questionnaire. The qualitative approach is used to get data on the effectiveness of the enterprises and managers' perceptions towards the problems they faced.

3.3. Research Design

The study employs both descriptive and explanatory type research designs. Descriptive type design is used to collect and analyze demographic data of both the manager and the enterprises. Moreover, it is used to collect data and make analyses on the decision-making styles of the enterprise's managers. The explanatory type design is used to collect data on the enterprises' effectiveness, the decision-making process followed by the managers, and the type of managerial decision made

3.4. Data Source

In this research work, both primary and secondary data are used. The primary data is collected from the enterprise managers using the help of three sets of questionnaires; general decision-making style inventory questionnaires developed by Scott and Bruce (Scott, G et al. 1995), A literature-based self-prepared questionnaire, and demographic data collection questionnaire. The secondary data is collected from the Addis Ababa City Job creation and Enterprises Development bureau. The secondary data incorporates the list and other relevant data of accredited SMMEs in 2017, 2018, 2019, and 2020.

3.5. Population of the study

Out of the 4,416 /four thousand four hundred and sixteen / small and medium manufacturing enterprises available in Addis Ababa city, 175 enterprises got accredited for their effectiveness since 2017 by the Addis Ababa city government (Bureau report, 2020). These manufacturing enterprises are doing business in different sub-sector are located in the ten sub-cities of Addis Ababa. These enterprises are taken as the population for this research work.

Table 4: Population of the study

Sub city	Metal works	Woodwork	Engineering	Construction materials	Textile and Garment	Leather Leather Products	Chemical	Food manufacturing	others	Sum
Addis Ketema	2	1	0	0	0	0	0	1	1	5
Akaki	6	11	3	0	0	0	1	0	3	24
Arada	0	6	0	0	2	0	0	2	2	12
Bole	7	3	0	1	2	0	0	1	3	17
Gullele	3	8	0	0	2	0	0	4	0	17
Kirkos	3	0	1	2	3	1	0	2	0	12
Kolfe keranio	0	26	0	4	4	2	3	0	1	40
Lideta	0	2	0	0	2	1	0	1	3	9
Nefas silk	7	11	0	0	9	0	0	1	3	31
Yeka	0	4	0	0	2	0	0	0	2	8
sum	28	72	4	7	26	4	4	12	18	175

Source (own survey)

3.6. Sampling Technique

In this study, a stratified random sampling technique is used to select the appropriate samples. The reason why this technique is selected includes while looking at the population across sub-city and subsector they are heterogeneous and where we look within them they are homogeneous. Considering this in this study, sub-cities and subsectors are used to create two different stratum and select samples randomly from each stratum.

3.7. Sample and sample size

In this study out of the 175 enterprises considered as the population of the study, 122 enterprises are selected as a sample based on Taro (1967) simplified proportional sample size determination formula with an assumption of a 95% confidence and a 0.5 level of precision or sampling error ($p=0.5$) shown below.

Equation 1: Proportional sample size calculating formula

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

Where n is the sample size, N is the population size, and e is the level of precision. Applying this formula to our population ($N=175$) and the assumptions set, $e=.05$), the total sample becomes 122.

Using the selected sampling technique; stratified sampling having the two strata sub-city and subsector, and the proportionate sample size determination formula is shown above, the sample size for each stratum is determined and joined to get the distribution of the samples. The result is shown in the table below.

Table 5: sample size and Sample distribution

Subsector Subcity	Metal works	Woodwork	Engineering	Construction materials	Textile and Garment	Leather & leather	Chemical	Food processing	others	sum
A/ Ketema	1	0	0	0	0	0	0	1	1	3
Akaki	6	5	2	0	0	0	1	0	3	17
Arada	0	2	0	0	2	0	0	2	2	8
Bole	3	3	0	1	2	0	0	1	2	12
Gullele	2	8	0	0	1	0	0	1	0	12
Kirkos	2	0	1	2	1	1		1	0	8
Kolfe keranio	0	18	0	2	4	1	2	0	1	28
Lideta	0	1	0	0	2	1	0	1	1	6
N/ Lafto	5	11	0	0	4	0	0	1	1	22
Yeka	0	2	0	0	2	0	0	0	2	6
Sum	19	50	3	5	18	3	3	8	13	122
Source: (own survey, 2021)										

3.8. Data Collection Technique

In this study to collect relevant data from the selected samples (primary data sources), and the secondary data sources survey using questionnaires and desk analysis techniques are used.

3.8.1. Primary data

To collect relevant data from the primary data sources three sets of questionnaires are used in this study; a questionnaire used to collect data on the personal decision making styles of the enterprises' managers, a questionnaire to collect demographic data, and a questionnaire used to collect on the manager's perception for the problem they faced based on the strategic classification of SMEs problems. Both the questionnaires were prepared in the English language;

The questionnaire used to collect data on the decision-making styles of managers is the general decision-making style inventory questionnaire developed by Scott, G. et al (1995). The General Decision Making Style questionnaire is prepared with the intention of identifying the degree of the agreeableness of the manager for the five personal decision making styles of decision making that includes rational, intuitive, dependent, avoidant, and spontaneous using a 5–point Likert Scale anchored by strongly agree to strongly disagree. The items that are used to measure the decision-making style of the managers and the sources from which they are obtained are shown in the table below.

Table 6: Items for the five personal decision making styles

Decision making style	No.	Items/ constructs	Source
Rational Decision making	1	I double-check my information sources to be sure I have the right facts before making a decision	(Scott and Bruce,1995)
	2	I make decisions in a logical and systematic way	
	3	I make decisions in a logical and systematic way	
	4	My decision making requires careful thought	
	5	When making a decision, I consider various options in terms of a specific goal	
Intuitive Decision making	1	When making a decision, I rely upon my instincts	Scott and Bruce,1995
	2	When I make decisions, I tend to rely on my intuition	
	3	I generally make decisions that feel right to me	
	4	When I make a decision, it is more important for me to feel the decision is right than to have a rational reason for it	
	5	When I make a decision, I trust my inner feelings and reactions.	

Decision making style	No.	Items/ constructs	Source
Dependent decision style	1	I often need the assistance of other people when making important decisions	Scott and Bruce,1995
	2	I rarely make important decisions without consulting other people	
	3	If I have the support of others, it is easier for me to make important decisions	
	4	I use the advice of other people in making my important decisions.	
	5	I like to have someone to steer me in the right direction when I am faced with important decisions	
Avoidant Decision making	1	I avoid making important decisions until the pressure is on.	Scott and Bruce,1995
	2	I postpone decision making whenever possible	
	3	I often procrastinate when it comes to making important decisions	
	4	I generally make important decisions at the last minute	
	5	I put off making many decisions because thinking about them makes me uneasy.	
Spontaneous Decision making style	1	I generally make snap decisions	Scott and Bruce,1995
	2	I often make decisions on the spur of the moment	
	3	I make quick decisions	
	4	I often make impulsive decisions	
	5	When making decisions , I do what seems natural at the moment	

(Source :((Scott, G. et al. 1995))

The Questionnaire which is used for demographic data collection of the managers is prepared by the researchers by considering the factors that are expected to have an influence on decision making.

3.8.2. Secondary data

For this research, the secondary data is obtained by desk study (document review) after the raw data collection was made by the research from the Addis Ababa city Job creation and Enterprise Development Bureau.

3.8.3. Data Collection method and Procedures

For this study, both the primary and raw data of the secondary raw data collection was made by using face-to-face (in person) data collection made. The researcher contacted the AAJCEDB officials to give him the list of the accredited “effective” enterprises in the last five years and any data that assures the effectiveness of the enterprises. After the raw data is obtained from the bureau data sorting and filtering was made by the researchers and the list and address of the 122 enterprises is identified. After printing 122 questionnaires the researcher makes contact and arrangement with the enterprises and questionnaire distribution was made. The respondents were asked to answer the questions on their own; however for those enterprise managers who lack understanding of the English language oral translation of the questionnaire was made by the researcher. After the respondents completed answering the questionnaire, questionnaire collection was made by the researcher.

3.9. Validity & Reliability of the data collection instrument

In this study, the validity of the instrument for understanding the decision making styles of the enterprise managers is tested contextually and has been obtained valid in different research work that includes health science (Sophia et al, 2015), education management (David et al, 2005), and other areas including adult decision making. Having this information in mind, the researcher builds confidence on the applicability and validity of the instrument for measuring the personal decision making style the enterprises managers. After the data collection was completed, a calculation of Cronbach's alpha was made and the result obtained confirms the reliability (internal consistency) of the instrument used.

Table 7: Chronbach’s Alpha Value of the Items

	Decision making style	Total Questions	Chronbach’s Alpha
1.	Rational	5	0.72
2.	Intuitive	5	0.72
3.	Dependent	5	0.73
4.	Avoidant	5	0.74
5.	Spontaneous	5	0.81

3.10. Data Analysis Methods

In this research, both the primary and secondary data were analyzed using the quantitative descriptive statistical method using the Microsoft Excel (version 2019) data analysis tool. The descriptive statistical method tools, such as percentage, frequencies, mean, and standard

deviation is used to help analysis and interpretation of the collected data by both the questionnaires

3.11. Ethical Consideration

In this study, both secondary and primary data sources were informed about the purpose of the study and the confidentiality of the information they gave both orally and in written formats. Conscious consideration of ethical issues is during data collection that includes seeking consent, avoiding deception, respecting privacy, and protecting the anonymity of all respondents. After the secondary raw data was obtained, each respondent has been given a code name for intentionally hiding the identity of the respondent.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISUSSION

This chapter deals with the data presentation and data analysis (of the primary and secondary data collected. Interpretation and discussion of the analyzed data are also made and presented in this chapter in alignment with the objectives of the research. For this reason, the response rate, the organizational effectiveness, the decision-making style, data on the decision-making process, data are presented

4.1. Response rate

In this research, 122 (one hundred twenty-two) questionnaires were prepared and distributed to the sample enterprises to collect primary data both on the decision-making style, managers' problem perception, and demographic data. The returned questionnaires are presented in the table below

Table 8: Respondents response rate

	<i>Questionnaires Distributed</i>	<i>Questionnaires Returned</i>	<i>Percentage</i>
	122	98	80.3%

Source :(Own survey, 2021)

As shown in the table above, about the response rate, 122 questionnaires were distributed to respondents and 98 were appropriately filled and returned with the rate of 80.3%. Based on this sample size (56 %) the next analysis was carried out since the percentage of the response obtained satisfied the minimum percentages proposed by both Sekaran (2000), Kothari and Gang (2014), and Mugenda & Mugenda, (2003) which are 30%,50%, and 50% respectively.

4.2. Data obtained on the demographic composition of the respondents

A descriptive statistic data analysis method is used to analyze the demographic composition of the respondents. The data obtained on the biographical data of the respondents which has

an impact on the decision of a manager collected by the questionnaire are presented in the table below.

Table 9: demographic data of the respondents

Gender of Respondent			
Description	Frequency	Percent	
Female	27	27.5	
Male	71	72.5	
Total	98	100 %	
Age			
Description	Frequency	percent	Cumm. %
18-25	19	19.39	19.39
26-35	55	56.12	75.51
36-45	22	22.45	97.96
> 45	2	2.04	100.00
Total	98	100%	
previous work experience			
Description	Frequency	Percent	
Have previous work	51	52.04	
No previous experience	47	47.96	
Total	98	100%	
Academic background			
Description	Frequency	percent	Cumm. %
under high school	30	30.61	30.61
High school	24	24.49	55.1
Diploma	28	28.57	83.67
1 st degree and above	16	16.33	100
Total	98	100%	
Legal relation of manager to			
Description	Frequency	Percent	
Sole owner (owner-managers)	37	37.76 %	
Share holder	58	59.18%	
Employed	5	5.10%	
Total	98	100%	

(Source; own survey, 2021)

Interpretation and discussion of the demographic factors data of the enterprise's managers shown in the above table are presented as follows.

4.2.1. Data obtained about the gender of the Respondents

Based on the data obtained from the recovered questionnaire about the gender of the respondents (effective enterprises managers) 71 out the 98 which is 72.5 % of the respondents are male and the rest 27 (which is 27.5%) are females.

This number told us the dominant of the small and medium manufacturing enterprises managers are males in gender. This big difference in the manager's gender across the sample enterprises might be associated with the social (cultural and traditional) influences the society imposes on females.

4.2.2. Data obtained about the Age of the respondents

Based on the data obtained from the recovered questionnaire about the age of the respondents the age of 55 respondents (more than half of the respondents) lies on the age between 26-35; this number covers 56.12% of the population. The age of 19 respondents failed in the age category of 18-25; this number represents 19.39 % of the population. The age of 22 respondents failed on the age category 36-45; this represents the 22.45 % and the age of the remaining 2 respondents failed on the age category greater than 45 years of age; this number represents 2.04%.

These numbers indicate that majority of the enterprises are lead by youth and adults. Considering the 10 rounds of enterprises graduation made by the Addis Ababa city. Considering the piece of information regarding one of the objectives set by the Ethiopian government while starting the micro, small and medium enterprises development project was job creation for youth and considering the fact that enterprise development program has been started by the Addis Ababa city government in 2008 and the legal accepted working age for a person in Ethiopian Context is 18 years; the data obtained about age goes with the expected one

4.2.3. Data obtained about availability of previous work experience

Based on the data obtained from the recovered questionnaire about the availability of previous work experience of the respondents, the data obtained showed that 51 of them which are 52.04 % have previous work experience, and the remaining 47 which is 47.96 %

have no previous work experience. This indicates that regarding previous work experience, the respondents are almost equal in number. However, it is obvious that previous exposure to a certain work/business is expected to give a man positive experience and aid to make a wise and quality decision that leads to enterprise effectiveness. Therefore, this may affect the result of the finding.

4.2.4. Data obtained about the Academic background

According to the data collected the academic background of the 16 effective enterprises managers have an academic background of 1st degree and above. 28 managers have an academic background of diploma, 24 managers have an academic background of high school level and 30 managers have an academic background of under high school level. This number indicates that 54 (55 %) of them have an academic background of below diploma and 83.67 % of them have an academic background of below 1st degree. This tells us for leading an effective SMEs education has little impact. As presented in the literature review, the decision-making activity in SMEs is dependent on the entrepreneurial skills of the managers.

4.2.5. Data obtained on the legal engagement of the manager with the enterprise

Based on the data obtained out of the 98 respondents 37 of them which is 37.76 % of them are the sole owners of the enterprise they managed, 58 of them which is 59% of the total are shareholders for the enterprise and the remaining 3 (3%) are employed, manager. This number told that most enterprises are managed by shareholders. This result is obtained because of the nature of the Small and Medium enterprises' establishment. Most SMEs in Addis Ababa are established by share company modalities with the help of the city government. The 37.76 results told us being the owner-manager of enterprises gives a manager better freedom for making an appropriate decision.

4.3. Data obtained on the effectiveness of the SMMEs

As indicated in the literature review, the effectiveness of the Addis Ababa city Small and Medium Enterprises is measured by the performance indicators of capital accumulation and the number of works they employed. Considering this information the effectiveness of the sample enterprises is assessed by examining the secondary data obtained from

the AAJCEDB. The result obtained showed that the minimum percentage increment registered by the enterprises on the capital is 172.32 % and on manpower is 19 %. The detail of this data is annexed at the end. This data told us that the enterprises are effective in achieving the objectives set by themselves and the AAJCEDB (stakeholder)

4.4. Data obtained on the manager's decision making style

The data obtained from the 25 (twenty-five) decision making styles inventory questionnaires/ items/, that enable identify the dominant decision-making styles (rational decision making, intuitive decision making, dependent decision making, avoidant decision making, and spontaneous decision making) of the enterprises managers is summarized and presented below.

Table 10: Data Obtained on the Decision making style

<i>No</i>	<i>Items</i>	<i>Rating Scales</i>					<i>Mean</i>	<i>St. dev</i>
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>		
1	I double-check my information sources to be sure I have the right facts before making a decision	0	0	69	26	3	3.33	0.5329
2	I make decisions in a logical and systematic way	0	10	59	27	2	3.21	0.6491
3	I make decisions in a logical and systematic way	0	7	47	43	1	3.39	0.6383
4	My decision making requires careful thought	0	7	47	33	11	3.49	0.7922
5	When making a decision, I consider various options in terms of a specific goal	0	5	61	31	1	3.29	0.5766
Mean /Aggregate							3.34	0.6378
6	When making a decision, I rely upon my instincts	0	0	0	47	51	3.598	0.502
7	When I make decisions, I tend to rely on my intuition	0	0	0	47	51	3.598	0.502
8	I generally make decisions that feel right to me	0	0	0	50	48	3.607	0.502
9	When I make a decision, it is more important for me to feel the decision is right than to have a rational reason for it	0	75	0	8	4	2.451	0.598
10	When I make a decision, I trust my inner feelings and reactions.	0	0	0	52	46	3.59	0.502

No	Items	Rating Scales					Mean	St. dev
		1	2	3	4	5		
Overall (aggregate) mean							3.37	0.5212
11	I often need the assistance of other people when making important decisions	0	10	60	22	6	2.607	0.719
12	I rarely make important decisions without consulting other people	0	9	37	32	20	2.926	0.0911
13	If I have the support of others, it is easier for me to make important decisions	1	13	40	31	13	2.754	0.919
14	I use the advice of other people in making my important decisions.	0	14	36	35	13	2.795	0.899
15	I like to have someone to steer me in the right direction when I am faced with important decisions	0	18	41	34	5	2.623	0.819
Overall (aggregate) mean							2.74	0.6894
16	I avoid making important decisions until the pressure is on.	5	36	53	3	1	2.07	0.687
17	I postpone decision making whenever possible	8	28	50	11	1	2.16	0.82
18	I often procrastinate when it comes to making important decisions	9	38	50	1	0	1.96	0.675
19	I generally make important decisions at the last minute	0	34	56	7	1	2.2	0.631
20	I put off making many decisions because thinking about them makes me uneasy.	3	30	42	17	4	2.29	0.912
Overall (aggregate) mean							2.14	0.745
21	I generally make snap decisions	1	6	21	28	12	2.77	0.826
22	I often make decisions on the spur of the moment	0	9	44	26	19	2.86	0.909
23	I make quick decisions	0	4	38	39	17	2.98	0.802
24	I often make impulsive decisions	0	7	46	27	18	2.87	0.873
25	When making decisions , I do what seems natural at the moment	0	1	42	42	13	2.96	0.712
Overall (aggregate) mean							2.89	0.8244

Key: 1 = strongly disagree; 2 = disagree, 3 = neutral; 4 = agree and 5 = strongly agree

Source: Survey Result (2021)

As discussed on the literature review section, the decision making styles of manager among the five styles proposed by Scott and Bruce (1995) is identified by the 25 items. Each decision-making style is constituted by 5 (five) items. The data obtained on item numbers 1-5 represents the data obtained for rational decision-making style, data obtained on the item numbers 6-10 represents data obtained for intuitive decision-making style, data obtained on the item numbers 11-15 represents data obtained for dependent decision-making style, data obtained on the item numbers 16-20 represents data obtained for avoidant decision-making style and data obtained on the item numbers 21-25 represents data obtained for spontaneous decision making. Discussion of these data is made as follows.

4.4.1. Data obtained on rational decision making style

Summary of the descriptive statistics data obtained on the five items (item number 1-5) shown in the above table represents the data obtained on the preference of the enterprise's managers for the rational decision-making style.

Based on the data obtained for the rational decision making construct “I double-check my information sources to be sure I have the right facts before making a decision”; 3 managers feel that they are strongly agreed, and 26 managers agreed and 69 which is 70.41 % of them are neutral for. the mean score obtained for this construct is obtained 3.33. For the construct “I make decisions in a logical and systematic way “2 respondents strongly agreed, 27 agreed and 59 respondents which are 60.2 % neutral agreed, and the remaining 10 disagreed. For the construct “My decision making requires careful thought “, 1 respondent strongly agreed, 43 respondents agreed, 47 of which 47.96 % of the respondent are neutral, and the remaining 7 disagreed. for the item “ When making a decision, I consider various options in terms of a specific goal “ 11 respondents strongly agreed, 33 respondents agreed, 47 which is 47.96 % of the respondents are neutral, and the remaining 7 respondents disagreed. For the Item “I explore all of my options before making a decision.” 1 respondent strongly agreed, 31 respondents agreed, 61 respondents which are 62.4 % are neutral and the remaining 5 respondents disagree.

This data told that most of the managers' perception of the rational decision-making constructs is failed in the "neutral" choice and no one of them strongly disagreed with the items presented. Though 'neutral' middle choice is the dominant choice, 'agree' is also selected by many managers (second level) and strongly agreed on the items is also selected by few managers. Looking at these data told us the tendency of the enterprise's managers towards rational decision making styles is considered more than half. The aggregate mean obtained on these specific styles; 3.34 support this conclusion.

4.4.2. Data obtained on intuitive decision making style

The descriptive statistics data obtained on the five items (item number 6-10) shown in the above table represents the data obtained on the preference of the enterprise's managers for the intuitive decision-making style.

According to data obtained for the intuitive decision-making item "When making a decision, I rely upon my instincts." 51 managers are strongly agreed, and 47 managers agreed. For the construct "When I make decisions, I tend to rely on my intuition" 51 respondents strongly agreed, 47 agreed. For the construct "I generally make decisions that feel right to me", 48 respondents strongly agreed, 50 respondents agreed. For the item "When I make a decision, it is more important for me to feel the decision is right than to have a rational reason for it" 4 respondents strongly agreed, 8 respondents agreed, 75 which is 76.53 % of the respondents are neutral, and the remaining 11 respondents disagreed. For the Item "When I make a decision, I trust my inner feelings and reactions." 46 respondents strongly agreed, 52 respondents agreed.

This data told that most of the enterprise managers have a perception of 'agree' and 'strongly agree' for most of the intuitive decision-making items. However for the constructs "When I make a decision, it is more important for me to feel the decision is right than to have a rational reason for it" 75 respondents have a feeling of disagree. This told us managers preferred to be rational even if they rely on their feeling. The aggregate mean obtained on the intuitive decision making style items; 3.37 told that the tendency of the managers to follow the style is above the mean score.

4.4.3. Data obtained on dependent decision making style

Summary of the descriptive statistics data obtained on the five items (item number 11-15) shown in the above table represents the data obtained on the preference of the enterprise's managers for the dependent decision-making style.

Looking at the data obtained for the dependent decision-making item “ I often need the assistance of other people when making important decisions.” 6 managers are strongly agreed, and 22 managers agreed, 60 managers are neutral and the remaining 10 disagree. For the construct “I rarely make important decisions without consulting other people, 20 respondents strongly agreed, 32 agreed. 37 responders are neutral and the remaining 9 disagreed. For the item “If I have the support of others, it is easier for me to make important decisions.” 13 managers are strongly agreed, and 31 managers agreed, 40 managers are neutral 13 respondents disagree, and the remaining 1 respondent strongly disagree. For the item “I use the advice of other people in making my important decisions” 13 managers are strongly agreed, and 35 managers agreed, 36 managers are neutral disagree and the remaining 14 respondents disagree.

This data told that enterprise managers have a perception of neutral, agree, and strongly agree for most of the items that construct the decision-making style. From this one can understand that managers have a tendency to be supported by other people while making a decision. If they get support, decision-making becomes easy for them. The aggregate mean score obtained for this style (2.74) told us the preference of the managers for the dependent decision-making style is below the mean score (3). This told us managers are trying to make decisions on their own.

4.4.4. Data obtained on avoidant decision making style

The descriptive statistics data obtained on the five items (item number 16-20) shown in the above table represents the data obtained on the preference of the enterprises managers for the Avoidant decision making style.

Looking the table above one can see, for the avoidant decision making construct “ I avoid making important decisions until the pressure is on ” 1 manger strongly agreed, and 3

managers agreed, 53 managers are neutral , 36 managers disagreed and the remaining 5 respondents strongly disagreed. For the item “I postpone decision making whenever possible “, 1 manger strongly agreed, and 11 managers agreed, 50 managers are neutral, 28 managers disagreed and the remaining 8 respondents strongly disagreed. For the item “I often procrastinate when it comes to making important decisions “, 1 manger agreed, 50 managers are neutral, 30 managers disagreed and the remaining 9 respondents strongly disagreed. For the item “I generally make important decisions at the last minute “, 1 manger strongly agreed, and 7 managers agreed, 56 managers are neutral, 34 managers disagreed. For the item “I put off making many decisions because thinking about them makes me uneasy “, 4 manger strongly agreed, and 17 managers agreed, 42 managers are neutral, 30 managers disagreed and the remaining 5 respondents strongly disagreed

This data told that most of the enterprise managers have a feeling of neutral, disagree and strongly disagreed for most of the items that constitute the avoidant decision making style. the aggregate mean score obtained for this decision making style (2.14) told us most managers are not decision avoidant , they make a timely decision by their own.

4.4.5. Data obtained on spontaneous decision making style

The descriptive statistics data obtained on the five items (item number 21-25) shown in the above table represents the data obtained ob the preference of the enterprise's managers for the Spontaneous decision-making style.

Looking at the data obtained for the spontaneous decision-making construct “ I generally make snap decisions ” 12 mangers are strongly agreed, 28 managers agreed, 21 managers are neutral, 6 managers disagreed and the remaining 1 managers strongly disagree. For the item “I often make decisions on the spur of the moment” 19 are strongly agreed, 26 managers agreed, 44 managers are neutral and the remaining 9 disagreed. For the item “I make quick decisions” 17 are strongly agreed, 39 managers agree, 38 managers are neutral and the remaining 4 disagree. For the item “I often make impulsive decisions” 18 are strongly agreed, 27 managers agree, 46 managers are neutral and the remaining 7 disagreed. For the item “When making decisions, I do what seems natural at the moment” 13 strongly agree, 42 managers agree, 42 managers are neutral and the remaining 1 disagree.

This data told that the degree of the agreeableness of the managers for most of the items that construct the spontaneous decision-making styles is failed in the neutral, agree, and strongly agree although some 'disagree' choices have been noticed. The aggregate mean score obtained for this style (2.79) showed that the tendency of the managers for following spontaneous decision-making styles is almost in the middle. Looking at the standard deviation score obtained for this style (0.8244) told that there is a strong dispersion on among the manager's preferences on the items that constitute the style.

4.4.6. Data obtained on the relationship between the decision making styles

To understand the relation of the manager's tendency among the decision-making styles, correlation analysis was made between the results obtained for each decision-making style, and the result obtained is put in the table below.

Table 11: Correlation among the 5 decision making styles

Decision making style	Rational decision making style	Intuitive decision making style	Dependent decision making style	Avoidant decision making style	Spontaneous decision making style
Rational decision making style	1				
Intuitive decision making style	-0.7930	1			
Dependent decision making style	-0.1153	-0.2255	1		
Avoidant decision making style	-0.1765	-0.2943	-0.0560	1	
Spontaneous decision making style	0.0819	0.1202	0.0530	0.0201	1

(Source; own survey)

The data on the table above told us, that the rational decision-making style of the managers is positively correlated with spontaneous decision making (0.0819) and negatively correlated with the other three styles. The intuitive decision-making styles are positively related to spontaneous decision-making (0.1202) and negatively related to the other two styles. The dependent decision-making style is positively related to spontaneous decision making (0.0530) and negatively related with the other avoidant decision-making style(-0.0560), the Avoidant decision-making style is positively related to spontaneous decision making (0.0201)

4.5. Data obtained about the decision making process

Based on the data obtained, the effective enterprise managers used all the five decision-making styles to bring effectiveness to their enterprise. The aggregate mean score obtained for the rational, the intuitive, the dependent, the avoidant, and the spontaneous decision making as mentioned earlier are 3.34, 3.37, 2.74, 2.14, and 2.89 respectively. Considering this mean score the dominant decision-making approach are followed by the managers are the behavioral and rational decision-making approaches. As mentioned in the literature review both the rational and behavioral decision-making approaches use the seven-step decision-making process in which the difference between the approaches arises at exploring all the possible alternatives. The seven-step decision-making process is termed the rational decision-making style.

CHAPTER FIVE

SUMMARY CONCLUSION AND RECOMMENDATIONS

This chapter deals with a summary of the research work ‘Decision making for organizational effectiveness; a case of some small and medium manufacturing enterprises of the Addis Ababa city’ conclusion drawn based on the research data, and recommendation given based on the research conclusion by the researcher.

5.1. Summary

This research “Decision making for Organizational Effectiveness: a case of Some Small and Medium Manufacturing Enterprises of the Addis Ababa city” was conducted with the general objective of examining the decision making related issues addressed by the managers and specific objectives of identifying the decision making process and the personal decision making styles the managers follow in some of the Addis Ababa City effective Small and Medium Manufacturing Enterprises managers. The study was conducted using a questionnaire a population of 175 enterprises was considered and a sample of 122 enterprises was used as a sample. 98 questionnaires were recovered and descriptive statistical analysis was made based on these questionnaires and the secondary data obtained from the AAJCEDB. Primary data collection is conducted using the Scott, G et al. (1995) General Decision making Style Inventory questionnaire. The findings obtained from the analyzed data are presented as follows.

5.2. Finding on organizational effectiveness of the enterprises

The data obtained on the two performance measurement parameters of organizational effectiveness measurement of SMMEs. in Addis Ababa city considered by the city government are capital accumulated by the enterprises and number of workers in the enterprises. Regarding the amount of capital accumulated by each of the 98 sample enterprises, the minimum percentage increase registered is 172.32 % ; which is registered by

an enterprises that has a startup capital of 20,00.00 (twenty thousand) birr and current capital of birr 1,574,007.00 (one million five hundred seventy-four thousand seven). In terms of manpower number, the minimum percentile growth registered by one of the enterprises is 19% having a start-up worker number of 16 and a current number of 19. Having the above pieces of information the research found that the sample enterprises are effective.

5.3. Findings on the decision making style followed by the enterprises manager

The result of the data analysis obtained for the intuitive, rational, spontaneous, and dependent, and avoidant decision-making styles has given an aggregate mean of 3.37, 3.34, 2.89, 2.74, and 2.14 respectively. These numbers told us the effective enterprise managers have a tendency of using all the decision-making styles. However; the value obtained for the intuitive and rational decision-making styles is above the mean score (3) and the values obtained for the other three decision-making styles are below the mean value. The least value of 2.14 is obtained for the avoidant decision-making styles. From this data, one can conclude the following

1. There is no a specific decision making styles followed by All effective managers : managers followed all the decision making styles
2. Intuitive and rational decision making styles are followed by most enterprises managers (since the aggregate score obtained is above the average).
3. Most enterprise managers are not decision avoidant managers(since the minimum score 2.14 is obtained for the avoidant decision making style)

5.4. Finding on the decision making process

The data obtained revealed that the largest aggregate mean value obtained are 3.37 for intuitive and 3.34 for rational decision-making styles. Following rational and intuitive decision-making styles required following rational and behavioral decision-making approaches. From these we can conclude that the enterprise managers are using the rational decision-making process that incorporates seven steps including stating the situational goal;

identifying the problem, determining decision type, generating alternative solutions, evaluating the alternatives, choosing the best alternative, and implementing and controlling.

5.5. Recommendation

Recalling the conclusion drawn about the decision-making styles and the decision-making process of the effective enterprise managers follow based on the data analysis; managers use the five decision-making styles with intuitive and rational styles and rational decision-making process. Having this information the following two recommendations are proposed by the researcher.

First, managers must adapt themselves to use the five decision making styles to the situations they face over time. Since managers are not “all-knowing” persons, following a single type of decision-making style any time is not beneficial to handle all the situations. So managers must make themselves ready to use the five decision-making styles based on the situation they faced. However; to minimize the risk of failure due to uninformed decisions every manager must make himself/herself equipped with sufficient information regarding the business environment he /she is acting.

Second; SMEs managers should follow a rational decision-making process; a seven-step process that runs from goal setting for the decision and decision implementation and control as soon as possible in making decisions. This also requires a manager to make him well informed.

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ANNEX 1- SURVEY QUESTIONNAIRE

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS SCHOOL OF COMMERCE

My name is **Tesfa Mulu**. I am attending a postgraduate Master of Business leadership program at Addis Ababa University School of Commerce. My student identification number is GSE/0169/11. I am conducting a project work entitled «Decision making and Organizational effectiveness: a case study of Small and Medium Manufacturing Enterprises (SMMEs) operating in Addis Ababa in the uncertain business environment ». I request you to participate in the research by filling this questionnaire. Your response to the questionnaires will help me to understand the decision making style employed by the effective organizations (enterprises) during the time 2017-2021. I guarantee you that both the information and the responses you gave me will be kept confidential and used only for this academic project work. .

The questionnaire has two parts. The first part holds questions that will help to collect demographical data about the respondents and the enterprises. The second part, embraces two set of questions; One for collecting data on the perception of respondents about the problem they are facing and the other is the General Decision making Style Questionnaire developed by Scott and Bruce (1995)¹ which will be used for collecting data on the decision making style of the respondents/managers .

The survey questionnaire is expected to take 25 to 30 minutes. I would like to thank you in advance for your key cooperation.

¹ G.Scott and A. Bruce; Decision-Making Style: The Development and Assessment of a New Measure; Educational and Psychological Measurement; Vol. 55, No.5· October 1995 ; 818-831

Part- I: Demographic Data

Instruction: Please underline among the alternatives you feel that it best explains your enterprises and yourself

Personal information of the respondent						
1.	Sex	Female			Male	
2.	Age group (in years)	<18	18<Y<25	25<Y<45	45<Y< 65	<65
3.	Educational Level	2nd degree and above	1st degree	Diploma and/or certificate	High school	1st cycle and under
4.	Your legal engagement with the enterprises	Sole Owner	Share holder		employed	
5.	Do you have a previous work experience			Yes	No	

PART II: Decision making style inventory questionnaire

Instruction: This part of the questionnaire contains 25 General Decision making Style Inventory questions formulated by Scott and Bruce (1995). Remembering the problems your enterprise faced since 2008 E.C and your perception about the problems you gave in part II of this questionnaire you are requested to give your opinion about the decision making way you used in addressing the issues related with the problems. Your opinion is expected to be your degree of agreeableness for the 25 questions in which the degree of agreeableness runs from strongly agree (5) to strongly disagree (1) (a 5-point Likert scale). Please encircle the number that best express your opinion.

Item No	Item	S.D 1	D 2	N 3	A 4	S.A 5
1	I double-check my information sources to be sure I have the right facts before making a decision					
2	When making a decision, I rely upon my instincts.					
3	I often need the assistance of other people when making important decisions					
4	I avoid making important decisions until the pressure is on.					
5	I generally make snap decisions					
6	I make decisions in a logical and systematic way					
7	When I make decisions, I tend to rely on my intuition					

Item No	Item	S.D	D	N	A	S.A
		1	2	3	4	5
8	I rarely make important decisions without consulting other people					
9	I postpone decision making whenever possible					
10	I often make decisions on the spur of the moment					
11	My decision making requires careful thought					
12	I generally make decisions that feel right to me.					
13	If I have the support of others, it is easier for me to make important decisions					
14	I often procrastinate when it comes to making important decisions					
15	I make quick decisions					
16	When making a decision, I consider various options in terms of a specific goal					
17	When I make a decision, it is more important for me to feel the decision is right than to have a rational reason for it					
18	I use the advice of other people in making my important decisions.					
19	I generally make important decisions at the last minute					
20	I often make impulsive decisions					
21	I explore all of my options before making a decision.					
22	When I make a decision, I trust my inner feelings and reactions.					
23	I like to have someone to steer me in the right direction when I am faced with important decisions					
24	I put off making many decisions because thinking about them makes me uneasy.					
25	When making decisions , I do what seems natural at the moment					

ANNEX 2: ENTERPRISE EFFECTIVENESS INDICATOR DATA

	Capital			Man power		
Enterprise	Start up	Current	% Capital Increment	Start up	Current	% increment
1	50,000.00	1,584,669.43	158,900.00	3	31	933
2	5,000.00	1,708,621.61	158,686.10	6	24	300
3	30,000.00	1,551,450.00	99,900.00	5	23	360
4	20,730.00	1,603,227.00	81,256.05	5	32	540
5	500,000.00	1,859,415.00	79,900.00	2	34	1600
6	75,000.00	1,801,541.00	77,500.50	2	21	950
7	1,500.00	1,522,500.00	75,338.60	2	21	950
8	75,000.00	1,505,500.00	55,744.64	3	10	233
9	27,500.00	1,821,851.62	53,732.75	8	12	50
10	10,000.00	1,542,748.96	35,436.62	10	15	50
11	7,320.00	1,911,024.05	34,072.43	3	10	233
12	8,000.00	2,383,626.09	33,900.00	8	21	163

	Capital			Man power		
Enterprise	Start up	Current	% Capital Increment	Start up	Current	% increment
13	30,000.00	1,895,250.00	33,233.33	2	67	3250
14	5,000.00	1,500,000.00	33,092.10	2	20	900
15	30,000.00	1,512,000.00	32,203.78	3	20	567
16	65,000.00	1,800,000.00	31,900.00	4	16	300
17	50,000.00	1,550,000.00	31,900.00	5	26	420
18	14,000.00	1,665,493.70	31,900.00	5	7	40
19	6,500.00	1,600,000.00	31,893.60	1	40	3900
20	5,000.00	1,600,000.00	31,840.00	1	35	3400
21	5,000.00	2,514,998.00	31,401.00	1	26	2500
22	150,000.00	1,517,347.00	31,162.78	2	40	1900
23	15,000.00	1,776,891.50	30,707.00	3	23	667
24	3,000.00	2,610,490.65	30,500.00	3	7	133
25	3,000.00	1,539,160.00	30,442.10	3	7	133

	Capital			Man power		
Enterprise	Start up	Current	% Capital Increment	Start up	Current	% increment
26	600.00	1,614,530.00	30,104.00	6	10	67
27	1,200.00	1,523,242.61	30,075.36	4	6	50
28	1,800.00	1,572,948.00	30,060.00	8	16	100
29	15,000.00	1,510,000.00	29,902.40	5	14	180
30	5,000.00	1,510,200.00	29,902.40	7	13	86
31	50,000.00	1,600,000.00	29,901.00	1	16	1500
32	5,001.00	1,600,000.00	29,900.20	1	4	300
33	5,100.00	1,500,900.00	29,900.00	1	5	400
34	15,000.00	1,800,000.00	29,900.00	3	22	633
35	10,000.00	1,600,000.00	29,900.00	1	13	1200
36	1,000.00	1,500,200.00	29,695.33	1	15	1400
37	35,000.00	1,510,000.00	29,329.41	11	31	182
38	400,000.00	1,600,000.00	26,665.32	2	69	3350

	Capital			Man power		
Enterprise	Start up	Current	% Capital Increment	Start up	Current	% increment
39	15,000.00	1,600,000.00	26,566.67	3	27	800
40	5,000.00	1,500,000.00	26,006.89	3	27	800
41	5,000.00	1,700,000.00	24,900.00	2	23	1050
42	5,000.00	1,810,500.00	22,046.25	2	11	450
43	101,000.00	1,880,571.00	20,546.51	5	19	280
44	5,000.00	1,508,768.00	19,663.00	2	32	1500
45	120,000.00	1,965,000.00	19,337.10	3	40	1233
46	2,000.00	1,627,121.00	19,303.13	2	56	2700
47	15,109.00	1,500,000.00	18,597.80	3	13	333
48	5,001.00	4,352,132.00	17,857.98	30	65	117
49	551,001.00	1,500,000.00	17,060.66	7	17	143
50	10,000.00	1,696,477.00	16,864.77	2	15	650
51	15,000.00	2,445,497.00	16,203.31	15	20	33

	Capital			Man power		
Enterprise	Start up	Current	% Capital Increment	Start up	Current	% increment
52	2,000.00	1,501,000.00	15,406.88	5	7	40
53	1,000.00	1,587,861.00	15,327.49	16	19	19
54	120,000.00	1,437,230.00	14,900.00	38	76	100
55	400,000.00	1,577,737.02	12,608.47	2	39	1850
56	4,000.00	1,772,213.65	12,510.35	7	15	114
57	2,000.00	2,454,043.88	12,278.33	5	16	220
58	5,000.00	1,659,605.11	11,900.00	2	29	1350
59	5,000.00	1,736,001.00	11,796.38	10	23	130
60	3,000.00	1,614,982.49	11,745.94	5	20	300
61	600,000.00	2,048,410.00	11,236.47	3	34	1033
62	50,000.00	2,466,715.00	10,976.49	1	26	2500
63	6,000.00	1,605,919.00	10,942.32	1	26	2500
64	5,000.00	1,575,050.00	10,628.57	1	6	500

	Capital			Man power		
Enterprise	Start up	Current	% Capital Increment	Start up	Current	% increment
65	2,000.00	1,599,100.00	10,566.67	1	27	2600
66	15,000.00	1,656,348.00	9,999.20	1	26	2500
67	3,000.00	2,263,158.00	9,827.86	1	24	2300
68	300,000.00	1,700,000.00	7,770.04	1	16	1500
69	150,000.00	1,578,421.00	7,403.33	1	35	3400
70	20,000.00	1,927,906.00	7,400.00	1	21	2000
71	5,000.00	1,563,139.00	6,959.17	1	10	900
72	30,000.00	2,117,751.33	6,524.91	1	20	1900
73	190,703.00	5,842,997.02	6,300.00	1	23	2200
74	125,000.00	1,562,816.85	4,809.10	1	26	2500
75	6,000.00	3,635,945.17	4,396.10	1	45	4400
76	6,000.00	1,600,000.00	4,214.29	1	27	2600
77	5,000.00	1,776,831.00	4,214.29	1	12	1100

	Capital			Man power		
Enterprise	Start up	Current	% Capital Increment	Start up	Current	% increment
78	50,000.00	1,800,000.00	4,176.13	1	11	1000
79	70,000.00	3,436,369.00	4,150.00	1	39	3800
80	683.00	1,700,000.00	3,750.66	1	50	4900
81	5,000.00	1,500,010.00	3,500.00	1	25	2400
82	5,100.00	1,700,000.00	3,466.00	1	7	600
83	20,000.00	1,500,000.00	1,919.94	1	7	600
84	5,000.00	1,500,120.00	1,761.95	1	6	500
85	14,000.00	1,502,000.00	1,566.76	1	9	800
86	10,000.00	1,500,110.00	1,537.50	1	15	1400
87	1,000.00	1,590,000.00	1,097.69	1	25	2400
88	60,000.00	1,500,900.00	952.28	1	22	2100
89	100,000.00	1,550,000.00	911.56	1	12	1100
90	5,000.00	1,600,000.00	656.44	1	15	1400

	Capital			Man power		
Enterprise	Start up	Current	% Capital Increment	Start up	Current	% increment
91	5,000.00	1,615,188.88	466.67	1	11	1000
92	456,323.00	2,036,229.00	346.23	1	42	4100
93	10,000.00	1,550,688.00	300.00	1	42	4100
94	15,000.00	1,560,000.00	294.43	1	13	1200
95	5,000.00	1,500,000.00	271.88	1	12	1100
96	4,000.00	1,584,687.02	245.94	1	30	2900
97	100,000.00	2,636,394.00	241.40	1	25	2400
98	20,000.00	1,574,007.00	172.23	25	42	68

ANNEX 3- LIST OF SAMPLE ENTERPRISES

.No	Subsector	Subcity	Proportionate sample size	RESPONDENT ID
1	Metal	Addis ketema	1	ADDMet1
2	Metal	Akaki	6	AKA Met1
3	Metal	Akaki		AKAMet2
4	Metal	Akaki		AKAMet3
5	Metal	Akaki		AKAMet4
6	Metal	Akaki		AKAMet5
7	Metal	Akaki		AKAMet6
8	Metal	Bole	3	BOLMet1
9	Metal	Bole		BOLMet2
10	Metal	Bole		BOLMet3
11	Metal	Gulele	2	GULMet1
12	Metal	Gulele		GULMet2
13	Metal	Kirkos	2	KIRMet1
14	Metal	Kirkos		KIRMet2
15	Metal	Nefas silk lafto	5	NEFMet1
16	Metal	Nefas silk lafto		NEFMet2
17	Metal	Nefas silk lafto		NEFMet3
18	Metal	Nefas silk lafto		NEFMet4
19	Metal	Nefas silk lafto		NEFMet5
20	Woodwork	Akaki	5	AKAWoo1
21	Woodwork	Akaki		AKAWoo2
22	Woodwork	Akaki		AKAWoo3
23	Woodwork	Akaki		AKAWoo4
24	Woodwork	Akaki		AKAWoo5
25	Woodwork	Arada	2	ARAWoo1
26	Woodwork	Arada		ARAWoo2
27	Woodwork	Bole	3	BOLWoo1
28	Woodwork	Bole		BOLWoo2
29	Woodwork	Bole		BOLWoo3

.No	Subsector	Subcity	Proportionate sample size	RESPONDENT ID
30	Woodwork	Gulele	8	GULWoo1
31	Woodwork	Gulele		GULWoo2
32	Woodwork	Gulele		GULWoo3
33	Woodwork	Gulele		GULWoo4
34	Woodwork	Gulele		GULWoo5
35	Woodwork	Gulele		GULWoo6
36	Woodwork	Gulele		GULWoo7
37	Woodwork	Gulele		GULWoo8
38	Woodwork	Kolfe keranio	18	KOLWoo1
39	Woodwork	Kolfe keranio		KOLWoo2
40	Woodwork	Kolfe keranio		KOLWoo3
41	Woodwork	Kolfe keranio		KOLWoo4
42	Woodwork	Kolfe keranio		KOLWoo5
43	Woodwork	Kolfe keranio		KOLWoo6
44	Woodwork	Kolfe keranio		KOLWoo7
45	Woodwork	Kolfe keranio		KOLWoo8
46	Woodwork	Kolfe keranio		KOLWoo9
47	Woodwork	Kolfe keranio		KOLWoo10
48	Woodwork	Kolfe keranio		KOLWoo11
49	Woodwork	Kolfe keranio		KOLWoo12
50	Woodwork	Kolfe keranio		KOLWoo13
51	Woodwork	Kolfe keranio		KOLWoo14
52	Woodwork	Kolfe keranio		KOLWoo15
53	Woodwork	Kolfe keranio		KOLWoo16
54	Woodwork	Kolfe keranio		KOLWoo17
55	Woodwork	Kolfe keranio		KOLWoo18
56	Woodwork	Lideta	1	LIDWoo1
57	Woodwork	Nefas silk lafto	11	NEFWoo1
58	Woodwork	Nefas silk lafto		NEFWoo2
59	Woodwork	Nefas silk lafto		NEFWoo3

.No	Subsector	Subcity	Proportionate sample size	RESPONDENT ID
60	Woodwork	Nefas silk lafto		NEFWoo4
61	Woodwork	Nefas silk lafto		NEFWoo5
62	Woodwork	Nefas silk lafto		NEFWoo6
63	Woodwork	Nefas silk lafto		NEFWoo7
64	Woodwork	Nefas silk lafto		NEFWoo8
65	Woodwork	Nefas silk lafto		NEFWoo9
66	Woodwork	Nefas silk lafto		NEFWoo10
67	Woodwork	Nefas silk lafto		NEFWoo11
68	Woodwork	Yeka	2	YEkWoo1
69	Woodwork	Yeka		YEKWoo2
70	Engineering	Akaki	2	AKAEng1
71	Engineering	Akaki		AKAEng2
72	Engineering	Kirkos	1	KIREng1
73	construction material	Bole	1	BOICon1
74	construction material	Kirkos	2	KRCon1
75	construction material	Kirkos		KRCon2
76	construction material	Kolfe keranio	2	KOLCon1
77	construction material	Kolfe keranio		KOLCon2
78	Textile and Garment	Arada	2	ARATex1
79	Textile and Garment	Arada		ARATex2
80	Textile and Garment	Bole	2	BOLTex1
81	Textile and Garment	Bole		BOLTex2
82	Textile and Garment	Guelle	1	GULTex1
83	Textile and Garment	kirkos	1	KIRTex1
84	Textile and Garment	Kolfe keranio	4	KOLTex1
85	Textile and Garment	Kolfe keranio		KOLTex2
86	Textile and Garment	Kolfe keranio		KOLTex3
87	Textile and Garment	Kolfe keranio		KOLTex4
88	Textile and Garment	Lideta	2	LIDTex1
89	Textile and Garment	Lideta		LIDTex2

.No	Subsector	Subcity	Proportionate sample size	RESPONDENT ID
90	Textile and Garment	Nefas silk lafto	4	NEFTex1
91	Textile and Garment	Nefas silk lafto		NEFTex2
92	Textile and Garment	Nefas silk lafto		NEFTex3
93	Textile and Garment	Nefas silk lafto		NEFTex4
94	Textile and Garment	Yeka	2	YEKTex1
95	Textile and Garment	Yeka		YEKTex2
96	Leather and leather product	Kirkos	1	KIRLea1
97	Leather and leather product	Kole keranio	1	KOLLea2
98	Leather and leather product	Lideta	1	LIDLea3
99	Chemical	Akaki	1	AKAChe1
100	Chemical	Kolfe keranio	2	KOLChe1
101	Chemical	Kolfe keranio		KOLChe2
102	Food manufacturing	Addis ketema	1	ADDFoo1
103	Food manufacturing	Arada	2	ARAFoo1
104	Food manufacturing	Arada		ARAFoo2
105	Food manufacturing	Bole	1	BOLFoo1
106	Food manufacturing	Gullele	1	GULFoo1
107	Food manufacturing	Kirkos	1	KIRFoo1
108	Food manufacturing	Lideta	1	LIDFoo1
109	Food manufacturing	Nefas silk lafto	1	NEFFoo1
110	others	Addis ketema	1	ADDOth1
111	others	Akaki	3	AKAOth1
112	others	Akaki		AKAOth2
113	others	Akaki		AKAOth3
114	others	Arada	2	ARAOth1
115	others	Arada		ARAOth2
116	others	Bole	2	BOLOth1
117	others	Bole		BOLOth2
118	others	Kolfe keranio	1	KOLOth1
119	others	Lideta	1	LIDOTH1

.No	Subsector	Subcity	Proportionate sample size	RESPONDENT ID
120	others	Nefas silk lafto	1	NEFOth1
121	others	Yeka	2	YEKOth1
122	others	Yeka		YEKOth2