

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



**FACTORS AFFECTING DECISION MAKING PRACTICE OF LEADERS
IN ENAT BANK S.C.**

**BY
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Declaration

I, Mesfin Melese, have carried out independently a research work on the topic entitled “Factors Affecting Decision Making Practice of Leaders in Enat Bank S.C” in partial fulfillment the requirement for the Degree of Masters of arts in Business Leadership with the guidance and support of the research advisor Zegeye Muluye (PHD).

This study is my own work that has not been submitted for any degree or Master program in this or any other institutions.

Mesfin Melese

Signature _____

Date _____

Addis Ababa, Ethiopia

Approval/Endorsement

This is to certify that Mesfin Melese has carried out this research work on the topic entitled “Factors Affecting Decision Making Practice of Leaders in Enat Bank S.C” under my supervision.

This work is original in nature and it is sufficient for submission for the partial fulfillment for the award of Degree of Masters of Art in Business Leadership.

Zegeye Muluye (PHD)

Signature _____

Date _____

Certification

This is to Certify that the research prepared by Mesfin Melese, entitled: “Factors Affecting Decision Making Practice of Leaders in Enat Bank S.C” submitted in partial fulfillment of the requirements for the degree of Degree of Master of Arts in Business Leadership complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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ABSTRACT

This research study was conducted to study the factors affecting decision making practice and their effect on organizational performance in the case of Enat Bank. To investigate such effect, the study has used four factors affecting decision making practices namely state of the organization, availability of information, external conditions/ environment and personality & skills of decision makers. In order to address the objectives of the research a questionnaire was designed and distributed to randomly select 100 employees who are involved in decision making practice of Enat Bank S.C, from the total distributed questionnaire ninety two spoke back representing a response rate of 92%. Descriptive statistics and analysis of Variance or ANOVA test has been used to draw the conclusion. To examine the relationship and effect among variables, this study used Pearson correlation and multiple linear regressions. The findings of the study from regression analysis have shown that all the four factors affecting decision making practice namely state of the organization, availability of information, external conditions/ environment and personality & skills of decision makers had a positive and a statistically significant effect on organizational performance as the p-value of each variable is less than 0.05 (p-value<0.05) and positive beta coefficient. Therefore, the study concludes that all basic components of factors affecting decision making practice have impact on organizational performance and the researcher recommends that Enat Bank, has develop and establish different mechanisms to solve problems associated with decision making practices. Furthermore, this study indicates that the needs for more research related to the relationship between factors affecting decision making practice and performance with incorporating additional variables such as attitude about risk & uncertainty and behavior of customers and extend the study to be made on the entire banking industry level.

CHAPTER ONE

INTRODUCTION

This chapter deals about background of the study; Background of the organization; statement of the problem; objectives of the study; significance of the study; scope of the study; limitations of the study; operational definition of key terms, and organization of the study.

1.1. Background of the study

Nowadays, rapid changes such as the emerging of new regional political and economic powers, new technologies, high population growth, significant poverty, etc. are observed across the globe. All these modifications have introduced on the one hand a very dynamic world of increased population, inflation, social consumption and on the different hand restricted scarce resources. In such a complex and speedy changing business environment, managers are faced with a multitude and complicated type of decision-making activities every day. They have to make decisions even if they are not willing to do so. (Pearce & Robinson, 1985). Different kinds of decisions are made in day to day commercial enterprise activities. Some of the decisions are straightforward, such as giving work mission to the employees assigned to a project. Others are complex, such as deciding what venture to do next. Some contain some adjustments and the interplay of quite number factors, such as the threat and price of failure.

Organizations such as banks are the result of their decisions, and they determine opportunities, threats, and internal assets and capabilities that decide their success (Blenko, 2010). Even though, the overall performance of the businesses including banks are depend on quite a number of elements located internally and externally, the decision and its implementation with regards to these factors will distinguish one corporation from many organizations. Organizations with stress and make true decisions reap increased success in chosen markets (Davenport, 2012). However, the unstable business environment, ongoing strain on manager, organizational overall performance and inclusive of capital higher scrutiny by stakeholders, which includes the market, additionally capability that the cost of invalid choices can be very excessive and can lead to the ultimate failure of the

organization (Saaty, 2008). Some recent examples of such screw ups consist of giant agencies like Kodak. As properly as numerous small corporations in the real estate, retail and other industries, where changing and damaging environments combined with ineffective decisions made over time can also motive them to fail (Prenatt et al., 2015).

However, the business environment and associated choices (and decision-making processes) of all groups can also now not be similar. Changes in the company's commercial enterprise environment and market position may additionally create greater possibilities or challenges in the decision-making process, and in some cases, the procedure seems greater controllable, whilst in different cases, the corporation might also discover itself unable to reply efficaciously to enterprise environments (Reynolds, 2006). In addition, selections about decision sorts such as regular/unconventional, unique/general and certain/uncertain can also influence the decision process. Further, the nature of the organization, such as its size, human quality, industrial environment, etc., can additionally impact their decision-making process (Nooraie, 2008). Therefore, the dependence of the organizational choices and their consequence with regards to the overall performance of these decisions may as a consequence additionally differ across companies of one-of-a-kind dimension and may additionally no longer be equal for smaller and large firms (Nooraie, 2012).

Organizational Performance is the accumulated effects of all the organization's work activities. Its multifaceted concept, however managers need to apprehend the factors that make contributions to organizational performance. After all, it's not going that they favor (or intend) to control their way to mediocre performance. They choose their organizations, work units, or work corporations to gain excessive stages of performance. (Stephen & Mary, 2012). Managers to have top organizational performance will make a variety of sensitive decisions. Good organizational performance is completed when problems are solved and given answer immediately. According to Ellen A. Benowitz (2001), managers are constantly called upon to make decisions in order to clear up problems. Decision making and hassle solving are ongoing manner of evaluating situations or problems, considering alternatives, making choices, and following them up with the critical actions. Sometimes the decision-making technique is extraordinarily short, and mental reflection is in truth instantaneous. In other situations, the manner can drag on for weeks or even months. The entire decision-making method is structured upon the right statistics being

available to the proper people at the proper times.

Hence, this study is examined factors affecting decision making practice of Leaders and its effect on organizational overall performance of Enat Bank S.C.

1.2. Background of the Organization

Enat Bank S.C. was once installed on March 05, 2013, as the 16th private financial institution with a subscribed capital of Birr 260 million and a paid-up capital of Birr 120 million. As mentioned on the website, Enat Bank was initiated with the aid of a several team of eleven wonderful Ethiopian ladies with a vision to create a new financial institution that used to be open to everyone, with a special focal point on women.

As mentioned in the bank's annual record of June 30, 2020/2021, the whole paid-up capital of the institution reached Birr 1.54 billion, whole Asset of Birr 14.6 billion, the complete quantity of branches 101, and a whole of 950 employees. The annual reviews of the Bank show that the financial institution has registered profit from the first year of operation and it's discern in profitability has been increasing year on year. The organizational structure of the financial institution shows that the top governing organ, the Board of Directors, has eleven members. The Board of Directors oversees the policies and strategies of the bank, and it is the greater governing body of the bank and handles the corporate governance of the bank and endures the bank's compliance with the regulatory framework of National Bank of Ethiopia. Under the supervision of the board of directors, there is a president with three vice presidents. There are additionally eleven directorates to facilitate the offerings of the bank. According to the banks' respectable website, the Vision of the bank is: "To remain genuine to our name, set a trend in the provision of super and inclusive banking services essentially via skill of focusing on female monetary wishes and taking obtain of the state-of-art-technology, innovation and professional group of employees with the intention of maximizing the cost of our shareholders;" Enat bank drives its banking service with its core values like dedication, approachability, impartiality, integrity, concern of employees, learning organization, teamwork, and professionalism.

Enat Bank is providing full-fledged banking offerings like saving, loan, and develops offerings for tasks and domestic and worldwide change services. Enat Bank works to empower female by using assisting female to make deposits, access credit, and exchange services, and higher manipulate their budget is desirable business. Thus, with these important banking activities, the Bank has been enjoying its role in the countrywide economy.

1.3. Statement of problem

Economic improvement of a country is in most cases supported with the aid of financial institutions that mobilize assets such as deposits & foreign currencies from clients and serve as middleman via lending and allocating it to debtors and different users. Initially, the motive of investors on commercial banking activities is to maximize profit. And the lion share of revenues in financial institution is bought through provision of mortgage to borrowers. Therefore, exercising prudent decision-making practice in mobilization as well as allocation of resources in addition to owner's investment capital is fundamental for economic performance. Immediately after initial funding and institution of banking business, financial institution managements continue their effort to entice clients in a range of ways. Making decision is an incremental, subsequent system which does now not always appear at one factor in time (Gilmore (1998). It is the most hypothesized intervening variable in discussions of executive variety and employer overall performance (Fredrickson & Mitchell, 1984).

As it has been stated above, the vitality of the effect of decision-making practice on organizational performance is now not questionable. In Ethiopia, presently Banking Industry is increasing in number and the competition amongst banks is getting stronger. Hence, the staff and human useful resource structures to produce corporate- stage expertise that create sustainable competitive gain are the key elements of prevailing the competition. Through all these procedures making the right decision is constantly the basic part of the usual performance of the organization. In the actual organizational world, numbers of decisions are made, once in a while primarily based on deep find out about and in some other time except even considering its consequence. A single fault in making choice should

end result a big loss in an organization. So, this area, the relationship between decision making practice and the organizational performance is a vital factor that have to be given due attention. In this regard, groups need to evaluate all handy options for the organization's conceivable dangers and rewards. The decision-making process is additionally complicated by using the have an impact on of quite number factors such as psychology, economics, sociology, movements of government and different management disciplines on this process. Decision-making is additionally driven by way of the assumptions with the aid of people that might also be inner (manager) or external (consultant) is responsible for the organization (Van Riel et al., 2004).

According to the observation of the researcher, because of more than a few factors which affects the decision making activities of the team of top administration of Enat Bank S.C, the overall performance of the financial institution is now not goes as it is anticipated as we compare from the plan of the financial institution as nicely as the performance of the competitors. Besides, there are no many studies on elements that influencing the decision-making exercise of the Bank's leaders in universal and Enat Bank leaders in particular. Therefore, the researcher identified a gap that influences the decision-making practices of leaders in Enat bank S.C. Hence, the motive of this study is to discover and explain factors that affect the decision-making practices of Enat financial institution and how it impacts the performance of the banking industry.

1.4. Research Questions

The study addressed the following key Research Question.:

- What is the existing level of the practice of the Factors (State of the organization, Availability of information, External condition/ Environments and Personality & Skills of Decision makers) affecting Leaders' Decision Making in the case of Enat Bank S.C?
- What is the extent of Leaders' Decision Making Practice in the case of Enat Bank S.C?
- What is the relationship between the Factors and Leaders' Decision Making

Practice in the case of Enat Bank S.C?

- What is the effect of the Factors on the Leaders' Decision Making Practice in the case of Enat Bank S.C?

1.5. Objectives of the Study

1.5.1. Main Objective

The main objective of the study was to examine the effect of the Factors on the Leaders' Decision Making Practice in the case of Enat Bank S.C.

1.5.2. Specific Objective

The Specific objectives of the study were:

- To assess is the existing level of the Factors (State of Organization, Availability of information, External Conditions/Environments and Personality & Skills of Decision Makers) affecting Leaders' Decision Making in the case of Enat Bank S.C.
- To describe the extent of Leaders' Decision Making Practice in the case of Enat Bank S.C.
- To find out the relationship between the Factors and Leaders' Decision Making Practice in the case of Enat Bank S.C.
- To examine the effect of the Factors on the Leaders' Decision Making Practice in the case of Enat Bank S.C.

1.6. Significance of the study

Besides achieving the above-mentioned objectives this study was also expected to generate information, and create appropriate understanding about factors affecting decision making practice of leaders; as a result, concerned bodies should be able to use the information from this research to make improvements if there are any problems with this issue. After this research is undertaken, people who are interested in this area will be able to have an idea about

the effect of decision-making practice on organizational performance. The selected organization will also be able to see itself, to improve its performance and alleviate problems related to the raised issue. Leaders will be able to go through what is happening. The case being a government owned organization, this study will help it to assess the current situation and go through previous practices.

And generally, decision making research is relevant to businesspeople, physicians, politicians, lawyers, private citizens, and many other groups for whom failures to make optimal choices can be extremely costly.

1.7. Scope of the Study

Due to time limit, there were manageability, accessibility difficulty and other constraints; the scope of the study was limited to the administrative staff of head office & the selected branches of Enat Bank S.C which are in Addis Ababa city. This indicates the geographical scope of the study. As of March 31, 2022, the bank had 100 branches all over the country and 1000 employees; but the study will limit only to directors, managers, and senior officers in the bank; and these individuals were the unit of analysis in the study.

The study is focused on the examination of the factors that affects the decision-making practice on the performance of Enat Bank. The research is covered only a single case of a bank as the paper is made as a project work for academic purposes. As per the researcher's knowledge, this research is the first research in the banking sector in the Enat Bank context. Though there are many variables of decision making which affect the performance of one's organization. In this study, however, some factors such as personality, experience, government policies etc. is examined and investigated their effect on the bank's performance.

1.8. Limitation of the Study

Limitations that are confronted in the course of the lookup were accessibility to information, challenge in getting access to the target pattern during working hours due to the busy nature of their operations, incapability to use a large pattern size due to time and resource constraints. Even though, the researcher confronted these barriers a variety of

mechanisms have been used to resolve the limitations: like coming near the employees through deciding on their distinctly free time and the usage of the time and aid accessible correctly and correctly via following up strictly.

This find out about is assignment only by way of taking head office directors, managers, and senior officers and samples from Addis Ababa place solely considering managers at a department level, but further learn about ought to be undertaken through widening and taking extra samples from higher management team of workers of the employer to make the learn about extra complete.

1.9. Organization of the Study

This research project is organized into five chapters. The first chapter contains the background of the study, the background of the business enterprise taken as a case study, the assertion of the problem, research questions, and value of the study, scope, and delimitation of the research. The second chapter dealt with evaluation of associated literature associated to factors affecting decision making exercise in typical in banking zone in particulars and organizational performance. Chapter three affords the lookup methodology including research design; sample design, records series techniques, and records reliability take a look at and statistics analysis. Chapter four dealt with the result and discussion of findings and interpretation. The last chapter includes the summary of findings and conclusions and discussions on research questions and speculation and ahead recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter is targeted on assessment of associated literature in the place of Decision Making to allow readers to better apprehend the subject matter. It highlights the notion of Decision-making issues including elements that affects choice making practice. It also provides the relationship between Decision making and organizational performance. It also offers the review of preceding research associated to Decision Making and organizational performance. Generally, this chapter provides theoretical and empirical opinions and the conceptual framework of the study.

2.2. Theoretical Review

2.2.1. Decision Making

Decision making is the technique of making options via the use of figuring out distinct alternatives, gathering information, and assessing desire resolutions. A preference is an aware desire to behave or to consider in a unique way in a given set of conditions (Duncan, 1973). Decision is described as a 2nd in an ongoing manner of evaluating preferences related to a goal, at which the expectation of decision maker with regard to a unique direction of motion impels him to make a decision (Harrison, 1981). Decision is a event that takes region (Carlisle, 1979), a mindful wish to behave or to assume in a precise way in a different scenario (Duncan, 1973). On the other hand, distinctive researchers' definition is: A choice takes place when answer to a bother is chosen for implementation. Decisions can be made each formally or informally. Formal choices are noticeably complex, non-routine, and commonly non-repetitive. Policies, procedures, criteria, and techniques for making such selections may also additionally no longer constantly exist in view that the trouble faced might also lack precedent. Creativity might additionally play a key characteristic in such decisions. Informal preferences are greater repetitive and events in nature. Policies, procedures, criteria, and techniques regularly exist to help managers in making such decisions.

As per the Oxford Advanced Learner's Dictionary the time duration choice making skill - the technique of figuring out about something important, particularly in a crew of human beings or in an organization. Most of scholars in administration emphasize that preference making is a process. This technique consists of a crew of strategies or steps; begins off developed with a definition of bother or possibility and ends with the achievement of objectives. Trewatha & Newport defines determination making manner as follows: "Decision-making entails the preference of a route of motion from amongst options to attain at a solution for a problem". As evidenced via the foregone definitions, decision making process is a consultative affair completed by way of means of a comity of experts to strain greater functioning of any organization. Since it is an ongoing activity, decision making device performs fundamental significance in the functioning of an organization. Since intellectual minds are worried in the approach of desire making, it requires stable scientific perception coupled with capabilities and journey in addition to intellectual maturity.

Decision making is a cognitive approach that rationally leads to the willpower of a path of movement amongst a variety of reachable alternatives. Rational decision-making talent "making consistent, value-maximizing choices with in unique organizational constraints" (Dumler and Skinner 2007: 38). Decision making is a process of making a preference from a variety of options to gain a desired result (Eisenfuhr, 2011). "It is so necessary to examine that decision-making is in particular a cognitive approach that combines the intellectual gadget of perception, action, and coming to closure on stimuli. Cognitive style, on the other hand, is the patterning or linking of these questioning approaches and coming to closure in the presence of ambiguity and uncertainty (Goodyear, 1987: 9).

Further, choice making method can be considered as a controlling machine that maintains the employer improvement each in upward and horizontal ways. It doable that desire making manner seeks a goal. The dreams are pre-set corporation objectives, business enterprise missions and its vision. To attain these goals, employer can also confront many troubles in managerial, functional, advertising and marketing and advertising and marketing wings and operational domains. Such troubles are sorted out through complete

decision-making process. No choice as a final, seeing that it may additionally evolve new troubles to solve. When one trouble is solved another different one comes,

2.2.2. Types of Decisions

Although a couple of decisions are taken in the enterprise, it is certainly necessary to underline that these choices do not have the identical nature. Indeed, the selections that are regularly made in the organization may additionally be gathered in specific types. At this level, Knudsen's (1995) classification and Vrba and Brevis's (2002) classification will be described. Knudsen (1995) has proposed a big difference between five specific types of management decisions:

Programmed decisions

Programmed selections are one that relates to the matters of activities type and issues that are of repetitive nature. These decisions are taken following the specific well-known process for dealing with all such problems. Programmed selections are essentially taken by means of management at the decrease level. Such choice involves like purchasing uncooked materials and spare parts, granting the go away to an employee, etc. According to the authors, programmed choices are non-significant, repetitive and routine. Simon cited in Harrison (1987) noted that selections are programmed to the extent that a particular technique has been labored out for coping with them. There are normally standard working tactics and particular policies, or actions that can be recognized to help make the decision (Vrba and Brevis, 2002).

Non- Programmed decisions

Non-programmed decisions are meant for dealing with troubles of challenging nature and which can't be solved easily. These choices occur out of troubles that are now not activities or daily occurring. There is no fashionable method for fixing such issues. Non-programmed selections are very critical for a corporation and are taken with the aid of upper-level management. Decisions at a higher stage might also consist of introducing new products in the market, setting up a new branch of business, and many more. There is no hooked up technique for managing them due to the fact the unique situation now not arisen

earlier than (Vrba and Brevis, 2002). Simon cited in, Harrison (1987) indicated that choices are non-programmed to the extent that they are novel, unstructured, and consequential. Decision eventualities regularly involve new or unique problems and the man or woman has little or no programmatic or hobbies process for addressing the hassle or making a decision (Vrba and Brevis, 2002).

Strategic decisions

Strategic selections are key decisions influencing the goals, objectives, and other integral coverage matters of the organization. These selections require applicable analysis and evaluation of distinct choices as they require a funding of funds. Strategic decisions are taken by means of the pinnacle and middle-level management teams. These also have an effect on the events choices taken on a each day groundwork and as a result require utmost care before taking them. According to Hambric and Snow stated in, Harrison (1987:20), largely speaking, strategic decisions are those, which are "important" to the company both via the scope of their influence and/or via their long-term implications.

Tactical/Policy/ decisions

Decisions that are involved with awesome coverage matters and the planning of commercial enterprise are known as policy decisions. These selections have a long-term have an effect on the performance of an organization. These choices are taken by the pinnacle management team. These decisions consist of choices related to the extent of production, the channel of production, place of enterprise plants, etc.

Operational decisions

Operational choices are extra precise choices taken, generally at branch or workshop level, as to how the work must be carried out within the given technical organizational framework. The concrete deployment of labor defined via such measures as the definition of tasks, the assigning of workers to the special tasks, the monitoring of the labor process, the definition of shift-work schedules and the allocation of working hours for character worker are included through operational decisions.

2.2.3. Factors that affect Decision Making Practice

These elements are (1) country of the organization, (2) availability of information, (3) exterior condition/ environment, and (4) persona and talent of decision maker. The first three factors are covered by using organizational factor, which influencing the selection making.

State of the organization

It is related to the shape of the organization. It is the device that outlines how sure activities are directed in order to achieve the purpose of an organization. These activities can encompass rules, roles and duties found inside the organization. State of the enterprise also determines how data flows between ranges inside the organization. For example, in centralized structure, decisions waft from the pinnacle down, whilst in a decentralized structure, choice making electricity disbursed amongst a number of levels of the organization (Will Kenton, 2021).

Availability of information

Information is a simple requirement for choice making. It considerably determines the effectiveness of no longer solely the closing decision however additionally the system of choice making itself. Therefore, selection making from time to time considered as the processing and conversion of records into action (Dinesh Thakur, 2022).

External Conditions/Environments

External conditions are things outside enterprise that will have influence on its inside activities. Their impact can be wonderful or negative. A commercial enterprise cannot manage external factors. All it can do is react to them and make choice to help it continue to be successful. These encompass political, economic, social, rival competitiveness etc.

Personality & Skills of Decision Makers

Personality features play a plenty larger position in selection making. Some humans are by their very nature, indecisive. They discover it pretty problem to make most decisions. These people very loyal to the choice when they do make it (Eamonn Mcguinnes, 2016).

Decision making competencies are the capability to pick out between two or more picks to

reach the satisfactory outcome in the shortest time. It is also related to like competencies of verbal exchange and problem-solving skills.

In summary, all of the factors that have an effect on selection making exercise of leaders in industrial banking industry of Ethiopia in usually occurring Enat Bank S.C in particulars are investigated and this paper tries to take a look at out the consequences of these indispensable elements on the performance of Enat bank.

2.2.4. Organizational Performance

Organizational performance is defined as the actual results or output of an organization as measured against that organization's intended outputs (Tomal and Jones, 2015). As per Faisal, Hermawan, & Arafah, (2018), Performance is generally known as a measure of success in strategic decision making that increases the efficient and effective usage of resources to maintain business continuity.

As explained by Meilak, & Bonnici, (2015) strategists focus on profitability, efficiency, product quality, and technical progress when they measure performance; and they claimed that organizational performance can be affected by several industry factors, including the concentration of competitors in the industry, barriers to enter the market, economies of scale, product differentiation, and diversification.

According to the study made by Aghazadeh, (2015), business performance composed of three main components: customer performance (satisfied and loyal customer), market performance (sales volume and market share) and financial performance (profit, ROI). Therefore, in order to evaluate business performance, market performance and financial performance were employed.

2.3. Empirical Review

Although a lot of lookup has been put into the common location of decision making, it was not until pretty current that pupils devised a way to measure the range of dimensions of decision-making autonomy. Most research targeted on the relationship of a range of other

elements with organizational performance. Bolat and Ylmaz (2009) defined organizational overall performance on the basis of seven overall performance categories. These overall performance classes include profitability, organizational effectiveness, non-stop improvement, productivity, quality, nice of work lifestyles and social responsibility. Antony and Bhattacharyya (2010) defined organizational overall performance in a large feel and define it as the notable measure of affiliation of all performance variables which have an effect on the organization's functioning. There is a wide vary of literature available on the discussion that whether or not to measure association performance subjectively or objectively. The core cause at the back of this phenomenon is those goals measures are used to be extra real however are often restricted in scope to financial data. Subjective measures on the other hand lack concreteness; however, equip the researcher with a richer description of the efficiency of an organization as in contrast to competitors.

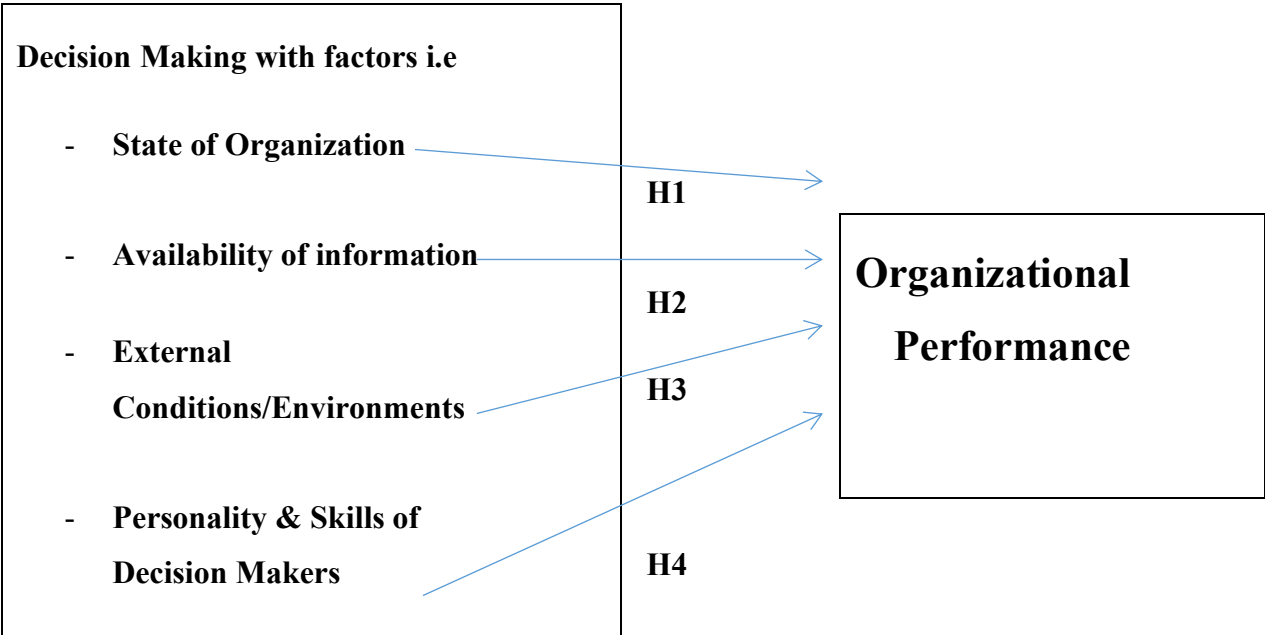
Decision making as a procedure of administration generally in public administration and at the starting of the fifties of remaining century it got here to the limelight. Behind this the work of a superstar of public administration was once active and he was once Simon (1976). Decision making is a very essential phase of an organization. Herbert Simon, in fact, is the pioneer in the discipline of decision-making notion due to the fact he felt that if choice have been now not taken appropriate and timely that may wreck the objective of the enterprise organization and preserving this in mind it is critical that an organization will resort to utmost warning as to the adoption of selection and at the same time will center of attention on the implementation of the decision.

According to Richard et.al (2000) organizational overall performance contains the actual output or consequences of an agency as measured towards its supposed outputs (goals and objectives).

2.4. Conceptual Frame Work

Based on the overall review of related literatures and the theoretical review, the following conceptual frame work in which this specific study is to be developed. As explained in the literature, decision making practice has significant relationship and influence on organizational performance.

The study will use independent and dependent variables to put into practice the study. These dependent and independent variables are shown in the conceptual frame work of my project. Therefore, the independent variable is factors affecting decision making practice and the dependent variables are organizational productivity, organizational effectiveness and company ranking.



Hypothesis 1 (H1): Factors of decision making related to state of the organization affect organizational performance.

Hypothesis 2 (H2): Factors of decision making related to availability of information affects organizational performance.

Hypothesis 3(H3): Factors of decision making related to external condition/environment affects organizational performance.

Hypothesis 4(H4): Factors of decision making related to personality & skill of decision makers affects organizational performance.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

This chapter brings out the statistics research methodology is to be used in the find out about taking into consideration the following aspects: research approach, research design, the population, the sampling procedure, sampling size, the approach of statistics series and how the statistics amassed to be analyzed.

3.2. Research Approach

The approach to this study was both quantitative and qualitative (mixed) approaches. Qualitative approach attempts to increase our understanding through observation. And the study used quantitative approach for better understanding of Five-point Likert-Scale. According to Leedy (1993) quantitative research method deals with numbers and anything that is measurable in a systematic way of investigation of phenomena and their relationships. It used to answer questions on relationships within measurable variables with an intention to explain, predict and control phenomenon. In this regard, this research used quantitative approach to test the hypothesis formulated to evaluate the uniformity of the decision factors in Enat Bank S.C, in doing so, variance analysis or ANOVA testing has used in SPSS.

3.3. Research Design

According to Creswell & Plano Clark, (2007), research design is the ‘procedures for collecting, analyzing, interpreting and reporting data in research studies’ (Creswell & Plano Clark 2007). There are four possible forms of research design: exploratory, descriptive, explanatory and experimental (Akhtar, 2016). As he explained, exploratory research design is applied when there are few or no earlier studies about the research problem and has a purpose to achieve new insights into a phenomenon and to formulate a problem for more accurate investigating or for developing a hypothesis. Descriptive research design used to describe phenomena such as age distribution, community-wise distribution, educational level, state of physical health and so on. Explanatory research design is applied when the research is mainly concerned with causes of some phenomenon.

Experimental research design is used to test a Research Design of causal relationship under controlled situation.

In order to answer the problem statement, this study was used both descriptive and explanatory type. Descriptive method used to identify the relationship between dependent and independent variables, and is useful to identifying variables and hypothetical constructs, can be used as an indirect test of a theory or model. Explanatory research design was used to identify the cause and effect of factors that affect decision making practice and organizational performance, which is appropriate for the objective of the study and also explanatory research design, was a good fit to know the effects of the independent variable factors that affect decision making practice and dependent variable organizational performance.

3.4. Research Population

The target population of the study is individuals and groups who have involvement on decision making aspects of Enat bank. Therefore, the target population of study consists of all managers and senior staffs working at both corporate and branch levels of Enat Bank. Consequently, directors, division managers, and senior officers of the bank are included as target population of study. The study targeted these managerial and senior staffs of the bank due to the facts that most of the decision-making practices are assumed to be handled by them.

3.5. Sampling Technique and Sampling Size

3.5.1. Sampling Technique

The researcher is used judgment or purposive methods of sampling technique to determine the samples from the targeted population in the study. They are selected based on the assumption that they have a decision-making exposure. Generally, the overall decision-making practice in Enat Bank divided in to three levels, i.e. branch level, head office level and executive management level.

3.5.2. Sampling Size

So as to include respondents from each decision-making level, the researcher is decided to take a proportional sample from each decision level of the bank. In this regard, about 100 questionnaires are distributed.

3.6. Data collection method and Data Collecting Instrument

Quantitative research is one of the methods that are used for this study and findings are obtained by analyzing related resources. Questionnaires have distributed to the managers and senior staffs working at both head office and branch levels are the primary source of information used in answering objective of the study. Secondary information has collected through reliable sources such as bulletins, newspapers and journals serve as supporting data that corroborated the interviews and survey. The need for secondary resources entails valid representation of the theories and related data that are relevant to study about factors affecting decision making practice.

3.7. Method of Data Analysis

The records that have been bought from the questionnaire response used to be once assessed and analyzed the utilization of statistical bundle for social sciences (SPSS v 25). Analyze about used both descriptive and explanatory analyses; and linear regression and correlation to analyze the have an impact on and relationship between variables. Descriptive records (such as mean, preferred deviation) had been used to analyze to describe the demographic characteristics of the respondents and to be conscious of the degree of employees' understanding on elements affecting desire making exercising and organizational basic performance based totally completely on the response of respondents. The records was once quantitatively with the aid of potential of the usage of gear like percentile, tables, charts, graphs and others to facilitate the interpretation of the results of the data. Descriptive facts used to be analyzed with the resource of evaluating imply and properly regarded deviation rating of every variable. As per the find out about of Zaidatol & Bagheri (2009), the imply rating underneath 3.39 is considered as low; the suggest score from 3.40 up to 3.79 is viewed as reasonable and suggest ranking above 3.8 is

regarded as high:

Table 1: Mean Score of Five Point Likert Scale

<i>Mean score</i>	<i>Description</i>
≤ 3.39	<i>Low</i>
3.4- 3.79	<i>Moderate</i>
≥ 3.8	<i>High</i>

Source: Zaidatol & Bagheri (2009)

Multiple linear regression analysis was used to test the relationship between the independent variables and the dependent variable; and Pearson's Correlation was used to test the relationship among the predictor variables. Before conducting regression analysis normality test, multi co linearity test, homoscedasticity tests were undertaken.

3.8. Reliability and Validity

Reliability refers to the property of a dimension instrument that motives it to supply similar outcomes for comparable inputs. Mathematically, reliability is described as the share of the variability in the responses to the survey that is the end result of differences in the respondents. Thus, to evaluate the internal consistency of each thing crew obtained, the factors had been subjected to reliability test. The assumption behind this method is that the objects of a measure work together as a set and ought to be ready of independently measuring the same construct. The objects should be reliable in what they indicate about the idea being measured. Furthermore, validity is the extent to which the rankings certainly signify the variable they are intended (Heale & Twycross, 2015) Reliability of the questionnaires of this research used to be measured by Cronbach's Alpha which is the most in many instances used take a look at to decide the indoors consistency of an instrument. As stated via way of George and Mallery (2003), the Cronbach's α end result is a variety between zero and 1; and it will be perfect if the reliability rating is 0.7 and higher and provides the following rules of thumb: >0.9-Excellent, >0.8-Good, >0.7-Acceptable, >0.6- Questionable, >0.5-Poor.

Table 2: Chrombach’s Alpha of all variables

<i>Variable</i>	<i>Reliability Statistics</i>	
	<i>Cronbach's Alpha</i>	<i>No of Items</i>
<i>State of the organization</i>	<i>0.889</i>	<i>6</i>
<i>Availability of information</i>	<i>0.701</i>	<i>3</i>
<i>External Condition/Environment</i>	<i>0.798</i>	<i>6</i>
<i>Personality & Skill of Decision Makers</i>	<i>0.756</i>	<i>5</i>
<i>Organizational Performance</i>	<i>0.916</i>	<i>9</i>

Source: Survey Result, 2022

As proven in the desk above, Cronbach’s alpha of each of the variables used to be located to be above perfect as per George and Mallery (2003) rule of thumb. Thus, the reliability of the questionnaire was once authorized due to the terrific Alpha Coefficients (higher than 70%).

3.9. Ethical Consideration

The researcher gives due attention to the ethical considerations of confidentiality and privacy throughout the research process. The research was made using primary data collected from senior staffs and managers of Enat Bank. The researcher obtained necessary permissions and approvals to collect these required data and all participants were

guaranteed that their responses will be kept confidentially and only be used for the purpose of this study. Moreover, all the views and opinions of the scholars were properly referenced in the study.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND DISCUSSION

4.1. Introduction

In this chapter, the researcher attempted to analyze and examine the effects of factors affecting decision making practice on organizational performance in the case of Enat Bank S.C. The collected raw data were analyzed using SPSS version 25. The data were tried to be collected from 100 employees of Enat bank but only 92 were returned. Thus, the total response rate becomes 92%, which is acceptable level of response rate.

The researcher used descriptive analysis to summarize and organize the collected data. The demography analysis was conducted by using frequencies and percentages and the mean and standard deviation of the independent and dependent variables was tested by descriptive analysis. Further, Regression analysis and correlation analysis were also used to explain how much the independent variables (factors affecting decision making practice) had an effect on the dependent variable (Organizational Performance) and to find the association between independent and dependent variables.

4.2. Response Rate of Respondent

Table 3: Respondents' response rate

<i>Questionnaires Distributed</i>	<i>Questionnaires Returned</i>	<i>Percentage</i>
<i>100</i>	<i>92</i>	<i>92</i>

Source: Own survey, 2022

As shown in table 3 above, about response rate, 100 questionnaires were distributed to respondents and 92 were appropriately filled and returned with the rate of 92 %. Since according to Ruta, (2017), response rate of 50% is satisfactory, 60% is good and 70% and above is excellent for a study. Hence, based on this sample size, i.e., 92(92%) the next analysis was carried out.

4.3. Demographic Characteristics of Respondents

To analyze the demographic characteristics of the respondents, descriptive statistics using frequencies was used. The result of the analysis is tabulated in Table 4 and the result is described in detail below:

Table 4: Demographic characteristic of respondents

	<i>Category</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Gender</i>	<i>Male</i>	<i>48</i>	<i>52.2</i>
	<i>Female</i>	<i>44</i>	<i>47.8</i>
	<i>Total</i>	<i>92</i>	<i>100</i>
<i>Age</i>	<i>Less than 25 years</i>	<i>8</i>	<i>8.7</i>
	<i>25-35 years</i>	<i>12</i>	<i>13</i>
	<i>36-45 years</i>	<i>56</i>	<i>60.9</i>
	<i>Above 45 years</i>	<i>16</i>	<i>17.4</i>
	<i>Total</i>	<i>92</i>	<i>100</i>
<i>Academic Qualification</i>	<i>Diploma</i>	<i>-</i>	<i>-</i>
	<i>BA</i>	<i>40</i>	<i>43.5</i>
	<i>Masters</i>	<i>52</i>	<i>56.5</i>
	<i>PHD & Above</i>	<i>-</i>	
	<i>Total</i>	<i>92</i>	<i>100</i>

Source: Survey Result, 2022

As presented in the table 4, it was found that the gender composition of the respondents, 52.2% are male and 47.8% are female; and in the age distribution, 8.7% of the respondents are below the 25 years, 13 % of the respondents are between the age of 25 up to 35, 60.9% of the respondents are in the range of 36 and 45 years and 17.4 % are above 45 years. This indicates that there is almost equal gender distribution in the bank that workers in the decision-making area of the bank and most of the ages fall in the range of 36-45 years. As

observed in the statistics of academic qualification, master's degree holders take a large share of respondents with 56.5%, followed by BA degree holders which takes 43.5% share of the respondents: this indicates that the decision-making practice of the bank are mainly handled by highly academic professionals.

4.4. Descriptive Analysis

The descriptive evaluation used to be used to take a look at the imply and well known deviation of the responses of respondents. As per the study of Zaidatol & Bagheri (2009), the imply rating under 3.39 is viewed as low; the mean rating from 3.40 up to 3.79 is considered as reasonable and imply rating above 3.8 is viewed as high.

Table 5: Descriptive analysis on factors affecting decision making practice

Factors	N	Minimum	Maximum	Mean	Std. Deviation
State of Organization	92	2	4.83	3.3261	0.81422
Availability of Information	92	2	4.67	3.7384	0.53183
External Conditions /Environment	92	3.67	4.83	4.3333	0.33516
Personality & Skills of Decision Makers	92	2.40	4.80	3.7652	0.53584
Organizational Performance	92	2.22	4.89	3.4589	0.71521

Source: Survey date 2022

As indicated in the above table, all the mean scores of factors affecting decision making practice were in the range of low and high scale as per the stipulation of Zaidatol & Bagheri (2009). The factors dimension of External conditions/Environment scores the highest mean score (i.e. $M = 4.33$) with low variance among the responders (with $S.D = 0.33516$), followed by Personality & Skills of Decision Makers ($M= 3.7652$), and Availability of Information ($M= 3.7384$). With regard to Organizational performance, bank scores moderate level of mean score ($M = 3.4589$) with moderately high variance ($S.D = 0.71521$) among the respondents.

4.4.1. Descriptive Analysis of State of the Organization

As per the findings, majority of the respondents agreed on all the questions under the state of the organization. 26% of the respondents are strongly agreed on the existing structure of the organization is good for making decision. About 13% of the respondents also strongly agreed and highly understand on the implementation of the bank decision making process.

Table 6: Descriptive analysis on the factors related to state of the organization

Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
The structure of the organization is good for making decision		20	4	44	24	3.78	0.86996
I understand and implement the decision-making process of the organization		32	12	36	12	3.30	0.88947
I get visible support from my supervisor to exercise decision making activity		40	12	36	4	3.04	0.80723
My supervisors are receptive and listener to my idea and suggestions		20	8	56	8	3.57	0.73213
Average						3.326	0.8142

Source: Survey date 2022

As shown in the table, respondents have shown their dis agreement on the existing state of the organization towards the decision-making practice of the bank with the average mean of 3.326 and a standard deviation value of 0.8142.

4.4.2. Descriptive Analysis of Availability of Information

Based on the findings, majority of the respondents agreed on all the questions under related to availability of information. 83% of the respondents are tried to be honest while

gathering information to make decision. About 30% of the respondents disagreed for easily finding of information to think clearly when they decide in a hurry.

Table 7: Descriptive analysis on the factors related to Availability of Information

Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
I try to be honest while gathering information to make decision		4		76	12	4.0435	0.55297
I investigate well when I am faced with various confusing alternatives		8	4	72	8	3.8696	0.68287
I find information easily to think clearly when I decide something in a hurry		28	8	56		3.3043	0.911073
Average						3.7384	0.53183

Source: Own survey, 2022

As shown in the table, respondents have shown their moderate agreement on the availability of the information towards the decision-making practice of the bank with the average mean of 3.7384 and a standard deviation value of 0.53183

4.4.3. Descriptive analysis of External Condition/Environment

According to the findings, majority of the respondents agreed on all the questions under related to availability of information. 87% of the respondents are strongly believed that the policies and directives of the governing body have impact on the decision-making activities. About 70% of the respondents agreed that the activities of the competitors have impact on the decision-making activities of the bank.

Table 8: Descriptive analysis on the factors related to External Condition/Environment

Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
The policies and directives of the governing body have impact on the decision-making activities.				12	80	4.8696	0.33863
The interest of the shareholders has impact on the decision-making activities.			12	52	28	4.1739	0.63952
The existing economic conditions of the country influence the decision-making activities.				56	36	4.3913	0.49072
The political condition of the country influence on the decision-making activities.			4	52	36	4.3478	0.56325
The activities of the competitors have impact on the decision-making activities.			4	64	24	4.2174	0.50982
The condition of world economy has impact on the decision-making activities.		4	4	12	72	4.0000	0.59300
Average						4.3333	0.33516

Source: Own survey, 2022

As shown in the table above, respondents have shown their agreement on the effects of external conditions outside the bank towards the decision-making practice of the bank with the average mean of 4.3333 and a standard deviation value of 0.33516.

4.4.4. Descriptive analysis of Personality & Skills of Decision Makers

According to the findings, majority of the respondents agreed on all the questions under related to availability of information. 87% of the respondents are strongly believed that the policies and directives of the governing body have impact on the decision-making activities. About 70% of the respondents agreed that the activities of the competitors have impact on the decision-making activities of the bank.

Table 9: Descriptive analysis on the factors related to Personality & Skills of Decision Makers

Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
I try to use decision making processes before making decision.		12	4	64	12	3.8261	0.82019
I make decisions calmly and use tools properly		16		68	8	3.7391	0.84995
I have taken training on how to make rational decisions and how to use the tools of decision analysis		24	8	52	8	3.4783	0.97753
I am in control of my confidence level while making decisions		8		72	12	3.9565	0,69398
I am able to decide on how to do my job		8		84		3.8261	0.56663
Average						3.7652	0.53584

Source: Own survey, 2022

As depicted in the table above, with some disagreements and reservations on the personality & skills of decision makers, in general respondents agreed that personality & skills of decision maker have impact on the effectiveness of decision-making practice. The average mean of 3.7652 and a standard deviation value of 0.53584 show that, the respondent's perception towards personality & skills of decision makers.

4.4.5. Descriptive analysis of Organizational Performance

Descriptive statistics of organizational performance measures the performance of the bank with respect to the effectiveness of decision-making practices by using the mean score and standard deviation. The detail descriptive statistics of organizational performance and constructs are tabulated below.

Table 10: Descriptive analysis on the factors related to Organizational Performance

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
The vision and mission I share with my organization allows me to make the right decision that contributes better organizational performance.	92	2	5	3.6522	0.86995
My participation in decision making increases the level of my contribution to the overall organizational performance.	92	2	5	3.4348	1.01964
I make decisions without any force that would make me more efficient and productive.	92	2	5	3.1739	1.09553
I am given opportunity to make decisions towards making my organization more competitive which will help it to get acceptance by customers	92	2	5	3.0435	1.04737
The flexibility I have while making decision makes me work more towards achieving more credit from customers to increase the competitiveness of my organization.	92	2	4	3.2609	0.94775
I believe that my decision is given credit in my organization that it will be used as an additional idea to enhance the service quality	92	2	5	3.5217	0.88303
I am allowed to be flexible with treating customers to increase the quality of service I provide.	92	2	5	3.8261	0.63952
My working environment allows me to think clearly towards achieving customer satisfaction.	92	2	5	3.4783	0.97753
I make decisions rationally in relation to customers that will satisfy them more.	92	2	5	3.7391	0.73931
Valid N (list wise)	92				
The Overall mean				3.4589	0.71521

Source: Own survey, 2022.

As shown in the table above, the overall performance of the bank was found to be moderate as perceived by directors, division managers, branch managers and senior officers of the bank ($M = 3.4589$). The mean score indicated that the bank's performance with respect to the decision practice of the decision makers' measures was moderate. Similarly, most decision indicators fall in the moderate scale as per the measurement scale defined earlier. Generally, the mean score of organizational performance indicators showed that the overall performance of the bank was moderate and need improvement to achieve the goal of the organization.

4.5. Inferential Analysis

4.5.1. The Relationship between Independent Variables and Dependent Variable

The correlation analysis was performed to see the association between independent variable (factors affecting decision making practice) and dependent variable (organizational performance). Correlation analysis therefore helps to assess if there is a relationship between variables and how strong the relationship is. According to Cohen (1988), the value of Pearson's correlation coefficient from 0.10 to 0.29 indicates a weak correlation, a correlation coefficient from 0.30 to 0.49 indicates a medium correlation, and a correlation coefficient between 0.50 and 1.0 indicates a strong correlation.

Table 11: Pearson Correlation Matrix

		State of the Organization	Availability of Information	External Condition/ Environment	Personality & Skills of DM	Organizational Performance
State of the Organization	Pearson's correlation	1	0.345	0.316	0.236	0.653*
Availability of Information	Pearson's correlation	0.345	1	0.265	0.226	0.513*
External Condition/ Environment	Pearson's correlation	0.316	0.265	1	0.340	0.588*
Personality & Skills of DM	Pearson's correlation	0.236	0.226	0.340	1	0.530*
Organizational Performance	Pearson's correlation	0.653	0.513	0.588	0.530	1

* Indicates correlation is significant positive

As shown in the above correlation analysis table result, there is significant positive relationship between organizational performance and the identified factors affecting decision making practices (State of the organization, Availability of information, External conditions/Environment and Personality & Skills of decision makers). As per the classification of Cohen (1988), all the coefficients had sturdy correlation on account that they had been in the range of 0.5 to 1.0.

Even if the mean/average price of the state of the organization component is low, it is the aspect with robust relationships with overall performance & indicated via $r=0.653$, observed by way of the External conditions/Environment dimension with $r=0.588$. Hence, all the recognized factors affecting choice making practices have sturdy fine relationship with performance. These strong effective relationships indicate that figuring out and giving the vital solutions for these elements has extended the overall performance of the bank.

4.5.2. The effect of Independent Variables on Dependent Variable

Regression analysis is a technique that can be used to look into the effect of one or more unbiased variables on unbiased variable. Multiple linear regressions are a tool that can be used to perceive the relationship and to determine the most dominant variables that influenced the outcome Mooi et al (2017). This regression evaluation used to be performed to know through how plenty each impartial variable (State of the organization, Availability of information, External conditions/Environment and Personality & Skills of selection makers) explains the based variable (organizational performance). In order to exhibit the influence that every aspect has on the dependent variable, learn about checked the Standardized Coefficients, R- square and P-value for importance of the relationship. The regression evaluation of this find out about was once made between the predictor variables which are the four elements affecting choice making practice (State of the organization, Availability of information, External conditions/Environment and Personality & Skills of selection makers) with the structured variable of organizational performance.

Before conducting regression analysis, the researcher tested the assumption of multiple regressions such as linearity, reliability of measurement, homoscedasticity, and normality tests.

A. Normality Test

One of the assumptions of regression is that the sample distribution should be normal irrespective of the population distribution. According to Kim, H.Y (2013), normality test can be conducted based on the absolute value of skewness and Kurtosis, for a sample distribution to be normal its skewness has to be less than absolute value of two and kurtosis less than absolute value of 7(seven). Thus, based on the normality test result showed in the table below, the absolute values of the skewness and kurtosis are below two and seven respectively; hence the distribution is normal.

Table 12: Normality Test

		Statistic	Std. Error
State of the Organization	Skewness	0.166	0.255
	Kurtosis	-1.292	0.498
Availability of Information	Skewness	-1.294	0.255
	Kurtosis	2.987	0.498
External Condition/ Environment	Skewness	-0.199	0.255
	Kurtosis	-0.632	0.498
Personality & Skills of Decision Makers	Skewness	-0.567	0.255
	Kurtosis	0.585	0.498
Organizational Performance	Skewness	-0.330	0.255
	Kurtosis	-0.696	0.498

B. Autocorrelation Test

Autocorrelation is one the assumption of regression analysis that should be tested for autocorrelation in a data set. The Durbin Watson statistic is one of test for autocorrelation and it is found to be always between 0 and 4 (Statistics Solution, 2017). If the value is 2 there is no auto correlation in the sample of the study and values approaching 0 indicates positive auto correlation and if values towards 4 there is negative autocorrelation (Ibid).

Table 13: Durbin-Watson Autocorrelation Test**Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.857a	0.735	0.723	0.37651	1.837

- a. Predictors (Constant):** State of the Organization, Availability of Information, External Condition/Environment and Personality & Skills of Decision Makers
- b. Dependent Variable:** Organizational Performance

Therefore, the above table shows that the value of Durbin Watson statistic result is 1.837. It is beneath two. Thus, the Auto correlation assumption is fulfilled as there is wonderful auto correlation in the records set.

C. Multicollinearity test

Multicollinearity test is conducted to test the correlation of independent or predictor variables with each other. Absence of multicollinearity can be checked using variance inflation factor (VIF) values. As per statistical solutions (2017), all value of VIF should be less than 10 to acceptable for the requirements of no multi-collinearity. Therefore, as shown in the table below, all value of VIF results are below 10, indicating that the assumption is met to conduct regression analysis.

Table 14: VIF Multicollinearity Test

Independent Variables	Coefficients^a	
	Collinearity Statistics	
	Tolerance	VIF
State of the Organization	0.807	1.239
Availability of Information	0.833	1.200
External Condition/ Environment	0.800	1.250
Personality & Skills of Decision Makers	0.846	1.182

a. Dependent Variables: ORGANIZATIONAL PERFORMANCE

4.5.3. Regression Analysis Result

As described above, a couple of linear regressions has been performed to find out the relationship and to figure out the most dominant variables that influenced organizational performance. The mannequin summary desk offers R, R square, adjusted R square, and the established error of the estimate, helps the researcher to come to be aware of the fitness of a regression model to the data. The more than one correlation coefficients, R, yield the maximum diploma of linear relationship that can be received between two or extra impartial variables and a single established variable. The R square values (coefficient of determination) exhibit the explanatory electricity of the model.

Table 15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.857a	0.735	0.723	0.37651

- a. Predictors (Constant):** State of the Organization, Availability of Information, External Condition/Environment and Personality & Skills of Decision Makers

As shown in the above model summary table, R square explains that 73.5 p.c changes in organizational performance can be predicted via the four factors that have an effect on decision making variables and the remaining 26.5% of organizational overall performance was once envisioned through different extraneous variables.

Table 16: ANOVAa

	Sum of Squares	DF	Mean Square	F	Sig.
Regression	34.215	4	8.554	60.340	.000 ^b
Residual	12.333	87	0.142		
T O T A L	46.549	91			

- a. Dependent Variable:** Organizational Performance.
b. Predictors (Constant): State of the Organization, Availability of Information, External Condition/Environment and Personality & Skills of Decision Makers.

The Analysis of Variance (ANOVA) take a look at statistic is carried out to determine the have an effect on that unbiased variables have on the based variable in a regression study. ANOVA test is applied to discover out whether the differences between corporations of information are statistically significant. As shown in the ANOVA table above, F records is 60.340 with a p value of zero implying that there is a great have an impact on of factors affecting decision making practice on organizational performance. From statistical factor of view the table of analysis of variance indicates that the model is vast as the stage of magnitude is less than 0.05 (p-value<0.05).

Table 17: Multiple Regressions

Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	-3.134	0.541		-5.789	.000
State of the Organization	0.366	0.54	0.417	6.789	.000
Availability of Information	0.309	0.081	0.230	3.804	.000
External Condition/ Environment	0.646	0.132	0.303	4.909	.000
Personality & Skills of Decision Makers	0.376	0.80	0.282	4.698	.000

a. Dependent Variable: Organizational Performance.

The bad or high-quality signal of the regression coefficient result suggests whether or not every unbiased variable have tremendous or bad relationship with based variable. The p - values indicates whether these relationships are statistically tremendous or not. Therefore, the above coefficient desk shows that the relationship of all impartial variables that is State of the Organization, Availability of Information, External Condition/Environment and Personality & Skills of Decision Makers with organizational performance is statistically full-size and have superb effect on organizational performance as the coefficients are nice and significance degree is less than 0.05 (p-value<0.05).

From the regression end end result shown on desk above, it has been discovered that, conserving all independent variables (State of the Organization, Availability of Information, External Condition/Environment and Personality & Skills of Decision Makers) zero, will stop end result in a decline of bank’s standard performance via the usage of high-quality amount. This suggests that the financial institution cannot be successful without applying high-quality decision-making exercise and it is integral to make excellent enchantment on the factors affecting choice making practice.

The regression give up result involving kingdom of the corporation exhibit that it has statistically full-size at 5% significant degree (95%confidence interval) and additionally brilliant influence on organizational overall performance since $p\text{-value}<0.05$ and the signal of the coefficient is positive. As proven in desk of coefficients above, a unit extends in us of the organization, *Ceteris paribus*, will lead to the increase in the bank's performance via 36.6%. Thus, from the outcomes it can be concluded that State of the Organization has super impact on organizational overall performance of the bank. And also, the regression results point out that the relationship between availability of documents and organizational performance is significant. Availability of information explains 30.9% of variance of normal overall performance which is received as a end result of desire making practice.

Moreover, the regression result suggests that there is statistically extensive and fine relationship between factors affecting decision making practice and organizational overall performance at 5% great degree as $p\text{-value}<0.05$ and beta coefficient is positive. This end result indicates that, holding other factors affecting selection making practice constant, one unit enlarge in external condition/environment will increase the overall performance of the bank through 64.6%. Therefore, the financial institution has to provide attention to decorate the elements affecting choice making exercise of the bank to register notable overall performance and acquire the preferred aim of the organization.

Generally, the findings from the find out about show the significance of giving sizable interest towards for enchantment of elements affecting choices making practice for the performance of enterprise organizations. Hence, the bank should installation suitable device with regards to elements affecting selection making practice to enhance the bank's performance.

4.6. Hypothesis Testing

The study used multiple linear regression models to test the combined effect of elements that have an effect on decision making exercise (State of the Organization, Availability of Information, External Condition/Environment and Personality & Skills of Decision Makers) on organizational performance. Accordingly, as indicated in regression table, the $p\text{-value}$ of

all unbiased variables is much less than 0.05. Therefore, the hypotheses that enchantment on the situation of State of the Organization has high quality relation with organizational performance, Availability of Information has effective relationship with organizational performance, External Condition/Environment has high-quality relation with organizational performance and Personality & Skills of Decision Makers has nice relation with organizational overall performance have been supported as stage of significances are less than 0.05($p\text{-value}<0.05$). The following desk shows the précis hypothesis testing result.

Table 18: Hypothesis testing

	Hypothesis	Analysis used	Remark
H1	Decision factors related to state of the organization has large impact on organizational performance	Multiple linear regression	Accepted
H2	Decision factors related to availability of information has significant effect on organizational performance	Multiple linear regression	Accepted
H3	Decision factors related to external condition/environment has significant effect on organizational performance	Multiple linear regression	Accepted
H4	Decision factors related to personality & skills of decision makers has significant effect on organizational performance	Multiple linear regression	Accepted

Source: Own survey regression result, 2022

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1. Introduction

This chapter summarizes the major findings and results of the study and based on the key findings and results, conclusions are drawn and some recommendations are given accordingly for the concerned bodies and highlights future research.

5.2. Summary of Major Findings

The primary goal of this study was to assess and perceive the factors affecting selection making practices and its impact on the organizational overall performance in the case of Enat bank; the primary findings are:

From total of 100 questionnaires (population target), 92 questionnaires were returned representing a response rate of 92%, which is acceptable level of response rate.

The study reveals that from the total respondents, 52.2% were male and 47.8% were female in the gender distribution and the age distribution of the study showed that 13% fall between the age of 25 to 35 years and 60% were in the range of 36 and 45 years, 17.4% were above 45 years and the remaining 8.7% were below 25 years. This gender distribution indicates that both male and female, almost in equal proportion, involved in the decision-making activity of the bank and most of the decision maker found in the age range of 36-45 years.

The frequency of academic qualification indicates that, 56.5% of the respondents hold Master's degree and 43.5% hold Bachelor's degree. This reveals that the decision-making activity of the bank was mainly handled by highly academic professionals.

The descriptive analysis of the study shows that all the mean scores of the factors affecting decision practice of leaders in Enat Bank S.C were in the range between low and high; the mean scores of state of the organization is low i.e. 3.33, availability of information and personality & skill of decision makers were 3.74, and 3.76. This indicates that the bank has

moderately impacted by these two factors of affecting decision-making practice. The mean score of external condition/environment is high i.e 4.33. This indicates that the bank decision making activity is highly affected by the factors from outside of the bank.

The organizational performance of the financial institution used to be assessed with 9 overall performance indicator statements. The common agreement to these statements levels from the smallest 3.04 to the greatest 3.83. For all these statements, the total common overall performance stage of Enat bank is computed to the level $M=3.46$, which is a moderate stage of performance. Hence, this displays that the financial institution have to work to enhance the overall performance of the financial institution via successfully observe skills related to choice making things to do to gain the favored purpose of the organization.

From the Correlation Analysis Matrix, it used to be found that all the 4 factors affecting selection making practice, kingdom of organization, availability of information, External condition/ Environment and Personality & Skills of decision makers were determined to have tremendous and sturdy correlation with the organizational performance at 0.5 to 1.00 degree of magnitude (as described by Pearson's correlation). The elements associated to kingdom of agency is the most related to overall performance with $r=0.653$, followed via elements related to exterior condition/environment with $r=0.588$ and the factors associated to availability of statistics and personality & capabilities of choice makers was once also strongly associated to overall performance with $r=0.513$ and $r=0.530$.

Furthermore, to verify the impact of the four elements of decision exercise on organizational performance, Multiple Regression Analysis was conducted. The more than one linear regression end result confirmed that all the four elements affect selection making practice had a positive relationship with organizational overall performance and statistically widespread as the p-value of all variables have been less than 0.00s ($p\text{-value}<0.05$) and has wonderful beta coefficient. From the 4 factors, exterior condition/environment had excessive effect on organizational performance with beta coefficient of 0.646 (64.6%), followed via persona & capabilities of selection makers with beta coefficient of 0.376 (37.6%), and state of the employer & availability of data had

fantastic effect on organizational performance with beta coefficient of 0.366 (36.6%) and 0.309(30.9%).

5.3. Conclusion

Based on the findings and data analysis of the research, the following conclusions are drawn:

Descriptive statistic shows that the imply ratings of all four impartial variables specifically nation of the organization, availability of information, exterior condition/environment and character & skills of selection makers influences in exclusive substantial level. In this regard, choice making exercise in Enat bank affected via elements associated to state of the company have low effect, aspect related to availability of facts and persona & talent of selection makers have moderate effect and elements related to exterior condition/environment have high effect. However, the mean rating degree of organizational performance used to be moderate. This indicates that Enat bank respondents perceive the performance of the bank desires enchantment to be competitive in the industry and entice conceivable customers and then to make bigger the required profit and market share of the bank.

The inferential information result of the study shows effect of elements affecting selection making exercise on organizational performance. The regression end result of the model summary indicates that the coefficient of determination, R square, 0.723 indicates that 72.3% trade in the bank's overall performance can be predicted via selection making exercise of the leaders and additionally shows that enchantment made of factors affecting decision making exercise have positively affects organizational performance. The ANOVA desk result indicates that the combined impact of the bank's decision-making activity used to be statistically great in explaining changes in the level of enterprise overall performance in the bank. This suggests that the smooth decision-making practices undertaken by means of the bank had positively associated to the organizational overall performance of the bank. Hypothesis trying out from consequences of a couple of regressions can be concluded that:

- The hypothesis that factors have an effect on choice making exercise related to state

of the corporation have impact on organizational overall performance has been accepted,

- The hypothesis that factors have an effect on choice making practice associated of availability of records have effect on commercial enterprise overall performance of the bank has been accepted,
- The hypothesis that elements have an effect on selection making exercise associated to exterior condition/environment have impact on business overall performance of the bank has been accepted,
- The hypothesis that elements affect choice making practice associated to persona & abilities of decision makers have impact on enterprise performance of the bank has been accepted,

Accordingly, the result of the study confirms that there is a relationship between the four factors that affect decision making practice (state of the organization, availability of information, external condition/environment and personality & skills of decision makers) and organizational performance.

In general, this lookup work justified that nice decision-making practice has advantageous relationship and effect on organizational performance. This skill the bank can decorate its enterprise performance and reap better overall performance via the implementation of system which is favorable for task tremendous decision-making practice.

5.4. Recommendations

Based on the findings of the study and conclusion, the researcher suggests the following recommendations:

The findings of the find out about indicate that the 4 factors affecting decision making practice particularly state of the organization, availability of the information, exterior condition/environment and personality & ability of choice makers have extensive impact

on Enat financial institution performance. Hence, Enat Bank ought to center of attention on improvement of these factors have an effect on selection making practice of the bank.

The end result of the study shows that the employees' appreciation on the factors affecting choice making exercise in the bank was low up to high stage but their understanding on organizational overall performance is moderate. Therefore, the bank has to work to establish exceptional mechanisms to remedy problems related with decision making practice.

To enhance the performance of the bank, the leaders of the organization should be committed to institutionalizing the effectiveness decision making practice in the bank's corporate culture. The bank also facilitates training for employees who handle decision making activities of the bank to improve their skills of decision-making practices.

The study recommends that the leaders of the bank can make use of different tactics, strategies and policies in relation with decision making to improve the level of the organization performance.

The bank should consider providing freedom to employees while undertaking their work. Providing them with ways they can forward their ideas and make an informed decision for a better result.

5.5. Suggestion for Future Research

The following are some of the suggestions to be addressed in future studies:

- The study about used to be performed on the case of a single bank. It can similarly be made on enterprise degree and the end result will be more unique and clearer for the user of the research result.
- The study has examined only 4 factors have an effect on decision making practice, however there are many elements which affect decision making practices. Hence, the learn about recommends that other research ought to be carried out to deal with other variables with choice making activities such as mind-set about danger & uncertainty and conduct of customers etc.

- The study about was made in banking sector. It can future prolong the lookup theme to consist of other sectors of the economy such as industrial area so that a better appreciation of the relationships embedded in this learn about outcomes can be realized.

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QUESTIONNAIRE



Dear Respondents,

I am conducting a project for the partial fulfillment of the requirement of master's degree in Business leadership. The purpose of the research is measuring: "Factors Affecting Decision Making Practice of Leaders in Enat Bank S.C."

This is, therefore, I would like to request your cooperation to spend your precious time in responding the questioners attached herewith.

I strongly assure you that any of your responses will be maintained confidentially and will never be used for any purpose other than the study. Finally, I would like to extend my deepest gratitude in advance for being a volunteer to spare your time.

Mesfin Melese

Email:mesfnunity@gmail.com

Mobile:+251 911656986

General Instruction

- No need of writing your name in any part of the questionnaire
- Your honest response is critical for the success of the study
- Please make sure to attempt all questions
- Please put a (✓) mark on your choice

Part I: General Information about the Respondents

1. Position _____

For the following questions, please put "tick mark" (✓) in the boxes provided.

2. Age, Less than 25 25-35 36-45 more than 45

3. Gender, Male Female

4. Academic qualification, Diploma Bachelor's Degree Master's degree
 PhD Degree & Above
5. Service years in Enat Bank S.C., Less than 2 years 2-5 years 6-8 years
 More than 8 years
6. Service years in the current position, Less than 1 year 2-3 years 3-5 years 5-8 years
 More than 8 years

Part II: Instruction Dear Respondent Please indicate your degree of agreement or disagreement
 With the following question by put a tick mark in the appropriate number.

Where, 1=Strongly Disagree 2=Disagree 3=Neutral 4=Agree and 5 =Strongly Agree.

<i>Factors Affecting Decision Making Practice</i>		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
State of the Organization		1	2	3	4	5
1	The structure of the organization is good for making decision					
2	I understand and implement the decision-making process of the organization					
3	I get visible support from my supervisor to exercise decision making activity					
4	My supervisors are receptive and listener to my idea and suggestions					
5	I have high degree of influence while decisions are being made					
6	My organization inspires me to give my best decision at work.					
Availability of information						
7	I try to be honest while gathering information to make decision					
8	I investigate well when I am faced with various					

	confusing alternatives					
9	I find information easily to think clearly when I decide something in a hurry					
External Condition/Environment						
10	The policies and directives of the governing body has impact on the decision-making activities.					
11	The interest of the shareholders has impact on the decision-making activities.					
12	The existing economic conditions of the country influence the decision-making activities.					
13	The political condition of the country influence on the decision-making activities.					
14	The activities of the competitors have impact on the decision-making activities.					
15	The condition of world economy has impact on the decision-making activities.					
Personality & Skills of Decision Makers						
16	I try to use decision making processes before making decision.					
17	I make decisions calmly and use tools properly					
18	I have taken training on how to make rational decisions and how to use the tools of decision analysis					
19	I am in control of my confidence level while making decisions					
20	I am able to decide on how to do my job					
Organizational Performance		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
21	The vision and mission I share with my organization allows me to make the right decision that contributes better organizational performance.					

22	My participation in decision making increases the level of my contribution to the overall organizational performance.					
23	I make decisions without any force that would make me more efficient and productive.					
24	I am given opportunity to make decisions towards making my organization more competitive which will help it to get acceptance by customers					
25	The flexibility I have while making decision makes me work more towards achieving more credit from customers to increase the competitiveness of my organization.					
26	I believe that my decision is given credit in my organization that it will be used as an additional idea to enhance the service quality					
27	I am allowed to be flexible with treating customers to increase the quality of service I provide.					
28	My working environment allows me to think clearly towards achieving customer satisfaction.					
29	I make decisions rationally in relation to customers that will satisfy them more.					

