

**THE EFFECT OF ORGANIZATIONAL CAPACITY ON
PERFORMANCE: A CASE OF AWASH BANK NORTH ADDIS
ABABA REGION**

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ADMINISTRATION

THE EFFECT OF ORGANIZATIONAL CAPACITY ON PERFORMANCE OF
AWASH BANK NORTH ADDIS ABABA REGION

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THESIS COMPLETION CERTIFICATE

This is to certify that the thesis on “The Effect of Organizational Capacity on performance of Awash Bank North Addis Ababa Region” submitted by Abraham Robele, in Partial fulfillment of the requirements for the award of Master Degree in Business Administration, is an original work carried out by him under my guidance. It is certified that the work has not been submitted anywhere else for the award of any other diploma or degree of this or any other University.

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December, 2021

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ABSTRACT

The major purpose of this study is to investigate the effect of the organization capacity on customers' service delivery of Awash bank of north Addis Ababa region and recommend possible solution to the existing problems. This study finds out the effect independents variable on performance of the organization. To this end the performances evaluated and propose solution to bridge the existing performance gap. The study also identifies the challenge, status and success of the study bank. This study also shows where organizational capacity is lacking and indicate the immediate solution before things going worse. This study employed a descriptive survey research design that enables quantitative data to be collected through questionnaires after which it can be used to test the hypothesis. This study use both primary and secondary data. Research instruments piloted in advance in order to ensure the clarity of questions, confirm the ease of administration, and obtain insight to potential difficulties that might arise during data gathering. The reliability and validity of questionnaires were checked and improve in early stage. In this study, the researcher employed both qualitative and quantitative data analysis methods. Thus, the row data collect and carefully organize using SPSS 20.0. The data interprets by using descriptive statistics; multiple regression, and correlation. Multiple regression analysis is done to know which independent variable as a significant impact on the dimension related to the topic. This study also used diagnostic tests such as linearity, multicollinearity, heteroskedasticity and normality tests.

The author recommended that the managements are responsible to develop good working culture, add value on the system, overcome challenges, ensure accountability and improve efficiency. Thus, the bank needs to work with the strategy, use data, and build employee capacity to attain the intended objectives. The study indicate that digital capacity overall have somehow improved and there is also progress in digital quantity service. But much work expected to come up in to digital quality. To this end the study bank further improved customer service through new IT technology. Hence it helps to retain the existing one and attract new customers through addressing their rise expectations. This study also infers that the study bank ability to sell and onboard consumers' service on digital channels has not much developed. Therefore, the bank faces serious challenge when the government opens new market to both upcoming local and foreign banks with high working capital and technology. This study infers that the study bank has to provide best service with low cost through deliver of next generation customer support, interactive video and integration of voice banking so as boost its image and provide financial return. Thus, the bank needs to enhance the best service to customer in addition access, reduce cost, maximizes convenience and improve revenue so as to keep its competitive advantage.

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CHAPTER ONE

INTRODUCTION

This study carried out to assess the effect of organizational capacity on performance of Awash Bank North Addis Ababa Region. The study discusses about background of the study, statement of the problem, significance of the study, delimitation of the study, limitation of the study and definition of key terms

1.1 Background of the Study

Lukas, the World Bank (2009) says capacity is the power of an organization to apply its skills, assets and resources to achieve its goals. The Human Kinetics, (2009:459-460) envisage capacity as a set of attributes that improve on organizational performance. This study investigates effect of organizational capacity on performance. The major professional obligation of bank senior officials and managers is to maximize the outcome for organization (Silver, 1983:41). To build its leadership capacity organization need to know what elements of leadership are required and valued most in the organization in order to attain the intended objective. All managers must possess technical, interpersonal and conceptual skill (Dubrin and Ireland, 1993:8-9). It is crucial to gauge the current capacity of leadership timely. Thus, it may help the sooner understand their leadership situation and the quicker to take remedial solution where leadership skill is lacking.

Business organizations seek adaptive capacity that can effectively manage complex, ever changing environment and get the work done. It also faces similar challenges in cultivating and sustaining learning under complex condition and rapid changes (Fullan 2003). In Ethiopia the existing and newly emerging banks are advocating their bank excellency to attract many customers. Change is inevitable and adaptive capacity of organization able to respond to the changing need of their context (Hallinger, 2001).

Management capacity is also another factor that matter the performance of organization. The challenge of management comes from increasing pace to change both in organizations and in the

large world (Stoner, 2011). Bank managers and senior officials play leadership role to bring a change and keep quality service for its customers..

Technical capacity also refer well uses technology to make a change so that their customers satisfied. Banks use IT to survive in globalized, liberalized, privatized and a competitive environment. Banks now can provide more diverse services to customers with less man power through the introduction of IT related products in internet banking, electronic payments, security investments, information exchanges (Berger, 2003). Awash banks use IT capacity to offer better services to its customers in a secure, reliable and affordable manner and sustain competitive advantage over other banks. E-banking technology is changing the banking industry from paper and to digitized and networked banking services. The use of IT in the banks also reduced the scope of manual operations. Awash bank uses automated teller-machine (ATM), phone-banking, mobile-banking, pc-banking and most recently internet banking etc. The bank tries all its best to use technology so as bring a paradigm shift from branch banking to anywhere and anytime banking system. Thus the researcher also wants to identify effect of capacity on performance and propose possible solution to the existing gap

1.2 Statement of the Problem

Many organizations have insufficient capacity for meeting the current and future need (Lesie, 2008). Today organization looks for professionally, competent and skillful leaders and mangers' that are able to use human, financial and material resources efficiently to achieve the objective of organization. Fullen, 2003 states that as society becomes more complex and use more sophisticate advance technology in all spare of life. A key determinant of leadership is whether branch banks head makes employees around a common goal or not (UNDP 2008).

Central bank of Ethiopia has made reforms to the introduction of e-banking so that structural changes needed to address managerial decisions, operational performance, service quality, profitability and productivity of the banks. E-banking is one of the emerging trends in the Ethiopian banking and playing a unique role in strengthening the banking sector and improving service quality. Awash bank has been competing with the existing private and government bank and also with newly open international banks that originate from inside outside the country. The newly open banks come up with advance technology from the very beginning. That makes the computation more serious.

In near future the computation will be more severe than so ever. In this competition world banking industry growth and crisis are existing phenomena. Falling victim to a scam or experiencing system access errors can result in financial and psychological harm and will most certainly affect a customer's confidence and trust in the financial service (BIS and IOSCO, 2016). Research on the attitudes and behaviors' of ATM and mobile money users shows that inability to transact due to network or service downtime was rated as one of the greatest annoyances and resulted in irresponsible behaviors that put the users at risk of being defrauded (McKee, K. et al, 2015). The global talent gap in this area is even more pronounced in developing countries, especially in Africa (IOSCO, 2017). Thus, fault and failure caused by this intrusion not only decrease the system performance but also client and customer's trust towards this financial institution due to the risk of losing their money and assets in the bank. An organization that has poor organization capacity lead to a bank cries that intern depositors, lenders to banks and owners of bank capital all lose confidence and withdrawing their resources. The extent organization capacity a bank matters the competitive advantage to other banks. To this end, the bank has been developing its leadership, management, technical and adaptive capacity through series up grading and updating. However, there is no systematic study carried out to identify the effect of capacity on organizational performance. Therefore, this study aims at to investigate the effect of the organization capacity on performance of Awash bank north Addis Ababa.

1.3 Basic Question

This study tries to address the following basic questions:

1. What are the effects of leadership capacity on organization performance?
2. What are the effects of management capacity on organization performance?
3. What are the effects of technical capacity on organization performance?
4. What are the effects of adaptive capacity on organization performance?

1.4 Objectives of the Study

1.4. 1 General objective

The major objective of this study is to investigate the effect of the organization capacity on performance of Awash bank north Addis Ababa region and recommend possible solution to the existing problems.

1.4.2 Specific objectives:-

1. To assess the effects of leadership capacity on organization performance
2. To identify the effects of management capacity on organization performance
3. To assess the effects of technical capacity on organization performance
4. To find out the effects of adaptive capacity on organization performance

1.5 Hypothesis Test

1. Hypothesis One (H_{01}): Leadership capacity has no significant influence on performance of Awash Bank North Addis Ababa Region
2. Hypothesis One (H_{02}): Management capacity has no significant influence on performance of Awash Bank North Addis Ababa Region
3. Hypothesis One (H_{03}): Technical capacity has no significant influence on performance of Awash Bank North Addis Ababa Region
4. Hypothesis One (H_{04}): Technical capacity has no significant influence on performance of Awash Bank North Addis Ababa Region

1.6 Significance of the Study

The significance of this study is to assess the effect of leadership capacity, management capacity, technical capacity, and adaptive capacity on performance of Awash Bank North Addis Ababa Region.

- The ultimate purpose of this study is to find out the effect of correlation between each independent variable with performance and propose possible solution to the existing gaps.
- The result of this study will be disseminated to the Awash Bank regional director and each branch banks of North Addis Ababa Region so that take corrective method.
- This study will helps as a spring board for other similar studies.

1.7 Delimitation of the Study

This study delimited to identify effect on organizational capacity on performance of Awash Bank North Addis Ababa Region. The main concern of the study is to find out effect of organizational capacity on performance. It also identifies the capacity of IT technology in banking industry..

Operational Definition

To avoid confusion with respect to this paper, the following key terms need to be defined.

Bank: A bank is a profit-seeking business firm, dealing in money and credit. It is a financial institution dealing in money in the sense that it accepts deposits of money from public to keep them in its custody for safety.

Leaders: those higher officers that play a planning, organizing, coordinating and directing role. These includes manager, customer service manager, business development manager (BDM), branch operation account (BOOA) and cashier (BO cash)

Leaders Capacity:- bank leaders and mangers knowledge, skill and ability doing thing effectively & efficiently.

Electronic banking: is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting branch bank.

PC banking: is a form of online banking that enables customers to execute bank transactions from a PC via a modem. Currently, many banks offer PC banking systems that allow customers to obtain account balances and credit card statements, pay bills, and transfer funds between accounts.

Internet banking: sometimes called online banking is an outgrowth of PC banking. Internet banking uses the Internet as the delivery channel by which to conduct banking activity, for example, transferring funds, paying bills, viewing checking and savings account balances, paying mortgages, and purchasing financial instruments and certificates of deposit.

Electronic Clearing Houses: ECS is an electronic mode of funds transfer from one bank account to another. It can be used by institutions for making payments such as distribution of dividend, interest, salary, pension, among others. It can also be used to pay bills and other charges such as telephone, electricity, water or for making equated monthly installments payments on loans. ECS can be used for both credit and debit purposes.

Mobile banking: Mobile banking is a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or personal digital assistant.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter shows a summary of writing of recognized authorities of previous research that closely related to problems that have been under investigating. It mainly gives highlight about issue related to organization capacity and performance. The study uses the literature as a foundation and support for new insight.

Globalization increases the soundness of financial system as a whole and facilitates global competition. In the last consecutive decades there has been a rapid change in the economic and banking environment all over the world. Leadership, management, adaptive capacity and technological innovations helps banking services and delivery channels go through from traditional non-digitalized processes to fully online and self- serviced (Dymski, G. A. 2005).

During the 20th century the developments in telecommunications and ICT resulting in major changes to the way banks operated and allowed them to dramatically increase in size and geographic spread. The Late-2000s financial crisis saw significant numbers of bank failures, including some of the world's largest banks. The banking industry worldwide has experienced significant bank failures and crises in 93 countries during 1975 – 1999 (<https://www8.gsb.columbia.edu>).

There is no academic consensus of definition of organization capacity. It is a factor that enhances the service organization to attain its intended objective (RAND, 2014). Kim, Shin and Min (2016) define capacity as factors of a firm that allow allows it to daily operate, grow, adapt to changes and to achieve a competitive advantage in the industry

Organizational performance is an end result achieved through doing task with active involvement of leadership, management, technical and adaptive capacity for the purpose of achieving a shared vision (Alchian & Demsetz, 1972; Barney, 2001; Jensen & Meckling, 1976; Simon, 1976). But it is not consistence what measures actually represent overall organizational performance. Scholars use different factors that influence the outcome. The end result of a task depend on the extent of the company acquire the expected capacity and the level of exercise them. But many studies

conducted before include only parts of capacity. This study made an assessment overall capacity variables that were vital to make a difference. These included leadership, management, technological and adaptive capacity that were consider as independent variables whereas organizational performance as dependent variables

2.2 Definition of Bank

Bank started with merchants making grain loans to farmers and traders while carrying goods between cities. The idea is that by lending out seeds, farmers would have products that they could work with. When it came to the harvest, the farmers would pay back their seed loan from the harvest <https://www.worldbank.org/ro/about-banks-history>. This implies that there were lender and borrower by then time. Since then, the banking industry has transformed from lending out seeds of earlier times to modern complex, globalized, technology-driven, and internet-based e-banking model. This day the banking industry is facing serious change and competition among one another.

A bank is a financial institution that creates a demand to accept deposit from the public and in turn provide a loan to others. It acts as safe stores place of wealth for depositor and as predictable sources of loans for borrowers. The most important functions of banking may be classified as follows: (1) to assemble capital and make it effective; (2) to receive deposits and make collections; (3) to check out and transfer funds; (4) to discount or lend; (5) to exercise fiduciary or trust powers; (6) to issue circulating notes. The objective of this study is to examine the effect of organization capacity on performance of Awash bank north Addis Ababa region and recommend possible solution to the existing problems.

2.3 Origin of Banking in Ethiopia

The first bank established in Ethiopia was the Bank of Abyssinia in 1905 (Belai, 1987). It was owned and managed by the British-owned National Bank of Egypt. It was given a banking monopoly for fifty years, including the right to issue notes and coins. In 1931, the Bank of Abyssinia was replaced by the Bank of Ethiopia which was wholly owned by the government of Ethiopia, it is the first 100% African-owned bank on the continent, authorized to issue notes and coins and to act as the government's bank.

Commercial Bank of Ethiopia (CBE) was established in 1942. This bank has been providing almost all modern banking services to its customers along with its basic functions like deposit mobilization and lending of various types of loans, from the early establishment till now. Moreover, the bank is providing many modern innovative banking services by making strong correspondent relationship with more than 50 renowned foreign banks like ICICI Bank, Royal Bank of Canada, City Bank, HSBC Bank. Four international banking services provided by CBE are: trade service, Forex service, money transfer and correspondent bank services. CBE is the first bank in Ethiopia to introduce Western Union Money Transfer (WUMT) and Money gram services.

2.4 Overview of Awash Bank

Awash International Bank S.C. (AIB) was established by 486 founding shareholders on November 10, 1994 with a paid up capital of Birr 24.2 million. It was the first private commercial bank in Ethiopia following the down fall of the military regime and the declaration of market oriented economic policy. It started banking operation on February 13, 1995. By the end of June 2015, the number of shareholders and its paid up capital increased to over 3200 and Birr 1.5 Billion respectively. It is a full-service bank in Ethiopia. According to its website, the bank has 400 branches and more than two million customers. Its deposits in 2017/18 exceeded (1.8 billion dollar) 42 billion birr

The Bank also attracts many candidates that have the right skills, knowledge and ability and recruited 1,425 of them in 2018/19. In the same fiscal year the Bank has spent over Birr 39 million for the capacity development of its employees so as to excel customer services, enhance performance and deliver the Bank's strategy. It has 9,046 employees in 2020. The total asset of the Bank reached Birr 74.6 billion that is 35% higher than against the same period of last year by the end of June 30, 2019. The year just ended was indeed a year of big challenges. Instability in some parts of the country, huge demand-supply gap for hard currencies, the prevailing regulatory requirements like the 30% foreign currency surrender requirement, stiff competition to attract new and satisfy the existing customer among competitor banks for deposits, etc. were some of the challenges encountered by financial institutions, especially banks (Awash report, 2018/2019)

The mission and vision of Awash Bank is to provide efficient, competitive, diversified and profitable banking services to a continuously growing number of customers in a socially

responsible manner. To this end the bank collect modern banking technology as well as highly qualified professionals that are consistently well train and motivate team of management and employees to cop up with ever changing banking industry.

2.5 Organizational capacity

Organizational capacity' commonly refers to an organization's 'ability to perform work (Yu-Lee, Tomas R, 2002). According to UNDP 1998/99, capacity assessment means assess the existing capacity, future capacity and identify the capacity gaps. So that develops strategies to fill the gaps. A capacity gap can be defined as a significant difference between an organization's goals and objectives (as expressed in its vision and mission) and its actual or potential ability to achieve its vision and mission. Capacity building often involves completing a series of deliberate action steps and using a combination of complementary strategies such as assessment, strategic planning, information sharing, training, technical assistance, coaching, resource development, and evaluation to achieve organizations goal.

2.6 Organizational Performance

According to Dess 1984, business policy and the extent of organizational performance matter the existence growth or development of organization. Goal ambiguity and measurement deficiencies are the major challenges of organizational performance (March, J. G. and Sutton, R. I. 1997). In Ethiopia the existing and newly flourishing banks inter to competition for banking industry. All banks runs to safe guard their respective advantage to attract many new customers and keep the existing one through quality service delivery and monetary advantage. Whetten and Cameron (2008) state that five principal (resupply, retrain, refit, reassign and release) tools available for overcoming poor performance problems due to lack of ability. Leadership ability is crucial to protect the company benefits and employees need so that enables to achieve goals (Sansom 1998).

Leaders and managers are responsible to direct a team to do their best to attain intended organization objective. In many ways leadership is similar to teamwork, although it also involves taking responsibility for your group and maintaining your influence. Leaders provide direction to employees and motivate them to achieve the organizational outcomes” (Conger, 1992). Most organization evaluate leaders using the following criteria: knowledge of territory, capacity to

motivate people, ability to put things together, record accomplishment, capacity to accomplished terrific people, wise use of time, ability to make intelligent decision, ability to facilitate and solve malfunctioning of digital banking. In addition, the organization need leader should develop capacity to translate their plan in to action, determine effective innervation point and develop strategic capability. It intern improve service delivery by far higher than its competitive.

Successful leaders create system to coordinate groups, link individual effort and well utilized technological to excel customers' service (Kerry & Murdock 1993; Sergiovanni, 1993). The study tries to investigate the extent of leader's capacity in addressing organizational objective of Awash bank.

The study is also focuses on vision and innovative approach toward the bank customer satisfaction. This thesis does not deny the importance of other variables/characteristics through which the role and effectiveness of leadership can be studied.

Strategic leadership is a process of motivating and inspiring peoples so as to transforms organization's vision into reality. According to James (2005) & Sean (2005) a strategic leader develops a strategic vision and mission, sets goals and objectives, craft the strategies, execute it and then evaluate the performance. Leaders are responsible to develop a unified, comprehensive and integrated plan to perform the organizational tasks effectively (Mason, 2011).

In the strategic management process, the responsibilities of the leaders are to analyze the situation, find the gap between the current situation and the desired one. It is further the task of the leader is draw up a plan to overcome the gaps as the situation demands (Jabbar, 2017, p. 105).

Leaders and managers of bank industry tend to be more capable of facing the changing business conditions and take superior decisions on resource allocation and path finding strategy thereby predicting the outcomes precisely (Eriksson, 2014; Macher and Mowery, 2009). Strategic leader evaluate performance to ensure that the direction of the organization is correct (Elkhdr 2019, p. 61). Banks now consider online banking as part of their strategic plan (Fourier, 2010). Leader should adopt a realistic approach to identify the strategic gaps so that formulate techniques to bridge it.

Effective vision and mission statements set parameters for what the organization will and will not do; inspire staff and set the basis for strategy (McKinsey & Company, 2001 and et al). Knowing where you are going and what is the destination needs a clear vision. Vision can develop motivation, inspiration, and mutual responsibility for success and can provide smart choices to the people because they can make their decisions on the basis of end results which are already in their mind because of their vision (Kotter , 1995). Thus, a visionary leadership with innovative approach is able to make a change successfully (Gesell, 2010).

Bennis and Nanus also describe that “vision is a mental image of a possible and desirable future of the organization” (Bennis&Nanus, 1985, in Lyerly, Maxey 2000, P 48). Organizations and companies may face some uncertainty, unexpected and unwanted circumstances any time. Now days to sense these unexpected conditions before time and to cope with them by innovative approach capable leader is needed (Prestwood and Schumann 2002). For organizations who want excellence and sustainable in their business, need to think about the managers/leaders/leadership with innovative approach in order to develop the business strategy by turning their innovative concepts into reality (Carneiro.A 2008). Thus leader’s vision and right use of technological innovation plays a significant role for sustainable growth and development of organization (Gesell 2010).

Awash bank is competing with the existing and newly open banks for the market. The bank provide innovative, competitive and diversified banking services that accessible to the society with qualified and dedicated staff in a profitable and socially responsible manner (Awash report, 2019/20)

In this competitive world customer wants a change and quality service. So that organization looks a change for survival. Singh and Rao (2016) conceptualized dynamic capability as firm’s capability to manage alliances, learn, integrate and reconfigure resource base to address the changing business conditions. Change means to make something different by adding some values or giving up for something else from the existing one. The organizational change is the set of different actions that results shifting in directions and/or processes that affect the way in which organizations work before (Hage, 1999).

Changes always require commitment and directions to do something new to satisfy customers. Change is not always positive but there are several ways which strengthen the commitment to

happen the certain types of changes for good (Boston.MA, 2000).Organizational innovation improving employee skills and knowledge that in turn affect service delivery positively (Hoyrup et al, 2012).The change process can make organization capable to meet future demands and compete with the diversities and the complex market situations in effective and efficient way (Robbins, 1999, Ulrich 1998).

The leadership qualities are very important for organizational changes because it is most important to handle the human emotions such as resistance, confusion, exploration and commitment of management (Senior & Fleming, 2006). An organization that does not adopt changes cannot survive long in market (Boston.MA, 2000). Organizational innovation needs to identify and react with changing environment in the new ways to deal with the things, which may lead an organization to provide a collective resource for innovation so as to become the first choice by customers (VadimKoteliikov, 2004). Thus, it is essential to improve the internal and external functionality demand of the time to make difference.

Leaders potential of identifying and defining the problem, idea generation and evaluation, transparency, gap analysis, problem solving and monitor results determine the success of organization. They also need to have the conflict management skill in order to ensure proper functioning relationships (Stone, Patton, &Heen, 1999). All organization constantly encounters challenges that originate from both inside and outside. Effective leaders are those who can manage crisis situations and redirect them for achievement organizational goals. A failure to recognize the need for a change is one of many barriers to both individual and organization.

The major points that possibly raise conflict in business organization are bureaucratic, red tape, malfunctioning, resistance to change, lack of transparency, ignorant of human aspect of organization, lack of clear organization and direction, and improper use of organizational resource. Best leaders have the patience to see the problem broadened observation and even beyond the problem itself.

Leaders face more complex challenges in financial business. Every road to success is full of unexpected obstacles. Many leaders focus primarily on fixing their attention on the problems at hand than managing their people <https://vacationtracker.io/blog/the-most-effective-ways-leaders-solve-problems>.The major effective ways to solve problems include defining the problem,

analyze, diagnose, idea generation and evaluation, transparency, stop the finger pointing, think positive, be open minded, gap analysis, problem solving and monitor results.

Technological Capacity

The major challenges for the electronic banking services in most Ethiopia banks are legal and regulatory, infrastructural, socio-cultural, and illiteracy related challenges that hinder rapid expansion of electronic payment systems. Ethiopia's financial sector cannot remain an exception in expanding the use of the electronic banking system (Michael, 2004:1). The rapid advancement of ICT make electronic banking service is the best opportunity to customers. But the quality of online banking services has become a major area of attention among researchers and bank managers. Today's banking system in Ethiopia has problems of offering efficient and dependable e-banking services (Garedachew, 2010:9). In Ethiopia e-banking technology is lag behind so that cash is still the medium of exchange. Even though Awash bank also creates mechanism to carry out transactions digitally, a large number of its customers prefer to go to the bank.

According to Joze, Julie & Angela (2002:1607) the major benefits of e-commerce adoption are business efficiency, improved image, competitive advantage, increased automation of processes and increased business transaction. On the other hand, key challenges identified for the sector are the costs of the technology, the lack of knowledge of e-commerce, managing the change, budgeting and issues associated with link.

Challenge of e-banking are lack of customers trust, security risk, data confidentiality issues, lack of skilled manpower, frequent power disruption, lack of legal and regulatory frame work, , lack of ICT infrastructure and poor competition between local and foreign banks, , quality of Internet and cost of implementation, luck of customers awareness , lack of government initiatives, non-familiarity with technology and lack of top management support have been a major barrier (Wondwossen and Tsegai 2005:44, Vaithianathan, 2010:84)

Garedachew, 2010:5 explains that Ethiopian banks have not yet realized the full benefit of technological advances in electronic banking system. Thus, this study tries to attest organizational capacity of availability of financial networks that links different banks, the status of technology provide service without interruption, rates of literacy of customers to use the technology, the level of security, customers awareness about e-banking.

Electronic banking is the newest delivery channel in many developed countries and there is a wide agreement that the new channel will have a significant impact on the bank market (Daniel, 1999). The appearance of E-banking in Ethiopia goes back to the late 2001, when the largest state owned, commercial bank of Ethiopia (CBE) introduced ATM to deliver service to the local users. Currently, almost all banks operating in Ethiopia are adopting E-banking instruments such as ATMs, credit and debit cards, mobile/telephone/internet. (Shaikh, M. A. 2014). However, customers and banks in Ethiopia were missed to enjoy with this new technology still there is long queue. This is due to lack of awareness in technology, undeveloped ICT infrastructures, low internet access and others. Awash Bank strives to provide maximum value to its customers and stakeholders through the adoption various IT related projects (report, 2019/2020). Bank management plays a significant role to intensify investment in ICT products so as to facilitate speed, convenience, and accurate services, or otherwise lose out to their competitors (Agboola, 2004:19). Thus this study try to assess the extent of leaders role in facilitating adoption various IT product to enhance service quality service to customers.

E-Banking through the Websites

Electronic banking makes a paradigm shift of the banking business. Bank provides well design website that make electronic banking services more functional, desirable, and accessible and consumer friendly. The success of e-banking depends on the extent in which technology is more secure, accessible, speed, navigable and content covered that makes difference in a customer service satisfaction. Internet banking has playing great role in saving costs or decreases operational costs, increases customers' satisfaction and improve the business industry (Meron N. 2015). In addition, digital banks can save costs but also shift organizational employee to other, more important and productive tasks.

ATM

ATM(Automated Teller Machine) is customer's direct link to a wide variety of services at any time of 24 hours a day. It includes:- deposit cash and cheques, get a 'quick look' statement, check balance, order new cheque books and additional banking statements, multi account access, cheque status enquiry and stop cheque facility, loan / deposit inquiry, bill presentment and bill payment,

Phone Banking

Phone service allows customer to conduct transactions on customer's account any time of the day, any day. And customer doesn't needs to walk to the bank. A customer make a phone call to access customer's account details, stop cheque payments, ATM card issuance, Swallowed ATM cards, opening fixed deposits, utility bill payment (Bill Payment / Presentment) and more.

Net Banking

Net Banking gives access of account from anywhere with greater convenience as long as customers are online. Customers can withdraw cash, pay bills, and check account detail, easy banking from the comfort of customer's home or office.

Electronic Payment Systems

This day customers are buying product or service through Debit Cards, Credit Card, and Prepaid Payment Systems. Debit Cards allows customer the convenience of paying for customer's purchases directly from customer's bank account, without having to carry any cash at merchant locations. Credit Card also helps purchase products or services whenever and wherever you want, without ready cash and paying for them at a later date. In addition, Prepaid Payment Systems operate when a positive balance is loaded into an account associated with a card and drawn down through purchase activity. Electronic Payment Systems helps access to and spending one's money with greater security and efficiency than cash or cheques.

IT Security in Banks

Banks also maintain the highest standards as far as security technology is concerned but Awash bank customers are not aware about the extent of IT technology grant customer's accounts that absolutely secure and make them stress free. Some of the security measure are banking sites are certified, secure of mail, prohibit unauthorized access.

This study only gives overview financial security of banks customer's confidence and trust in the financial service but detail analysis is beyond the scope of this study. Bank security may be vulnerable to botnet and other criminal malware designed and built to infect computers and networks, steal valuable data, and control victims' computers in order to commit other

cybercrimes (<https://malware-and-botnets>). They can invade any OS, including Windows and malware protection used by most companies may not detect them. Once they ‘phone home’ to command and control outside your network, they join together with other computers to form botnets. They may be told to “replicate themselves” or to “infect other machines in the network”. They can also receive instructions such as “to steal your most valuable data, be it customer credit card numbers, your personnel data, or your engineering designs. By contrast, most spam ware is acted on by the user, not through the control of a remote party, although bots are also sent via email.

The Zeus Trojan is a botnet attack aimed at banks. Banking industry was hit hard by the infamous Zeus Trojan, a botnet invasion that continues to plague banks worldwide. The Zeus kit was specifically designed to defraud bank customers and experts estimate that the successful exploits using Zeus resulted in thousands of criminal hackers stealing hundreds of millions of dollars from banking customers all over the world. Zeus performs so many different complex criminal tasks including: Steal account credentials, client-side X.509 public key infrastructure (PKI) certificates, FTP and POP account credentials. It also Steal/delete HTTP and Flash cookies.

In addition it modify the HTML pages of target websites for information stealing purposes, redirect victims from target web pages to attacker controlled ones, take screenshots and scrapes HTML from target sites and search for and uploads files from the infected computer. (<https://krebsonsecurity.com/tag/zeus-trojan/>). Thus, with developed economies building up their defenses against cyber-attacks, cyber criminals seem to be shifting their attention to easier targets in emerging digital financial services markets and exploiting their vulnerabilities (SWIFT Institute, 2017).

The global talent gap in this area is even more pronounced in developing countries, especially in Africa (IOSCO, 2017). Thus, fault and failure caused by this intrusion not only decrease the system performance but also client and customer’s trust towards this financial institution due to the risk of losing their money and assets in the bank. Thus, there is a growing interest among providers and policymakers to mitigate the sector’s exposure to cyber risks. Despite the facts mentioned above there is no functional cyberspace security policy in Ethiopia. Thus, information security issue is not only a problem of technology but also a problem of a management. Therefore, legal frameworks in the form of policy and standards are the most prerequisites to

establish efficient and reliable cyber security systems. Though, INSA's vision is to realize a globally competent National Cyber capability which plays a key role in protecting the national interests of Ethiopia. The country has to do a lot yet to address the requirements for cyber security.

Mike Daniels (2016) has broken organizational capacity into six categories. Each category has number of criteria. These are governance/leadership, organizational management, human resource management, financial management, program/project management and external relations. Raymond, (2010) many frameworks are comprised of similar organizational elements, with the main differences between them being how they are grouped into components. He organized organizational capacity in to four key areas: leadership capacity, management capacity, technical capacity, and adaptive capacity (Connolly & York, 2003). Within each of these areas are specific sub-components that organizations need to focus on in order to be truly effective (TCC Group, 2010). These components are comprehensive, and cover all various aspects of capacity found in the literature. This study also assesses organizational capacity in to four groups.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents about research design, population, sampling procedures, validity and reliability of the research tool, data collection and presentation. The purpose of this research design is to provide a clear and completed description of the organization under investigation. .

3.1 Research Design

This study employed a descriptive survey research design that describes the present situation (Hens et al., 2013, Kothari, 2014). Descriptive statistics according to Taylor, Bogdan and DeVault (2015) enable the researcher to meaningfully describe distribution of scores or measurements. This research design was also suitable for answering what, which and when questions so as to identify factors that affect organizational performance. This research design enables quantitative data to be collected through questionnaires after which it can be used to test the hypothesis. The study also used exploratory study. It is a valuable means of finding out what is happening; to seek new insights; to ask questions and to assess phenomena in a new light“ (Robson, 2002:59). These research designs allow collecting quantitative data to analyze quantitatively using descriptive and inferential statistics.

3.2 Target Population

This study collected information from bank management members that had detail picture about bank capacity and performance. The study focus on members of managements that expected has knowhow about their branch. These include bank manager, operational manager, customer service manager, and business development manager and information management representative.

3.3 Sampling Procedure

A sampling frame is a list of the target population from which a sample can be selected

(Williams, 2011). Total populations of the study bank branch were 57 at the beginning of 2021 in North Addis Ababa Awash Bank District. Out of the 57 branch banks the researcher took a representative sample of 26 (45%) of them by using purposive sampling techniques. From these representative samples all available 104 bank management members were targeted as respondent.

3.4 Instrumentation

This study use both primary and secondary data. The primary data collection instrument in this study was a questionnaire. It was adopted from Organizational Capacity Assessment Tools (OCAT). A questionnaire was more appropriate for this study that enabled the researcher to collect first-hand information over a short period of time. It gathered information through likert scale about respondents' that ranging from strong disagreement to perfect agreement. Primary data collected from bank management members that had detail picture & knowhow about bank capacity and performance. Secondary data sources were from the Awash and National Bank of Ethiopia reports. The researcher intensively investigated various relevant documents.

3.5 Pilot Study

Research instruments piloted in advance in order to ensure the clarity of questions, confirm the ease of administration, and obtain insight to potential difficulties that might arise during data gathering. The pilot test took place in Awash bank branch that is not select as a sample representative so that it reduce chance of bias while responding questionnaires for the second time. It also used to test the validity and reliability testing of the data collection instrument. Saunder et al., (2007) indicates a pilot study of 5% population of the sample population is sufficient. Hence, the pilot study selected three branch bank (Wasirbi, Addisu Gabaya & Goro). The pilot study has collected the required data using schedule questionnaires; interview and observation methods.

3.5.1 Reliability of the Research Instrument

The reliability refers to a measurement that supplies consistent results with equal values [Blumberg et al., 2005]. It measures consistency, precision, repeatability, and trustworthiness of

a research [Chakrabartty, 2013]. According to Portney and Watkins (2010), judging trustworthiness internal consistencies of a test result of research finding has to match with existing real world incident. Cronbach alpha frequently measure used to calculate internal consistency and correlation values among answers (Sullivan, 2011). According Christensen et al. (2011); Cooper and Schindler (2009); Cronbach (1951) Cronbach Alpha Coefficient of 0.7 and above was acceptable.

Reliability of the study was increase during pilot study through including many items, using same procedure and testing varied sample.

Table: Reliability Analysis

Variable	No of item	Item Dropped	Cronbach's Alpha
Leadership Capacity	10	0	.742
Management Capacity	10	0	.752
Technical Capacity	7	0	.733
Adaptive Capacity	11	0	.712
Performance	8	0	.708

Source: Research Data (2021)

Reliability result shown in table4: illustrated that all independent and dependent variables had Cronbach's Alpha Coefficient greater or equal to 0.7. Since the result of Cronbach's Alpha Coefficient above threshold (0.7) is generally accepted.

3.5.2 Validity of Data Collection Instruments

Validity is often defined as the extent to which an instrument measures what it asserts to measure (Bryman, A., & Cramer, D. 2011, Cohen et al.2007). In quantitative research validity is the extent to which any measuring instrument measures what it is intended to measure (Thatcher, 2010). Willis, (2007) indicates validity has two essential parts: a) internal (credibility), and b) external (transferability). Internal validity indicates whether the results of the study are legitimate because of the way the groups were selected, data were recorded or analyses were performed. It refers to whether a study can be replicated. The validity of this study improved through clearly defined

and operationalized goals and objectives match the assessment measure to the goals and objectives of research, compare the measure with other measures, or data that may be available and proper use of words over assessment..

3.6 Methods of Data Collection

In this study; where the research takes place? Who will be respondents? What events are gathered? Thus, the nature of event undertaken by respondents is determined at very beginning. The study also indicates the type of data to be collected.

The participants of this study assured that the data collected will only be used for research purposes. Their identity remained anonymous and confidential. The questionnaires were distributed through the drop and pick method to give the participants sufficient time to respond to the research questions. In general, in order to insure the reliability and appropriateness of the data the researcher managed to triangulate questionnaires, focus group discussion and document analysis.

3.7 Methods of Data Analysis

In this study, the researcher wants to employ both qualitative and quantitative data analysis methods. Thus, the raw data collect and carefully organize using SPSS 20.0. The process of data entry is carefully carried out and ensuring accurate data entry so as to minimize the errors. Data analysis is systematic manipulation, processing, arrangement and organization of data in order to produce meaningful information (Smith, 2015). The data interprets by using descriptive statistics, multiple regression, and correlation. Multiple regression analysis is done to know which independent/Demographic variable as a significant impact on the dimension related to the topic.

The researcher uses Likert type scale to analyses and interprets the score rated by respondent. For the simplicity of analysis, the means categorized in to five point of scale of measurement. In this survey data, analysis involves making sense out of table value, text and graph. It involves prepare the data for analysis; this involve transcribing response, scanning material, typing up file notes, sorting and arranging data into different types depending on the source of information and coding them. In addition, reading and understanding the data helps to represent and conduct different analysis and interpretation.

Jobson, (2012) indicates inferential statistics was carried out using regression and correlation analysis so as to know the extent and nature of the relationship between the variables of the study. Regression analysis was conducted using multiple regression models to determine the extent to which organization capacity affect the study bank performance. This study also made diagnostic tests such as linearity, multicollinearity, heteroskedasticity and normality tests as advised by Deeks and Altman (2004).

3.8 Diagnostic Tests

Henwood (2014) explains the relationship between the dependent and the independent variable should satisfy the assumption of multicollinearity, linearity and normality. Calculating a composite value for each of the study variables helps to fix the assumption of diagnostic test fail so that outliers in the data were eliminated.

3.8.1 Normality Test

Normality test assess whether the data set is normally distributed or not. This study used Kolmogorov-Smirnov (K-S) Test and Shipro Willk test. The SPSS Result of both test either null or alternative hypothesis. The hypotheses are

Ho: The data is normally distributed (Not different from a normal distribution)

H1: The data is not normally distributed (Different from a normal distribution)

The rule is that if the p-value is greater than 0.05 (Not significant), Ho is not rejected and H1 is rejected, if the p -value is less than 0.05 (Significant), Ho is rejected and H1 is not rejected.

3.8.2 Linearity Test

Linearity means that two variables, "x" and "y," are related by a mathematical equation " $y = mx + b$," where "m" is any constant number (Chan and Tong 1986). Before using common like linear regression methods tests for linearity be performed. When linearity is displayed by the data points being arranged in the shape of an oval then a linear regression model is suitable for the study (Ghasemi & Zahediasl, 2012). .

3.8.3 Multicollinearity Test

Multicollinearity refers to excessive correlation of the predictor variables. Pesaran (2004)

indicates that the presence of multicollinearity may cause variables estimators and their standard errors to be sensitive to small changes in the data. The study used Variance Inflation Factor (VIF) using the threshold of 10 for severe multicollinearity. A value above 10 indicates that there is no multicollinearity.

3.8.4 Homoscedasticity

Breusch and Pagan (1979) was developed a measuring scale that used to test for homogeneity in a linear regression model. Garson, (2012) explains homoscedasticity suggests that the dependent variable has an equal level of variability for each of the values of the independent variables. Lack of an equal level of variability for each value of the independent variables is known as heteroskedasticity, Homoskedasticity test in this study was tested through Breush Pagan test Warner (2008). The null hypothesis was that the error term is constant. The decision on a P-value greater than 0.05 indicated that there is presence of homoskedasticity while a P-value less than or equal to 0.05 indicated presence of heteroskedasticity.

1.8 RESEARCH MODEL / FRAMEWORK

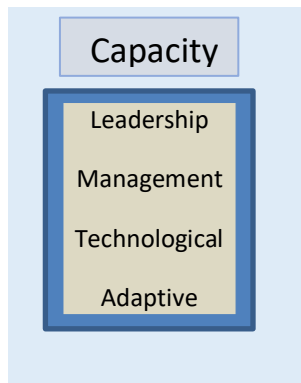
Developing conceptual framework helps us to makes logical sense of the relationship among the several factors that enhance understanding of the study variables. (Sekaran & Bougie, 2009).

Due to intense world competition among organization there has been pressure to improve organizational capacity. Scholars broken capacity almost similar category except a few differences in its component (Raymond, 2010).

Organizational capacity is broken into six (governance/leadership, organizational management, human resource management, financial management, program/project management, external relations) each of them further subdivided a number of criteria (C. Mike Daniels, 2016). According Light & Hubbard, 2002; aspects of organizational are divided in to four. These are external relations, internal structures, leadership, and management.

For the purposes of this study organizational capacity is divided into leadership capacity, management capacity, technical capacity, and adaptive capacity (Connolly & York, 2003)

Independent variable



Dependent variable



Figures1: the relationship between independent and dependent variables.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

The main purpose of this study was to identify the impact of organization capacity on performance of Awash Bank. The chapter presents frequency distributions, descriptive, regression and correlation results. It also analyzes, interpret and discuss each finding.

4.2 Respondent Rate and Demographics

The researcher distributed 104 questionnaires of this 98 were properly filed and returned back. The respondents type were branch manager 27, customer service manager (CSM) 27, operation manager (OM) 7, business developing manager (BDM) 18 and accountant 27. This management team purposefully selected because they have very close attachment and have more knowhow about the relation between capacity and performance.

Table 4.1 below shows the response distribution rate.

Response	Target	Population	Percentage	Non response	Percentage
Branch Manager	27	25	92.59	2	7.4
Customer Service Manager	27	25	92.59	2	7.4
Operational Manager	7	7	100.0	0	0
Business Development Manager	18	17	94.44	1	5.56
Accountant	25	24	96	1	4
Total	104	98	94.23	6	5.77

Source: Research Data (2021)

One hundred four questionnaires were distributed and 98 of them responded. It represent 93.7 % response rate. According to Williams (2011) and Zikmund et al. (2010) a response rate above 50% is acceptable and suitable.

Table: 4:2 Respondent Genders

Response	Frequency	Percentage
Male	89	90.8
Female	9	9.2
Total	98	100.0

Source: Research Data (2021)

The above table shows that more male (90.8%) were assigned in management position than female (9%). Thus, the bank has to take an affirmative action to equalize the sex distribution of management position.

Respondents Work Experience in Bank

Table: 4:3 Work Experience in Bank

Response	Frequency	Percentage
2-5 year	14	14.3
6-9 year	28	28.6
Above and equal to 10	33	33.7
Total	98	100.0

Source: Research Data (2021)

:

The majority (62.7%) of the management team had 6 and more years' experience. This implies that as experience increase working capacity mainly increase. Hence, experienced employees are more likely assign in management position

Respondent Area of Specialization

Table: 4:4 Respondent Area of Specialization

Response	Frequency	Percentage
Accounting	41	41.8
Management	19	19.4
Economics	10	10.2
Marketing	9	9.2
Accounting and Finance	15	15.3
Business Management & Accounting	4	4.1
Total	98	100.0

Source: Research Data (2021)

The above table 4; 4 illustrate that the majority (61.2%) of managerial position has been taken by two field of studies (accounting and management) whereas the remaining 4 specialization (economics, marketing, accounting and finance, and business administration) only share 38.8% the positions.

Respondent Leave of Education

Table 4:5 demonstrate that management member holds degree 53.1% and master 46.9%. This implies that the majority of management has first degree. In this competitive market banks management member should have at least MA that enable him/her surpass other competitors. Thus, the bank has to encourage employees for their further academic carrier.

Table: 4:5 Respondent Leave of Education

Response	Frequency	Percentage
Degree	52	53.1
Master	46	46.9
Total	98	100.0

Source: Research Data (2021)

:

Respondent current Position

Each Awash bank branch has 3 -5 management members. The management sizes depend on customer size, transaction rate, and profit rate. Table;4:6 shows the percentage of branch manager, customer service manager, operational manager, business development manager and accountant were 25%, 25%, 7.1%, 17.3 % and 24.5% respectively. Thus, management member's proper organization, cooperation and team sprit enhance quality service, customer satisfaction enhance profit rate.

Table: 4:6 Respondent current Positions

Response	Frequency	Percentage
Branch Manager	25	25.5
Customer Service Manager	25	25.5
Operational Manager	7	7.1
Business Development Manager	17	17.3
Accountant	24	24.5
Total	98	100.0

Source: Research Data (2021)

4.1 Descriptive Statistics

This study used descriptive statistics that summarized major characteristics of the study variables using minimum, maximum, mean and standard deviation.

4.2 Organizational Capacity

It presents the major findings of descriptive statistics results indicating the extent of organization's 'ability to perform work and achieve its goals in North Addis Ababa Region of Awash Bank. The respondents were asked to indicate their level of agreement to each variable question using a scale of 1-5, where 1=Very low, 2=Low, 3=Moderate, 4=High and 5= Very high.

4.2.1 Leadership Capacity

The study explained effect of leadership capacity on performance of Awash Bank North Addis Ababa Region. It also determines the extent of leadership capacity influences organizational performance. The following table demonstrates about the extent exercising leadership capacity

Table 4:7 Extent Exercising Leadership Capacity

statement	N	Mini mum	Maxi mum	Mean	Std. Deviation
Develop clear, specific vision that the organization aspires to achieve	98	1.00	5.00	3.7755	.92537
Vision is well-communicated with the staff and beneficiaries	98	1.00	5.00	3.3265	1.02319
Vision consistently translate the vision in to action	98	1.00	5.00	3.2653	.69684
Organization strategic plans have clear & achievable objectives	98	1.00	5.00	3.5102	.82793
The organization operational plan is simple, measurable achievable, realistic	98	1.00	5.00	3.5204	.86429
Develop sound business plans for new services or markets	98	2.00	5.00	3.4490	.77490
Leaders assign reasonable work with fair deadline to meet the predetermined goals or exceeded	98	1.00	5.00	3.8776	.88824
Crete strategy to minimize bank queue	98	3.00	5.00	3.6122	.75481
Develop a strategy to surpass serious competition of the existing & newly emerging banking industry	98	1.00	5.00	3.00	.79797
Commitment to facilitate change and innovation	98	1.00	5.00	3.5000	1.01788
Valid N (listwise)	98				

Source: Research Data (2021)

The result in Table 4:7 respondents mean score 3.7755 shows that Awash bank has clear and specific vision that helps to achieve its intended objectives. The majority of the respondents also revealed with low standard deviation of 0.92537. The respondent also attest that vision was well-communicated with the staff and beneficiaries to moderate extent (M = 3.3265, SD = 1.02319). But the standard deviation of 1.02319 indicated that the respondents varied in their opinions. Awash bank strategy also indicates that the bank wants to become one of the top ten banks in east Africa in 2025. To address this vision direction and support from the board and top

management play a significant role. Likewise other managements are responsible to develop good working culture, add value on the system, overcome challenges, ensure accountability and improve efficiency. Thus, the bank needs to work with the strategy, use data, and build employee capacity to attain the intended objectives. Table 4:7 also shows that organization perform the following activities to moderate extent with low standard deviation. These were translate the vision in to action; prepare organization operational plan that is simple, measurable achievable, realistic; leaders assign reasonable work with fair deadline to meet the predetermined goals or exceeded. The data support that the study bank develop sound business plans for new services or markets at moderate extent. This study also attest that the bank creates time limit to complete each task and facilitates multiple benefit to customers so as respond the rising demand. This will improve its public picture. Thus, it helps attract and keep bank customers using technology and other means. While attracting new customer due attention is given for female, young, special function and potential customers. In addition the bank creates all-in-one multichannel service to its customers.

According table 4:7 respondents demonstrate that Awash bank develop a strategy that surpass serious competition of the existing & newly emerging banking industry to moderate extent as shown by a mean of 3.00. This view was believed by a majority of the respondents as reflected by the low standard deviation of 0.79797. According respondents digital capacity overall have somehow improved and there is also progress in digital quantity service. But much work expected to come up in to digital quality. To this end the study bank further improved customer service through new IT technology. Furthermore, the study bank expected to improves customer service using new wave of advanced analytics and digital devices. The bank also need to provides other option than online banking and smartphone banking to make consumers lives easier and surpass other banks service. Hence it helps to retain the existing one and attract new customers through addressing their rise expectations. This study infers that the study bank ability to sell and onboard consumers' service on digital channels has not much developed. Therefore, the bank has to bridge the gap minimize serious challenge when the government opens new market to both upcoming local and foreign banks with high working capital and technology.

Respondents of this study also attested in Table 4:7 that employees were committed to facilitate a change and innovation to moderate extent by mean 3.5000. However, high standard deviation of 1.01788 implies that the respondents vary in their opinion. This study infers that the study

bank has to provide best service with low cost through deliver of next generation customer support like secure chatbot, interactive video and integration of voice banking so as boost its image and gain financial return. Furthermore, this study infers that Awash bank expected to improves customer service using new wave of advanced analytics and digital devices. The bank also need to provides other advance option than online banking and smartphone banking to make consumers lives easier and surpass other banks service such as basic banking by voice.

4.2.2 Management Capacity

This study wanted to identifies the effect of management capacity on performance of Awash Bank Northern Addis Ababa region.

Table: 4:8 Extent Exercising Management Capacity

statement	N	Minimum	Maximum	Mean	Std. Deviation
Systems to recruit and retain qualified staff is designed	98	1.00	5.00	3.5408	1.15917
Provide consistence training to staff on bank technology	98	1.00	5.00	3.5918	1.00347
Motivate & inspire individual and team for their achievement	98	1.00	5.00	3.7245	1.14676
The organization has complete and appropriately documented HR policies and procedures, and understood by staff and consistently obeyed to it	98	1.00	5.00	3.7449	1.09843
The organization has a clear process for gathering, & packaging quality information, best practices and lessons learned for broad distribution and use throughout the organization	98	1.00	5.00	3.69 2	1.09865
Finances are monitored on a regular basis	98	1.00	5.00	4.0204	.94137
Organization jointly fundraises with other organizations	98	1.00	5.00	4.0204	.78622
Our organization benchmarks its performance on key indicators against comparable organizations	98	1.00	5.00	3.7449	.73655
Managers at any level are held accountable for the results of their activities	98	1.00	5.00	3.8367	.99165
The individual to whom I report periodically reviews my results with me	98	1.00	5.00	3.6939	.87824
Valid N (listwise)	98				

Source: Research Data (2021)

Table 4:8 demonstrates that systems to recruit and retain qualified staff are designed to a moderate extent as a mean of 3.5408. However there were high variations among the respondents response with SD 1.15917. Awash Bank provides consistence training to staff on bank technology as the respondents feeling shown to moderate extent by a mean of 3.5918. But there were high variation of response with SD of 1.00347'. This implies that in these competitive bank markets Awash Bank North Addis Ababa Region has to provide consistence training so as to improve its mal function to address the bank vision 'to be world class bank'.

As of table 4;8, Awash Bank motivate & inspire individual and team for their achievement; the organization has complete and appropriately documented HR policies and procedures, and understood by staff and consistently obeyed to it; and the organization has a clear process for gathering, & packaging quality information, best practices and lessons learned for broad distribution and use throughout the organization rated by respondents as a moderate extent with a mean of near 3.7 each. However there were high variations among respondents SD of almost 1.1. Thus, the organization has to look some techniques that enable reduce variation and increase team spirit of the employees. The organization has to run to maximize the performance of the for mentions key activities to satisfy customers. In return, generate more profit.

As table 4;8 shows, the respondents feeling about finances are monitored on a regular basis; and organization jointly fundraises with other organizations were to a high extent as shown by a mean of 4.0204 and 4.0204 respectively. The respondents were relatively in agreement in their responses as shown by a low standard deviation in both the for mention responses (SD 0.94137 and 0.78622 respectively). Thus, these are some of outshine activities relatively common agreements among respondents that organization enable to evaluate the current status financial aspect and make an adjustment based on the result. The above table also attest that respondents mean score was moderately adapted to: the organization benchmarks its performance on key indicators against comparable organizations (3.7449), managers at any level are held accountable for the results of their activities (3.8367) and individual to whom I report periodically reviews my results with me (3.6939). There were low standard deviations among respondents. This implies that there were low variations among respondents opinion.

4.2.3 Technical Capacity

The study sought to determine the extent of technical capacity, the third independent variable, affect performance of Awash bank North Addis Ababa

Table: 4:9 Extents Exercising Technical Capacity

statement	N	Mini mum	Maxi mum	Mean	Std. Deviatio
Progress on goal achievement is evaluated on a regular basis	98	1.00	5.00	4.0000	.73218
The organization has established an ongoing evidence-driven system for improving the quality of services.	98	1.00	5.00	4.0000	.94159
Adaptation to new technologies (Credit & Debit cards, Text banking, Speed clearing, interactive voice response system, payment system group & Cloud computing) is valued highly to improve operational efficiency and surpass other competitors	98	1.00	5.00	3.5102	.67724
In introduction of new service, our company is often first to market	98	1.00	4.00	3.3061	.58165
Our new services are often perceived as very novel by customers	98	1.00	4.00	3.3265	.62219
In comparison with competitors, our company has introduced more innovative products and services during past 5 years	98	1.00	4.00	3.00	.60060
Rapid adoption of new technology to enhance clients' services	98	1.00	4.00	3.4184	.67233
Valid N (listwise)	98				

Source: Research Data (2021)

The results in Table 4.9 shows that respondents response of progress on goal achievement evaluated on a regular basis and the organization has established an ongoing evidence-driven system for improving the quality of services were score both items high extent as shown by mean of 4.0 and with low variations among respondents opinion (SD 0 .73218 and 0.94159 respectively).

Respondents result also indicates that adaptation of new technologies and introduction of new service were utilized to a moderate extent as shown by mean score of 3.3061 and 3.3265 respectively. The standard variations of these two consecutive items were 0.58165 and 0.62219

respectively. It is time to adapt new technologies and introduction of new service to high extent so as to attain the dream of organization.

The result of table 4:9 shows that in comparison with competitors, Awash bank has introduced more innovative products and services during the past 5 years were rated by respondent a mean score of 3.00 and relatively agreement among respondents opinion about the item with standard deviation of 0.6. Therefore the bank has to find out a strategy so as to come up with new technology and distinguished services that add up customer satisfaction along generating more profit. As the table 4:9 confirms that adaption of new technology to enhance clients' services was moderate extent with the mean score of 3.4184 with low deviation of opinion of respondents (SD 0.67233). In this regard much has to be done to improve customer satisfaction. Hence increase customer and profit.

4.2.4 Adaptive Capacity

The study also pursued to determine effect of adaptive capacity on performance of the study company. Table 4:10 and following subsection presents findings concerning how respondents regarded the various issues under this variable.

Table: 4:10 Extent Exercising Adaptive Capacity

Statement	N	Mini mum	Maxi mum	Mean	Std. Deviation
Monitor emerging events inside and outside our organization which are likely to threaten the course of our strategic action	98	2.00	5.00	3.734	.63491
Rapid exploit new market opportunities	98	2.00	5.00	3.653	.71942
The bank has crates a strategic links with external organizations	98	2.00	5.00	4.183	.67879
Organization continuously improved services quality	98	2.00	5.00	3.744	.66288
Provide 24-hour service	98	2.00	5.00	3.520	.70681
Provide alternative banking system to customers	98	3.00	5.00	3.612	.72699
Deal with customers' complaints urgently and with utmost care.	98	2.00	5.00	3.622	.91398
Adapt the system to encourage Muslim bank users	98	2.00	5.00	3.867	.91536
Our competitors are an extremely important source for learning new methods and services.	98	3.00	5.00	3.602	.69963
Provide early lessons on effectiveness and legitimacy of National Adaptation	98	2.00	5.00	3.622	.72532
Gives regular training to employees to update and upgrade employees	98	3.00	5.00	3.500	.69237
Valid N (listwise)	98				

Source: Research Data (2021)

The results indicated in table: 4:10 that the bank monitors emerging events inside and outside the organization that is likely threaten the course of strategic action to moderate extent (Mean 3.734, SD 0.63491). This day the competitions among banks are more serious than ever. The study bank also tries to come up differentiated service using new and up to date technology. While doing so the investment on technology should be efficient. The investment should not harm the dividends last long. Respondents also rate rapid exploitation new market opportunities to moderate extent (Mean 3.653). The respondents had similar opinion (SD 0.71942). This result also supported by Awash Bank annual report of 2020/2021 where there were only 57 branches in North Addis Ababa Region. The bank opens 16 additional branches to utilize proximity advantage in the study area and in the same year. This implies that the banks open new branch that help to increase its customer size and attract potential customer. Thus, it increase working capital and profit range.

As table 4:10 indicate, the respondents were moderately agree ($M = 3.653$) that the bank crates a strategic links with external organizations. They were relatively in agreement in their responses as shown by a low standard deviation of 0.71942. Hence, it increase market share and create access to deposit and borrow loan to individual and or to their organization. The respondents also attest that bank also creates a link with government organization, import and Export Company, international NGO, Master Card Foundation and foreign banks so as to get money and or currency. So as the bank increase of financial transaction and generate more profit.

According table 4:10 result the organization continuously improved services quality, provide 24-hour service, provide alternative banking system to customers, and deal with customers' complaints urgently utmost care were to moderate extent mean score of 3.744, 3.520, 3.612 and 3.622 respectively. The standard deviations of the above items were low (between 0.66288 and 0.91398). These show that respondents were relatively agreed in their opinion. This implies that being continuously improving service quality, length of the service render, alternative banking system and immediate adjustment to complain makes the organization have positive public image.

Table 4:10 respondent result shows that Muslim bank users were encourage, competitors are an extremely important source for learning new methods and services; the bank provided early lessons on effectiveness and legitimacy of national adaptation; and regular training to employees to update and upgrade employees moderately agree as indicated mean score of 3.867, 3.602, 3.622, 3.622 and 3.500 respectively. The respondents also had an agreement to the for mention items with low standard deviation. Therefore, Awash Bank North Addis Ababa Region has to work hard to encourage Muslim bank users, surpass its competitor, and use all opportunities legitimation of national adaption. Last but not list upgrade and update employees.

4.2.2 Organizational Performance

This study focuses on the extent of organization achieved the desire aims in a specified period of time (Porter, 1995). Table 4:11 result illustrates descriptive statistics of organizational performance.

Table 4:11 Descriptive Statistics for Organizational Performance

	Mean	Std. Deviation
More profit in the past three year.	4.0714	.63001
Has increasingly higher market share	4.0306	.61684
Use competitive cost (interest and loan)	4.0000	.67350
Provide distinguished service than its competitors	2.9982	.53893
Reduce transaction lead time through technology	3.0102	.60060
Image of the bank is better than others	3.5612	.64323
Create save and convenient serving environment	3.6429	.63001
Valid N (listwise)		

Source: Research Data (2021)

According to respondents (Mean = 4.0714, SD = 0.63001) Awash Bank North Addis Ababa Region has got more profit rate in the past three consecutive years. Similarly, Awash Bank 2020/21 report magazine indicates that the organization has got high profit rate in the past three year. As respondents demonstrate in table 4:11, the market share of the organization was high (M = 4.0306, SD = 0.61684). The standard deviation result indicate respondents opinion were relatively similar. Table 4:11 indicates the study bank attract more potential customer (M =4.0000, SD =0.67350) using competitive cost. This implies that the bank attract new and retain the existing potential customer through bargaining power of the bank. Thus, the bank needs to enhance the best service to customer so as reduce cost and improve revenue. The results presented in Table 4:11 indicate that the bank provide distinguished service than its competitors to relatively moderate (M = 3, SD = 0.53893). There was relatively no variation among respondents opinion. Thus, the bank provides relatively no differentiated or unique service that attract customer as compared to other existing banks. Therefore, the bank has to develop strategy that grant maximize working capital and increase profit rate in the next uninterrupted years.

Table 4.11 indicates that customer service transaction lead time reduced through technology were moderately rated (M=3.0102 & SD 0.60060). Researcher observation also noticed that there has been queue in some of Awash bank. Thus, to reduce the queue the bank goes an extra mile

to set time for lead, wait, and interaction. To this end the organization has to use modern and update technology that reduce transaction time and make no more queue. The result presented in this table found that image of the bank is better than others as indicated moderate mean score of 3.5612 and the results also show that there was a general agreement among respondents as shown by a low standard deviation of 0.64323. The results further showed that the bank creates save and convenient serving environment to a moderate extent as shown by a mean of 3.6429 and with low variation respondent opinion with SD 0.63001. In this contemporary world, bank technological advancement should enhance both operation and security of the bank and its customers. But there may be a risk like cyber-attacks that may lead to steal resource, impose malfunctioning and destroy image of the bank. Thus, granting security of bank is the core priority.

4.3 Model Diagnostic Test

This study verified the basic assumptions of regression model before inferential analysis were carried out. The diagnostic tests conducted in this study were the normality test, multicollinearity, linearity tests, tests, and homoscedasticity test.

4.3.1 Normality Test of performance

Normality test in this study was conducted through both Kolmogorov-Smirnov and Shapiro-Willk normality tests in order to establishing whether dependent variables were normally distributed. The significant value of variables is the data statistical significantly difference from normal distribution as shown in the following table 4.12

Table 4:12 Kolmogorov-Smirnov Test of Normality

	Kolmogorov-Smirnov			Shapiro Wilk		
	Statistic	Df	Sig	Statistic	Df	Sig
Leadership Capacity	.084	98	.083	.985	98	.310
Management Capacity	.089	98	.055	.983	98	.230
Technical Capacity	.090	98	.049	.979	98	.126
Adaptive Capacity	.090	98	.050	.979	98	.112

Source: Research Data (2021)

The result table 4:12, indicate that the variables leadership, management and technical capacity had insignificant Shapiro Willk values and Kolmogorov Smirnov values greater than 0.05 (alpha) would not be statistical difference from normal distribution and null hypothesis is accepted. These imply that data are normally distributed. The technical capacity variable normality distribution result tested through Kolmogorov-Smirnov (0,49) and Shapiro Wilk (0.112). This test analyzed the data in different ways and its result more valued and commonly accepted ShiproWillk. Basing on the recommendations of Warner (2008), the study fails to reject the null hypothesis and concludes that the data are normally distributed.

4.3.2 Multi-Collinearity Test

Multicollinearity test used to identifies whether there were any form of linear relationship between the independent variables.

Table 4 ;13, Multi-Collinearity Test

Independent Variable	Collinearity Statistics	
	Tolerance	VIF
Leadership Capacity	.380	2.629
Management Capacity	.509	1.963
Technical Capacity	.562	1.779
Adaptive Capacity	.766	1.305

Table 4: 13 shows that VIF result of leadership, management, adaptive and technique capacity were 2.629, 1.963, 1.779 and 1.305 respectively. Thus, the result shows that there was no problems of multicollinearity since the variables have a VIF value less than 10. Hence, it was suitable to use the same data to run regression analysis.

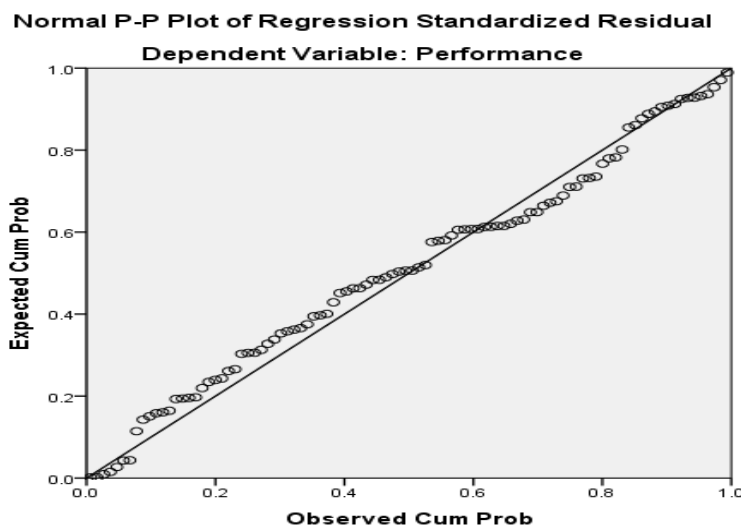
4.3.3 Linearity Tests

This study assesses the assumption of linearity that correlates between the independent and dependent. In order to test linearity of this study bivariate correlation were carried out. Table 4:15 indicates the bivariate correlation value of each leadership capacity, management capacity,

technical capacity and adaptive capacity with performance were P value of 0.007, .000, 0.002 and 0.014 respectively that was less than 0.05. Thus, these significant correlations indicate the existence of linearity.

4.3.4 Homoscedasticity

Breusch and Pagan (1979) was developed a measuring scale that used to test for homogeneity in a linear regression model. Garson, (2012). explains homoscedasticity suggests that the dependent variable has an equal level of variability for each of the values of the independent variables.



Source: Research Data (2021)

The above diagram shows that the data falls more or less on the line. It shows that the variability of dependent and independent variables is equally far a parted from regression line. Hence, there is homoscedasticity. Breusch and Pagan (1979) was used to test for homogeneity in a linear regression model. The test states that the probability value should be greater than 0.05 meet the homoscedasticity

Table4.13.2 ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.060	4	.015	.305	.874 ^b
Residual	4.554	93	.049		
Total	4.614	97			

a. Dependent Variable: Square RV

b. Predictors: (Constant), Adaptive Capacity, Management Capacity, Technical Capacity, Leadership Capacity

Table 4.13.2 shows that square of residue in analysis of variance (p value = 0.874^b) is greater than 0.05. It meets the homoscedasticity assumption linear regression.

4.4 Correlation Analysis

This study assessed the strength and the direction of the relationship between dependent and independent variables using person correlation.

Table 4:15 Correlation Analysis

		Correlations				
		performance	leadership capacity	management capacity	technical capacity	adaptive capacity
performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	98				
leadership capacity	Pearson Correlation	.352**	1			
	Sig. (2-tailed)	.000				
	N	98	98			
management capacity	Pearson Correlation	.271**	.086	1		
	Sig. (2-tailed)	.007	.400			
	N	98	98	98		
technical capacity	Pearson Correlation	.311**	.441**	.181	1	
	Sig. (2-tailed)	.002	.000	.075		
	N	98	98	98	98	
adaptive capacity	Pearson Correlation	.247*	.070	.104	.017	1
	Sig. (2-tailed)	.014	.494	.309	.872	
	N	98	98	98	98	98

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

* . Correlation is significant at the 0.05 level (2-tailed).

The result in table 4:15 indicates that there was a significant weak positive correlation between management capacity & Awash bank northern district performance ($r = 0.271^{**}$ $n = 98$ and $p = 0.007 < 0.01$). Similarly, there was a weak positive relationship between leadership capacity & organizational performance ($r = 0.352^{**}$ $n = 98$ and $p = .000 < 0.01$). Likewise, there was a weak positive relationship between technical capacity & organizational performance ($r = 0.311^{**}$ $n = 98$ and $p = 0.002 < 0.01$). Furthermore, there was a weak positive relationship between adaptive capacity & organizational performance ($r = 0.247^{*}$ $n = 98$ and $p = 0.014 < 0.05$).

4.4.1 Effect of Leadership Capacity on Organizational Performance

The contribution of leadership capacity on organizational performance identified by assuming all other variables are constant. In this model summary univariate linear regression model of the form $Y = \beta_0 + \beta_1 X_1 + \varepsilon$ was established where, Y = Organizational Performance and X_1 = Leadership Capability.

Table 4:16 Effect of Leadership Capacity on Performance (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.352 ^a	.124	.115	.30387

a. Predictors: (Constant), Leadership Capacity

b. Dependent Variable: Performance

Source: Research Data (2021)

Table 4:16 shows that the contribution of leaders' capacity on organization performance of Awash Bank North Addis Ababa Region accounts 12.4 %, where all other factors are constant. An adjusted R-square value of 0.115 close to the R- square value (0.124) indicated that the regression model was a good fit. In addition, R value of 0 .352^a confirms that the relationship between leadership capacity and organizational performance is positive.

Effect of Leadership Capacity on Performance (ANOVA)

Table 4:17: Effect Leadership Capacity on performance (ANOVA)

Model		Sum of Square	df	Mean Square	F	Sig
1	Regression	1.255	1	1.255	13.594	.000 ^b
	Residual	8.864	96	.092		
	Total	10.119	97			

a. Dependent Variable: Performance

b. Predictors: (Constant), Leadership Capacity

Source: Research Data (2021)

ANOVA results in table 4:17 shows that the model linking leadership capacity and organizational performance was significant ($F = 13.594$, $Sig = 0.000^b$, < 0.05) at 5% level of significance. This

result implies that the regression model linking leadership capacity and organizational performance was a good fit and significant in predicting the dependent variable.

4.4.2 Effect of Leadership Capacity on Performance

A t-test was conducted to assess the significance of leadership capacity in organizational performance.

Table 4:18 Effect of Leadership capacity on performance (Regression coefficient)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Coefficients	Beta		
1 (Constant)	2.673	.262		10.204	.000
Leadership capacity	.249	.067	.352	3.687	.000

a. Dependent Variable: Performance
Source: Research Data (2021)

The results in Table 4.18 indicates that leadership capacity has a positive and significant effect on organizational performance ($B = 0.334$, $t = 3.471$, $P = .001 < 0.05$). This result also infers that a unit increase leadership capacity leads to 0.245 unit increase organizational performance.

4.4.3 Effect of Management Capacity on Performance

Table 4:19 Effect of Management Capacity on performance (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.271 ^a	.074	.064	.31249

a. Predictors: (Constant), Leadership Capacity

b. Dependent Variable: Performance

Source: Research Data (2021)

Table 4:19 shows that the contribution of leaders' management capacity performance of Awash Bank North Addis A baba Region accounts 7.4 %, while all other factors are constant. The regression adjusted value of 0.064 indicates that the model was good fit. In addition, R value of

0.271^a confirms that the relationship between Management Capacity and organizational performance is positive.

Effect of Management Capacity on performance (ANOVA)

Table 4:20 Effect Management Capacity on performance (ANOVA)

Model		Sum of Square	df	Mean Square	F	Sig
1	Regression	.745	1	.745	7.625	.007 ^b
	Residual	9.375	96	.098		
	Total	10.119	97			

a. Dependent Variable: Performance

b. Predictors: (Constant), Management Capacity

Source: Research Data (2021)

Table 4:20, ANOVA results shows that the model linking management capacity and organizational performance was significant ($F = 7.625$, $Sig = 0.007^b$, < 0.05) at 5% level of significance. This result implies that the regression model link management capacity and organizational performance.

Effect of Management capacity on performance(Regression coefficient)

Table 4:21 Effect of Management capacity on performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Coefficients	Beta		
1	(Constant)	3.088	.200		15.465	.000
	management capacity	.148	.054	.271	2.761	.007

a. Dependent Variable: Performance

Source: Research Data (2021)

The results in Table 4.21 indicates that management capacity has a positive and significant effect on organizational performance ($B = 0.148$, $t = 2.761$, $P = 0.007$). This result also infers that a one-unit increase management capacity leads to 0.113 unit increase organizational performance.

4.4.4 Effect of Technical Capacity on Performance

Table 4:22 Effect of technological capacity on performance (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.311 ^a	.097	.087	.30855

a. Predictors: (Constant), Technical Capacity

b. Dependent Variable: Performance

Source: Research Data (2021)

Table 4:14 shows that the contribution of technological capacity on organization performance of Awash Bank North Addis A baba Region accounts 9.7 % of the variations, where all other factors are held constant. The regression adjusted R Square 0.087 indicates that the model was good fit. In addition, R value of 0.311^a confirms that the relationship between technological capacity and organizational performance is positive.

Effect of Technical Capacity on performance (ANOVA)

Table 4:23 Effect of Technical Capacity on performance (ANOVA)

Model		Sum of Square	df	Mean Square	F	Sig
1	Regression	.980	1	.980	10.293	.002 ^b
	Residual	9.139	96	.095		
	Total	10.119	97			

Table 4:15, ANOVA results shows that the model linking technological capacity and organizational performance was significant (F 10.293, Sig = 0 .002^b < 0.05) at 5% level of significance. This result implies that the regression model link technological capacity and organizational performance. was a good fit.

Effect of technological capacity on performance

Table 4:24 Effect of technological capacity on performance (Regression coefficient)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Coefficients	Beta		
1	(Constant)	2.806	.259		10.814	.000
	technical capacity	.216	.067	.311	3.208	.002

a. Dependent Variable: Performance
Source: Research Data (2021)

The results in Table 4.24 indicates that technological capacity has a positive and significant effect on organizational performance ($B = 0.216$, $t = 3.208$, $P = 0.002 < 0.05$) at 5% level of significance. This result also infers that one-unit increase technological capacity leads to 0.216 unit increase organizational performance.

4.4.5 Effect of Adaptive Capacity on Performance

Table 4:25 Effect of adaptive capacity on performance (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.247 ^a	.061	.051	.31459

a. Predictors: (Constant), Adaptive Capacity

b. Dependent Variable: Performance

Source: Research Data (2021)

Table 4:14 shows that the contribution of adaptive capacity on organization performance of Awash Bank North Addis Ababa Region accounts 6.1%, of the variation while all other factors are held constant. The regression adjusted value of 0.051 indicates that the model was good fit. In addition, R value of 0.247^a confirms that the relationship between adaptive capacity and organizational performance is positive.

Effect of Adaptive Capacity on performance (ANOVA)

Table 4:26 Effect Adaptive Capacity on performance (ANOVA)

Model		Sum of Square	df	Mean Square	F	Sig
1	Regression	.619	1	.619	6.251	.014 ^b
	Residual	9.501	96	.099		
	Total	10.119	97			

a. Dependent Variable: Performance

b. Predictors: (Constant), Adaptive Capacity

Source: Research Data (2021)

Table 4:26, ANOVA results shows that the model linking adaptive capacity and organizational performance was significant ($F = 6.251$, $Sig = .014^b$, < 0.05) at 5% level of significance. This result implies that the regression model can be used to predict the value of adaptive capacity on organizational performance.

Effect of Adaptive Capacity on performance

Table 4:27 Effect of Adaptive Capacity on performance (Regression coefficient)

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig
		B	Std. error			
1	(Constant)	2.822	.326		8.662	.000
	adaptive capacity	.222	.089	.247	2.500	.014

a. Dependent Variable: Performance

Source: Research Data (2021)

The results in Table 4.27 indicates that adaptive capacity has a positive and significant effect on organizational performance ($B = 0.222$, $t = 2.500$, $P = 0.014 < 0.05$) at 5% level of significance. This result also infers that one-unit increase adaptive capacity leads to 0.181unit increase organizational performance.

4.4.6 Combined Effect of Organizational Capacity on Performance

This study also used multivariate regression model to identify the effect of organizational capacity on performance. Multivariate regression model used to test the study hypothesis 1 to 4 at 5% level of significance. For the hypothesis test a P value less than 0.05 was used. The following table presents multivariate regression model.

4.5 Hypothesis Testing

Table 4:28 Multivariate Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.507 ^a	.257	.225	.28425

- a. Predictors: (Constant), Technical capacity, Adaptive Capacity, Management Capacity, Leadership Capacity
 b. Dependent Variable: Performance
 Source: Research Data (2021)

Table 4:28 results indicates that the combined effect of technical capacity, adaptive capacity, management capacity and leadership capacity was a positive correlation with performance of Awash bank ($R = 0.507^a$). Hence, an increase in organizational capacity leads to a significant improvement in performance of the study bank. Progressive changes in predictors' make an account up to 25.7% of the variation in organizational performance.

Table 4:29 Multivariate Regression Model ANOVA

Model		Sum of Square	df	Mean Square	F	Sig
1	Regression	2.605	4	.651	8.059	.000 ^b
	Residual	7.514	93	.081		
	Total	10.119	97			

- a. Dependent Variable: Performance
 b. Predictors: (Constant), Technical capacity, Adaptive Capacity, Management Capacity, Leadership Capacity
 Source: Research Data (2021)

As demonstrated in table 4:29 indicates that there was link between independent variables (predictors') and dependent variable (performance) of Awash bank with significant ($F = 8.059$,

Sig = 0.000^b < 0.05) at 5% level of significance. The model that links the two variables was a good fit.

Table 4:30 Multivariate Regression Model Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. error	Beta		
1 (Constant)	1.334	.422		3.165	.002
technical capacity	.161	.077	.219	2.085	.040
leadership capacity	.148	.073	.209	2.011	.047
adaptive capacity	.195	.081	.217	2.405	.018
management capacity	.108	.050	.197	2.168	.033

b. Dependent Variable: Performance
Source: Research Data (2021)

Result Table 4:30 demonstrate that the performance of the study bank would be 1.334 (B Unstandardized Coefficient) where all other were factors held constant. The above results also shows that among the independent variables that has highest impact was adaptive capacity (B = 0.195, t = 2.405, P value = 0 .018 < 0.05). In addition, the data in the table above indicates technical capacity, leadership capacity and management capacity in the order of their effect ranked as second, third and fourth respectively. Moreover, table 4:30 shows that each of the independent variable was significant at P < 0.05 levels of significant. Furthermore a unit increases each independent variable result growth of the organization as equal to their respective beta coefficients keeping all other variable were held constant.

Hypothesis One (H₀1): Leadership capacity has no significant influence on performance of Awash Bank North Addis Ababa Region

Table 4:30 shows that one unit increase leadership capacity improves the performance Awash bank by 0.148 where all other factors were held remain constant. The coefficient of leadership capacity had a P value 0.047 that was less than 0.05 (significant value). Thus, leadership capacity affects the performance of the bank so it reject null hypothesis. Therefore, leadership capacity has significant influence on performance of Awash Bank North Addis Ababa Region

Hypothesis two (H₀₂): Management capacity has no significant influence on performance of Awash Bank North Addis Ababa Region

The study was to evaluate the effect of management capacity on the performance of Awash Bank North Addis Ababa Region. The result in table 4:30 shows that one unit increase management capacity improves the performance Awash bank by 0.108 where all other factors were held remain constant. The coefficient of leadership capacity had a P value 0.033 that was less than 0.05 (significant value). Hence, management capacity affects the performance of the bank so it reject null hypothesis. Therefore, management capacity has significant influence on performance of Awash Bank North Addis Ababa Region.

Hypothesis three (H₀₃): Adaptive capacity has no significant influence on performance of Awash Bank North Addis Ababa Region

The study examines the effect adaptive capacity on performance of Awash Bank North Addis Ababa Region. Table 4:30 shows that one unit increase technical capacity improves the performance Awash bank by 0.161 where all other factors were held constant. The coefficient of leadership capacity had a P value 0.040 that was less than 0.05 (significant value). Thus, leadership capacity affects the performance of the bank so it reject null hypothesis. Therefore, technical capacity has significant influence on performance of Awash Bank North Addis Ababa Region

Hypothesis four (H₀₄): Technical capacity has no significant influence on performance of Awash Bank North Addis Ababa Region

The null hypothesis tested whether or not adaptive capacity has significant influence on performance of Awash Bank North Addis Ababa Region. Table 4:30 shows that one unit increase adaptive capacity improves the performance the bank by 0.195 where all other factors were held remain constant. The coefficient of leadership capacity had a P value 0.018 that was less than 0.05 (significant value). Thus, leadership capacity affects the performance of the bank so it reject null hypothesis. Therefore, adaptive capacity has significant influence on performance of the bank.

CHAPTER 5

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

This chapter presents the summary of the findings, conclusions and recommendations based on the data analyzed in the previous chapter. The main aim of the study was to identify the impact of organizational capacity on performance of Awash Bank North Addis Ababa Region. It also analyzed the effect of each independent variable (leadership, management, technological & adaptive capacity) on organizational performance. This study carried out using descriptive survey research method. It enable to explain how things are carried out, how the problem look like, to what extent the problems become serious, what are their major impacts and similar questions answered accordingly.

This study used purposive sampling techniques to select twenty six randomly selected branches of Awash Bank North Addis Ababa Region. The respondents type were branch manager 27, customer service manager (CSM) 27, operation manager (OM) 7, business developing manager (BDM) 18 and accountant 27. This management team purposefully selected because they have very close attachment and have more knowhow about the relation between capacity and performance. The study use both primary and secondary data for analysis. The respondents' opinion organized using SPSS 20.0. Finally the analysis and interpretation were made using descriptive statistics, compare mean, correlation and multiple regression.

5.1 Summary of Findings

This study explained the effect of leadership capacity on performance of Awash Bank North Addis Ababa Region. It also determines the extent of leadership capacity influences organizational performance.

Awash bank strategy also indicates that the bank wants to become one of the top ten banks in east Africa in 2025. To address this vision direction and support from the board and top management play a significant role. Likewise other managements are responsible to develop good working culture, add value on the system, overcome challenges, ensure

accountability and improve efficiency. Thus, the bank needs to work with the strategy, use data, and build employee capacity to attain the intended objectives.

According to the opinions of the respondents the majority (62.7%) of the management team had six and more years' experience. This implies that as experience increase working capacity mainly increase. Hence, experienced employees are more likely assign in management position. The result of this study shows that Awash bank develop a strategy that surpass serious competition of the existing & newly emerging banking industry to moderate extent as shown by a mean of 3.00. This view was indicated by a majority of the respondents with low standard deviation (0.79797).

The result of the study also shows that Awash Bank provides consistence training to staff on bank technology were moderate extent ($M = 3.5918$). But there were high variation of response with SD of 1.00347'. The result also shows that in comparison with competitors, Awash bank introduction of new innovative products and services during the past five years were rated moderate (respondent mean score of 3.00) and there were agreement of respondents opinion of the item with standard deviation of 0.6. In addition, the study shows that adaption of new technology to enhance clients' services was moderate extent with the mean score of 3.4184 with low deviation of opinion of respondents (SD 0.67233). Respondents also indicate that digital capacity overall have somehow improved and there is also progress in digital quantity service. But much work expected to come up in to digital quality. To this end the study bank further improved customer service through new IT technology. Hence it helps to retain the existing one and attract new customers through addressing their rise expectations. This study also infers that the study bank ability to sell and onboard consumers' service on digital channels has not much developed. Therefore, the bank faces serious challenge when the government opens new market to both upcoming local and foreign banks with high working capital and technology.

5.2 Conclusions

According to Awash Bank annual report of 2020/2021 there were only 57 branches in North Addis Ababa Region. The bank utilizes proximity advantage through opening of new additional 16 regional branches in the same year. This implies that the bank open new branch to increase its accessibility and customer size. In addition, it attract & retaining potential customer. Thus it increase working capital and profit range.

This study further indicates that the respondents were moderately agree that the bank crates a strategic links with external organizations.. Hence, it increase market share and create access to deposit and borrow loan to individual and or to their organization. The respondents also indicate that bank creates a link with government organization, import and Export Company, international NGO, Master Card Foundation and foreign banks so as to get more money and or currency

This study illustrates that the bank moderately improve service quality, length of the service hour, alternative banking system and immediate complain resolution system. Hence, it will help the organization develop positive public image.

According to this survey Awash bank attract more potential customer using competitive cost. This implies that the bank attract new and retain the existing potential customer through bargaining power of the bank. The result of this study also indicate that the bank provide relatively moderate distinguished service than its competitors. Therefore, the bank has to develop strategy that grant maximize working capital and increase profit rate in the next consecutive years.

The study indicate that the bank use modern and update technology to enhance the reduction of a single operation time cost were at the rate of moderate This study indicates that in this contemporary world technological advancement in banking system enhances the operation Hence the organization has to use modern and update technology that reduce transaction time and make no more queue. The result of this study shows that image of the bank were moderate The results further showed that the bank creates save and convenient serving environment to a moderate extent. So that it better to create convenient and save environment for both customers and employees.

The result also shows that attracting, selecting and recruiting competent and committed employees' had some gap. It will matter the future growth of the bank.

This study also attests that the bank creates time limit to complete each task and improve performance using technology. This will improve its public picture. While attracting new customer due attention were given for female, young, special function and potential customers.

5.3 Recommendations

Based on the finding of this study, the following recommendations were made. The study shows that more male (90.8%) were assigned in management position than female (9%). Thus, the bank has to take an affirmative action to train a competent female for managerial position.

This study infers that the study bank has to provide best service with low cost through deliver of next generation customer support like secure chatbot, interactive video and integration of voice banking so as boost its image and gain financial return. This study supposes that Awash bank creates all-in-one multichannel service to its customers. The bank needs to move beyond satisfying its customers.

In this competitive bank market the study bank has to develop a strategy that attract and recruit best applicant to enhance the performance of the bank. In addition, the bank has to update and upgrade the existing employees through consistence training to all of its employees.

This survey result also recommends that the bank has to conduct market surveys, find out the strength and weakness existing market consistently. So that the bank able to use all opportunities ahead of other banks.

The study infers that bank expected to improves customer service using new wave of advanced analytics and digital devices. The bank also need to provides other option than online banking and smartphone banking to make consumers lives easier and surpass other banks service

The bank needs to enhance the best service to customer in addition access, reduce cost, maximizes convenience and improve revenue so as to keep its competitive advantage.

The bank further investigates time for lead, wait, and interaction. In addition, the organization has to use modern and update technology that reduce transaction time and make no more queue.

This day the competitions among banks are more serious than ever. The study bank also tries to come up differentiated service using new and up to date technology. While doing so the investment on technology should be efficient. The investment should not harm the dividends long lasting. .

Awash bank technological investment need to grants the security so as to reduce a risk like cyber-attacks that enable steal resource, information, impose malfunctioning and destroy image

of the bank. Thus, provide distinguished service, add up customer satisfaction, build image and generate additional income. Hence, it enables to increase working capital and profit range. Thus, the bank will become the first world class bank that can work in different part of the world.

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ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

SCHOOL OF BUSINESS DEPARTMENT OF MASTERS OF BUSINESS ADMINISTRATION

Questionnaire

Introduction

This study is being conducted for partial fulfillments of MBA on the title of organizational capacity on service satisfaction. The study looks about capacity of bank leadership, management, adaptive and technical capacity. This questionnaires' will responded by management team; such as managers, accountant head, loan officers, marketing officer and cashier. Please read each question carefully and select the best alternative from the given choice and put "X" mark inside the box. If you have additional information space is provided at the end of each table to enable you express your feeling freely. You are kindly requested to respond all questions. I realize that your time is precious and your answers will contribute a lot to this study.

Your response is only used for this study and it is kept confidential. Responses cannot be reported individual in any way. The result is generalized all responses reflection in terms of multi variant and other statistical tools. Furthermore, your genuine and honest response plays a significant role for the success of this study.

Sincerely,

Abraham Robele Email: abbrobel@gmail.com MBA student at St Mary's University,

Part 1: general information

1. Sex: Male Female
2. Age in years: below 20 yrs 20 - 29 yrs 30 - 39 yrs
40 - 49 yrs Above 50 yrs
3. Level of education: diploma degree Master PhD
4. Total experience in bank: 1 year 2- 5 year
6 -9 year 10 & above year
5. Area of specialization: _____
6. Your current position: _____

Part 2: work related questions

The following statements are about capacity assessment of district bank management and e-banking. Please indicate your feeling against each question by putting mark “X” in one of the box against each item. In addition, a space is provided under each table to enable you mention points that is missed in the table and/or provide additional information freely related to title of table. Please note this measurement scale:

1= Strongly Disagree (SD), 2= Disagree (D) 3= Neutral (N),
4= Agree (A), 5= Strongly Agree (SA)

Model of service quality gap analysis: In general, this model is a diagnostic tool of management that facilitate diagnosis of management multiple gaps and for efforts to improve the quality, service continues is useful.

2. 1 Leadership Capacity

No	Items	5	4	3	2	1
	Leadership, Vision, Mission, and values, manage any changes					
2.1.1	Develop clear, specific vision what the organization aspires to achieve					
2.1.2	Vision is well-communicated with the staff and beneficiaries					
2.1.3	Consistently translate the vision in to action					
2.1.4	Organization strategic plans have clear & achievable objectives					
2.1.5	The organization operational plan is simple, measurable achievable, realistic					
2.1.6	Develop sound business plans for new services or markets					
2.1.7	Leaders assign reasonable work with fair deadline to meet the predetermined goals or exceeded					
2.1.8	Crete strategy to minimize bank queue					
2.1.9	Develop a strategy to surpass serious competition of the existing & newly emerging banking industry					
2.1.10	Commitment to facilitate change and innovation					

2.2 Management capacity

No	Items	5	4	3	2	1
	Human Resources, Financial Management, Operational Policies, Procedures and Systems					
2.2.1	Systems to recruit and retain qualified staff is designed					
2.2.2	Provide consistence training to staff on bank technology					
2.2.3	Motivate & inspire individual and team for their achievement					
2.2.4	The organization has complete and appropriately documented HR policies and procedures, and understood by staff and consistently obeyed to it.					
2.2.5	The organization has a clear process for gathering, & packaging quality information, best practices and lessons learned for broad distribution and use throughout the organization					
2.2.6	Finances are monitored on a regular basis					
2.2.7	Organization jointly fundraises with other organizations					
2.2.8	Our organization benchmarks its performance on key indicators against comparable organizations					
2.2.9	Managers at any level are held accountable for the results of their activities					
2.2.10	The individual to whom I report periodically reviews my results with me					

2.3 Technical Capacity:

No	Items	5	4	3	2	1
	Program Design and Evaluation, , Marketing & Technology skills					
2.3.1	Progress on goal achievement is evaluated on a regular basis					
2.3.2	The organization has established an ongoing evidence-driven system for assessing and improving the quality of services.					
2.3.3	Adaptation to new technologies (Credit & Debit cards, Text banking, Speed clearing, interactive voice response system, payment system group & Cloud computing) is valued highly to improve operational efficiency and surpass other competitors					
2.3.4	In introduction of new service, our company is often first to market					
2.3.5	Our new services are often perceived as very novel by customers					
2.3.6	In comparison with competitors, our company has introduced more innovative products and services during past 5 years					
2.3.7	Rapid adapt new technology to enhance clients' services					

2. 4 Adaptive capacity:

No	Items	5	4	3	2	1
	Environmental, Programmatic, & Organizational learning Effective advocacy and communication strategies,					
2.4.1	Monitor emerging events inside and outside our organization which are likely to threaten the course of our strategic action					
2.4.2	Rapid exploit new market opportunities					
2.4.3	The bank has crates a strategic links with external organizations					
2.4.4	Organization engages targeted population in monitoring and advocating for improved quality of services					
2.4.5	Provide 24-hour accessible service to the bank customers					
2.4.6	Provide alternative banking system to customers					
2.4.7	Deal with customers' suggestions or complaints urgently and with utmost care.					
2.4.8	Adapt the system to encourage Muslim bank users					
2.4.9	Our competitors are an extremely important source for learning new methods and services.					
2.4.10	Provide early lessons on effectiveness and legitimacy of National Adaptation					
2.4.11	Gives regular training to employees to update and upgrade employees					

Part Three: - organizational performance

No	Items	5	4	3	2	1
	Compared with our competitors, my bank has					
3.1	More profit in the past three year.					
3.2	Has increasingly higher market share					
3.3	Use competitive cost (interest and loan)					
3.4	Provide distinguished service than its competitors					
3.5	Reduce transaction lead time through technology					
3.6	Image of the bank is better than others					
3.7	Create safe and convenient serving environment					

If any other _____

```

REGRESSION
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  /STATISTICS COEFF OUTS R ANOVA
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  /NOORIGIN
  /DEPENDENT performance
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Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.507 ^a	.257	.225	.28425

a. Predictors: (Constant), management capacity, leadership capacity, adaptive capacity, technical capacity

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.605	4	.651	8.059	.000 ^b
	Residual	7.514	93	.081		
	Total	10.119	97			

a. Dependent Variable: performance

b. Predictors: (Constant), management capacity, leadership capacity, adaptive capacity, technical capacity

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.334	.422		3.165	.002
	technical capacity	.161	.077	.219	2.085	.040
	leadership capacity	.148	.073	.209	2.011	.047
	adaptive capacity	.195	.081	.217	2.405	.018
	management capacity	.108	.050	.197	2.168	.033

a. Dependent Variable: performance

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  /PRINT=TWOTAIL NOSIG
  /MISSING=PAIRWISE.

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Correlations

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		Correlations				
		performance	leadership capacity	management capacity	technical capacity	adaptive capacity
performance	Pearson Correlation	1	.352**	.271**	.311**	.247*
	Sig. (2-tailed)		.000	.007	.002	.014
	N	98	98	98	98	98
leadership capacity	Pearson Correlation	.352**	1	.086	.441**	.070
	Sig. (2-tailed)	.000		.400	.000	.494
	N	98	98	98	98	98
management capacity	Pearson Correlation	.271**	.086	1	.181	.104
	Sig. (2-tailed)	.007	.400		.075	.309
	N	98	98	98	98	98
technical capacity	Pearson Correlation	.311**	.441**	.181	1	.017
	Sig. (2-tailed)	.002	.000	.075		.872
	N	98	98	98	98	98
adaptive capacity	Pearson Correlation	.247*	.070	.104	.017	1
	Sig. (2-tailed)	.014	.494	.309	.872	
	N	98	98	98	98	98

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

* . Correlation is significant at the 0.05 level (2-tailed).

```

RELIABILITY
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Q2.2.10
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Reliability

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Scale: ALL VARIABLES

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Cases	Valid	98	100.0
	Excluded ^a	0	.0
	Total	98	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.752	10

||

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Systems to recruit and retain qualified staff is designed	34.0102	21.227	.696	.682
Provide consistence training to staff on bank technology	33.9592	22.988	.624	.699
Motivate & inspire individual and team for their achievement	33.8265	21.444	.682	.685
The organization has complete and appropriately documented HR policies and procedures, and understood by staff and consistently obeyed to it	33.8061	22.158	.683	.688
The organization has a clear process for gathering, & packaging quality information, best practices and lessons learned for broad distribution and use throughout the organization	33.9184	25.416	.320	.746
Finances are monitored on a regular basis	33.5306	24.664	.476	.723
Organization jointly fundraises with other organizations	33.5306	27.612	.214	.755
Our organization benchmarks its performance on key indicators against comparable organizations	33.8061	30.199	-.091	.784
Managers at any level are held accountable for the results of their activities	33.7143	24.866	.420	.730
The individual to whom I report periodically reviews my results with me	33.8571	29.155	.008	.780

RELIABILITY

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Reliability

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Scale: ALL VARIABLES

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a. Listwise deletion based on all variables in the procedure.

Cronbach's Alpha	N of Items
.733	7

Item-Total Statistics

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Progress on goal achievement is evaluated on a regular basis	20.5510	6.621	.542	.677
The organization has established an ongoing evidence-driven system for assessing and improving the quality of services.	20.5510	6.332	.418	.720
Adaptation to new technologies (Credit & Debit cards, Text banking, Speed clearing, interactive voice response system, payment system group & Cloud computing) is valued highly to improve operational efficiency and surpass other competitors	21.0408	7.256	.407	.710
In introduction of new service, our company is often first to market	21.2449	7.445	.446	.703
Our new services are often perceived as very novel by customers	21.2245	7.248	.467	.698
In comparison with competitors, our company has introduced more innovative products and services during past 5 years	21.5612	7.197	.509	.690
Rapid adapt new technology to enhance clients' services	21.1327	7.312	.394	.713

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
24.5510	9.198	3.03289	7

```

RELIABILITY
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Q2.4.10 Q2.4.11
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/STATISTICS=DESCRIPTIVE SCALE
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Reliability

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Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	98	100.0
	Excluded ^a	0	.0
	Total	98	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.712	11

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Monitor emerging events inside and outside our organization which are likely to threaten the course of our strategic action	36.9286	15.015	.336	.696
Rapid exploit new market opportunities	37.0102	14.773	.322	.697
The bank has crates a strategic links with external organizations	36.4796	15.180	.270	.704
Organization engages targeted population in monitoring and advocating for improved quality of services	36.9184	15.251	.267	.705
Provide 24-hour accessible service to the bank customers	37.1429	15.196	.250	.708
Provide alternative banking system to customers	37.0510	14.193	.429	.681
Deal with customers' suggestions or complaints urgently and with utmost care.	37.0408	12.926	.504	.666
Adapt the system to encourage Muslim bank users	36.7959	13.504	.406	.685
Our competitors are an extremely important source for learning new methods and services.	37.0612	15.110	.271	.705
Provide early lessons on effectiveness and legitimacy of National Adaptation	37.0408	14.493	.372	.690
Gives regular training to employees to update and upgrade employees	37.1633	14.014	.497	.672

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
40.6633	17.071	4.13171	11

RELIABILITY

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Reliability

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Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	98	100.0
	Excluded ^a	0	.0
	Total	98	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.708	8

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Better service quality	25.2245	6.794	.292	.704
More profit in the past three year.	24.7755	6.258	.520	.652
Has increasingly higher market share	24.8163	6.481	.457	.667
Use competitive cost (interest and loan)	24.8469	6.420	.417	.675

Provide distinguished service than its competitors	25.9388	6.903	.389	.682
Reduce transaction lead time through technology	25.8367	6.674	.406	.678
Image of the bank is better than others	25.2857	6.804	.321	.696
Create save and convenient serving environment	25.2041	6.597	.402	.679

RELIABILITY

```

/VARIABLES=Q2.2.1 Q2.2.2 Q2.2.3 Q2.2.4 Q2.2.5 Q2.2.6 Q2.2.7 Q2.2.8 Q2.2.9
Q2.2.10
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE SCALE
/SUMMARY=TOTAL.

```

Reliability

[DataSet3] C:\Users\User\Desktop\Abraham data\Data for analysis to St Marys.sav

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	98	100.0
	Excluded ^a	0	.0
	Total	98	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.752	10

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Systems to recruit and retain qualified staff is designed	34.0102	21.227	.696	.682
Provide consistence training to staff on bank technology	33.9592	22.988	.624	.699
Motivate & inspire individual and team for their achievement	33.8265	21.444	.682	.685
The organization has complete and appropriately documented HR policies and procedures, and understood by staff and consistently obeyed to it	33.8061	22.158	.683	.688
The organization has a clear process for gathering, & packaging quality information, best practices and lessons learned for broad distribution and use throughout the organization	33.9184	25.416	.320	.746
Finances are monitored on a regular basis	33.5306	24.664	.476	.723
Organization jointly fundraises with other organizations	33.5306	27.612	.214	.755
Our organization benchmarks its performance on key indicators against comparable organizations	33.8061	30.199	-.091	.784
Managers at any level are held accountable for the results of their activities	33.7143	24.866	.420	.730
The individual to whom I report periodically reviews my results with me	33.8571	29.155	.008	.780

RELIABILITY

```

/VARIABLES=Q2.3.1 Q2.3.2 Q2.3.3 Q2.3.4 Q2.3.5 Q2.3.6 Q2.3.7
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE SCALE
/SUMMARY=TOTAL.

```

Reliability

[DataSet3] C:\Users\User\Desktop\Abraham data\Data for analysis to St Marys.sav

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	98	100.0
	Excluded ^a	0	.0
	Total	98	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.733	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Progress on goal achievement is evaluated on a regular basis	20.5510	6.621	.542	.677
The organization has established an ongoing evidence-driven system for assessing and improving the quality of services.	20.5510	6.332	.418	.720
Adaptation to new technologies (Credit & Debit cards, Text banking, Speed clearing, interactive voice response system, payment system group & Cloud computing) is valued highly to improve operational efficiency and surpass other competitors	21.0408	7.256	.407	.710

In introduction of new service, our company is often first to market	21.2449	7.445	.446	.703
Our new services are often perceived as very novel by customers	21.2245	7.248	.467	.698
In comparison with competitors, our company has introduced more innovative products and services during past 5 years	21.5612	7.197	.509	.690
Rapid adapt new technology to enhance clients' services	21.1327	7.312	.394	.713

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
24.5510	9.198	3.03289	7

RELIABILITY

```

/VARIABLES=Q2.4.1 Q2.4.2 Q2.4.3 Q2.4.4 Q2.4.5 Q2.4.6 Q2.4.7 Q2.4.8 Q2.4.9
Q2.4.10 Q2.4.11
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE SCALE
/SUMMARY=TOTAL.

```

Reliability

[DataSet3] C:\Users\User\Desktop\Abraham data\Data for analysis to St Marys.sav

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	98	100.0
	Excluded ^a	0	.0
	Total	98	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.712	11

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Monitor emerging events inside and outside our organization which are likely to threaten the course of our strategic action	36.9286	15.015	.336	.696
Rapid exploit new market opportunities	37.0102	14.773	.322	.697
The bank has crates a strategic links with external organizations	36.4796	15.180	.270	.704
Organization engages targeted population in monitoring and advocating for improved quality of services	36.9184	15.251	.267	.705
Provide 24-hour accessible service to the bank customers	37.1429	15.196	.250	.708
Provide alternative banking system to customers	37.0510	14.193	.429	.681
Deal with customers' suggestions or complaints urgently and with utmost care.	37.0408	12.926	.504	.666
Adapt the system to encourage Muslim bank users	36.7959	13.504	.406	.685
Our competitors are an extremely important source for learning new methods and services.	37.0612	15.110	.271	.705
Provide early lessons on effectiveness and legitimacy of National Adaptation	37.0408	14.493	.372	.690
Gives regular training to employees to update and upgrade employees	37.1633	14.014	.497	.672

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
40.6633	17.071	4.13171	11

RELIABILITY

```
/VARIABLES=Q3.1 Q3.2 Q3.3 Q3.4 Q3.5 Q3.6 Q3.7 Q3.8  
/SCALE('ALL VARIABLES') ALL  
/MODEL=ALPHA  
/STATISTICS=DESCRIPTIVE SCALE  
/SUMMARY=TOTAL.
```

Reliability

[DataSet3] C:\Users\User\Desktop\Abraham data\Data for analysis to St Marys.sav

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	98	100.0
	Excluded ^a	0	.0
	Total	98	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.708	8

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Better service quality	25.2245	6.794	.292	.704
More profit in the past three year.	24.7755	6.258	.520	.652
Has increasingly higher market share	24.8163	6.481	.457	.667
Use competitive cost (interest and loan)	24.8469	6.420	.417	.675
Provide distinguished service than its competitors	25.9388	6.903	.389	.682
Reduce transaction lead time through technology	25.8367	6.674	.406	.678
Image of the bank is better than others	25.2857	6.804	.321	.696
Create save and convenient serving environment	25.2041	6.597	.402	.679

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	98	100.0
	Excluded ^a	0	.0
	Total	98	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.741	10

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Develop clear, specific vision what the organization aspires to achieve	30.9694	22.339	.262	.741
Vision is well-communicated with the staff and beneficiaries	31.4592	20.746	.403	.720
Consistently translate the vision in to action	31.5510	21.198	.529	.704
Organization strategic plans have clear & achievable objectives	31.2959	21.015	.490	.707
The organization operational plan is simple, measurable achievable, realistic	31.2857	20.619	.499	.705
Develop sound business plans for new services or markets	31.3673	20.998	.486	.708
Leaders assign reasonable work with fair deadline to meet the predetermined goals or exceeded	30.8571	20.598	.455	.711
Crete strategy to minimize bank queue	31.1429	23.608	.188	.747
Develop a strategy to surpass serious competition of the existing & newly emerging banking industry	31.8673	23.168	.214	.745
Commitment to facilitate change and innovation	31.2755	20.016	.505	.703

RELIABILITY

/VARIABLES=Q2.1.1 Q2.1.2 Q2.1.3 Q2.1.4 Q2.1.5 Q2.1.6 Q2.1.7 Q2.1.8 Q2.1.9 Q2.1.10

/SCALE('ALL VARIABLES') ALL

/MODEL=ALPHA

/SUMMARY=TOTAL.

```

REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT performance
  /METHOD=ENTER TechCap.

```

Regression

[DataSet4] C:\Users\User\Desktop\Abraham data\abraham recent data for analysis.sav

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	technical capacity ^b		Enter

a. Dependent Variable: performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.350 ^a	.122	.113	.30415

a. Predictors: (Constant), technical capacity

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.238	1	1.238	13.386	.000 ^b
	Residual	8.881	96	.093		
	Total	10.119	97			

a. Dependent Variable: performance

b. Predictors: (Constant), technical capacity

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2.640	.273		9.674	.000
	technical capacity	.257	.070	.350	3.659	.000

a. Dependent Variable: performance

```
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT performance
  /METHOD=ENTER TechCap.
```

Regression

[DataSet4] C:\Users\User\Desktop\Abraham data\abraham recent data for analysis.sav

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	technical capacity ^b	.	Enter

a. Dependent Variable: performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.340 ^a	.115	.106	.30538

a. Predictors: (Constant), technical capacity

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.166	1	1.166	12.507	.001 ^b
Residual	8.953	96	.093		
Total	10.119	97			

a. Dependent Variable: performance

b. Predictors: (Constant), technical capacity

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.752	.251		10.960	.000
technical capacity	.229	.065	.340	3.536	.001

a. Dependent Variable: performance

REGRESSION

```

/MISSING LISTWISE
/STATISTICS COEFF OUTS R ANOVA
/CRITERIA=PIN(.05) POUT(.10)
/NOORIGIN
/DEPENDENT performance
/METHOD=ENTER TechCap.

```

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	technical capacity ^b		Enter

a. Dependent Variable: performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.348 ^a	.121	.112	.30440

a. Predictors: (Constant), technical capacity

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1.224	1	1.224	13.212	.000 ^b
Residual	8.895	96	.093		
Total	10.119	97			

a. Dependent Variable: performance

b. Predictors: (Constant), technical capacity

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.694	.260		10.364	.000
technical capacity	.244	.067	.348	3.635	.000

a. Dependent Variable: performance

```
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT performance
  /METHOD=ENTER TechCap.
```

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	technical capacity ^b		Enter

a. Dependent Variable: performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.311 ^a	.097	.087	.30855

a. Predictors: (Constant), technical capacity

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.980	1	.980	10.293	.002 ^b
	Residual	9.139	96	.095		
	Total	10.119	97			

a. Dependent Variable: performance

b. Predictors: (Constant), technical capacity

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.806	.259		10.814	.000
	technical capacity	.216	.067	.311	3.208	.002

a. Dependent Variable: performance

```

REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT performance
  /METHOD=ENTER MgtCapacity.

```

Regression

[DataSet4] C:\Users\User\Desktop\Abraham data\abraham recent data for analysis.sav

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	management capacity ^b		. Enter

a. Dependent Variable: performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.271 ^a	.074	.064	.31249

a. Predictors: (Constant), management capacity

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.745	1	.745	7.625	.007 ^b
	Residual	9.375	96	.098		
	Total	10.119	97			

a. Dependent Variable: performance

b. Predictors: (Constant), management capacity

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.088	.200		15.465	.000
	management capacity	.148	.054	.271	2.761	.007

a. Dependent Variable: performance


```

REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT performance
  /METHOD=ENTER TechCap Leadcap AdapCapacity MgtCapacity.

```

Regression

[DataSet4] C:\Users\User\Desktop\Abraham data\abraham recent data for analysis.sav

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	management capacity, leadership capacity, adaptive capacity, technical capacity ^b		. Enter

a. Dependent Variable: performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.507 ^a	.257	.225	.28425

a. Predictors: (Constant), management capacity, leadership capacity, adaptive capacity, technical capacity

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	2.605	4	.651	8.059	.000 ^b
	Residual	7.514	93	.081		
	Total	10.119	97			

a. Dependent Variable: performance

b. Predictors: (Constant), management capacity, leadership capacity, adaptive capacity, technical capacity

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.334	.422		3.165	.002
	technical capacity	.161	.077	.219	2.085	.040
	leadership capacity	.148	.073	.209	2.011	.047
	adaptive capacity	.195	.081	.217	2.405	.018
	management capacity	.108	.050	.197	2.168	.033

a. Dependent Variable: performance

```
REGRESSION
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT performance
  /METHOD=ENTER Leadcap.
```

Regression

[DataSet4] C:\Users\User\Desktop\Abraham data\abraham recent data for analysis.sav

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	leadership capacity ^b		. Enter

a. Dependent Variable: performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.352 ^a	.124	.115	.30387

a. Predictors: (Constant), leadership capacity

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.255	1	1.255	13.594	.000 ^b
	Residual	8.864	96	.092		
	Total	10.119	97			

a. Dependent Variable: performance

b. Predictors: (Constant), leadership capacity

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.673	.262		10.204	.000
	leadership capacity	.249	.067	.352	3.687	.000

a. Dependent Variable: performance

```

REGRESSION
/MISSING LISTWISE
/STATISTICS COEFF OUTS R ANOVA
/CRITERIA=PIN(.05) POUT(.10)
/NOORIGIN
/DEPENDENT performance
/METHOD=ENTER AdapCapacity.
    
```

Regression

[DataSet4] C:\Users\User\Desktop\Abraham data\abraham recent data for analysis.sav

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	adaptive capacity ^b		. Enter

a. Dependent Variable: performance

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.247 ^a	.061	.051	.31459

a. Predictors: (Constant), adaptive capacity

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.619	1	.619	6.251	.014 ^b
	Residual	9.501	96	.099		
	Total	10.119	97			

a. Dependent Variable: performance

b. Predictors: (Constant), adaptive capacity

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.822	.326		8.662	.000
	adaptive capacity	.222	.089	.247	2.500	.014

a. Dependent Variable: performance

Frequencies

[DataSet1] C:\Users\User\Desktop\Abraham data\Abraham Thesis Response.sav

Statistics

Gender

N	Valid	98
	Missing	0

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	89	90.8	90.8
	female	9	9.2	9.2
Total	98	100.0	100.0	

```
FREQUENCIES VARIABLES=Q1.2  
/ORDER=ANALYSIS.
```

Frequencies

[DataSet1] C:\Users\User\Desktop\Abraham data\Abraham Thesis Response.sav

Statistics

Age in years

N	Valid	98
	Missing	0

Age in years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-29	60	61.2	61.2	61.2
	30-39	29	29.6	29.6	90.8
	40-49	9	9.2	9.2	100.0
	Total	98	100.0	100.0	

```
FREQUENCIES VARIABLES=Q1.3
/ORDER=ANALYSIS.
```

Frequencies

[DataSet1] C:\Users\User\Desktop\Abraham data\Abraham Thesis Response.sav

Statistics

Level of Education

N	Valid	98
	Missing	0

Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	degree	52	53.1	53.1	53.1
	master	46	46.9	46.9	100.0
	Total	98	100.0	100.0	

```
FREQUENCIES VARIABLES=Q1.3
/ORDER=ANALYSIS.
```

Frequencies

[DataSet1] C:\Users\User\Desktop\Abraham data\Abraham Thesis Response.sav

Statistics

Level of Education

N	Valid	98
	Missing	0

Level of Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid degree	52	53.1	53.1	53.1
Valid master	46	46.9	46.9	100.0
Total	98	100.0	100.0	

FREQUENCIES VARIABLES=Q1.6
/ORDER=ANALYSIS.

Frequencies

Statistics

Curent position

N	Valid	98
	Missing	0

Curent position

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid branch manager	25	25.5	25.5	25.5
Valid customer service manager	25	25.5	25.5	51.0
Valid operational manager	7	7.1	7.1	58.2
Valid business deviopment manager	17	17.3	17.3	75.5
Valid accountant	24	24.5	24.5	100.0
Total	98	100.0	100.0	