Linear Regression Assessment of Entrepreneurial Orientation With Business Performance: the Mediating Influence of Employee and Customer Satisfaction: The Case of (Commercial Banks of Ethiopia) CBE, Ethiopia

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Abstract – The Objective of this study that aimed to be depending on the influencing factor of direct effects of (EO) with (BP) with mediating influence of (ES) and (CS), and how Business organization bank CBE, Ethiopia (EO) influences BP of Commercial Banks of Ethiopia, using the Explanatory Inferential, Model Summery, Analyses of Variance Coefficient of Regression influence to test hypotheses test. In this study, factor that affect Entrepreneurial Orientation on Business performance as a mediating effect variable Employee satisfaction of the Customers Satisfaction was considered with 384 unknown respondents, and the results show positively affects Entrepreneurial Orientation with Business performance, Employee Satisfaction with Business performance, Customers Satisfaction with Business Performance, Entrepreneurial Orientation with Employee Satisfaction, and Entrepreneurial Orientation with Customers Satisfaction positive relationship with business performance, and the study provides both independent, Dependent and Mediating Variables has significantly positive influence in CBE, Ethiopia.

Keywords: entrepreneurial orientation, business performance, employee satisfaction, customer satisfaction and CBE.

1. INTRODUCTION

Previous studies have examined the relationship between entrepreneurial orientation (EO) and firm performance and generate no definitive results probably due to the omission of the moderating role of different unidentified variables (Covin & Slevin, 2018 and Lee & Chu, 2019; Lumpkin & Dess, 2021), and to explicitly address this gap, and this study has investigates how Entrepreneurial Orientation influences Business performance, considering the mediating effect of customer satisfaction (CS), and the impact of Business Performance (BP), and Entrepreneurial Orientation of CBE, Héctor Cuevas-Vargas 2019, entrepreneurial orientation practice, it must identify the dimensions of Autonomy, Aggressiveness, innovativeness, risk taking and pro-activity of EO with an evolutionary routine, it had to be permits the necessary business characters to be driven the value creation from taking business advantage of different opportunities, that the business markets that offers to become a chance in something reachable to analyses EO, (Acar, Zehir, 2020)..

In this research it has shown that the Business activity of CBE has a positive relationship with Business Satisfaction in their ability to create a superior CS value and Employee Satisfaction pursue EO opportunities (Buli, 2019), CBE must use an integrative business approach of EO and BP of CBE, Choi and Williams (2019),

it found that business markets activities that mediated Employee, and CS that the relationship between EO, and BP of CBE, and in many ways based on Baker and Sinkula (2019), and it showed that Entrepreneurial Orientation, and Business Performance complement one another in Banking Sector, improving financial performance Banks, and the constructs of EO and BP, it looks to account different elements of EO and Customer satisfaction of banks has a limitation to satisfy Employee and Customer Satisfaction in Ethiopia has many problem to fill that gap to assessed and upgrade the system of CBE of Bule Hora Town by additional ATM, to fill the shortage Network, to interconnect with digital business system and to aware the community by any means how to use the system of private and public CBE bank in Ethiopian, CBE Banks, Neftalí Parga-Montoya (2019).

Through this study, to determine the linear Regression assessment practice has a positive relationship between Entrepreneurial Orientation with Business performance, and how Customer Satisfaction and Employee of Bule Hora Bank has works as a mediate variable relates a relationship influence, that providing empirically positive relationship between Customer and Employee Satisfaction with Business Performance based on the context of Commercial Banks of Ethiopia, and it has to be contribute by itself, and the second one of the application of a different methodology from previous researches we address the an EO to be study using an inferential regression influence model that can assessing of direct influence with a mediating effect of employee satisfaction and customer satisfaction with Commercial bank Performance with the best alternative to Upgrade a system of CBE Bule Hora town as an effect size of CBE, Ethiopia.

2. OBJECTIVE OF INVESTIGATION

1. To assess the direct relationship b/n Entrepreneurial Orientation practice and Business Performance of CBE.
2. To analysis the indirect influence b/n Employee Satisfaction and business performance of CBE.
3. To assess the direct relationship b/n Customer Satisfaction practice and Business Performance of CBE.
4. To identify the direct relationship b/n Entrepreneurial Orientation with Employee Satisfaction of CBE.
5. To investigate the direct relationship b/n Entrepreneurial Orientation practice and Customer Satisfaction of CBE.
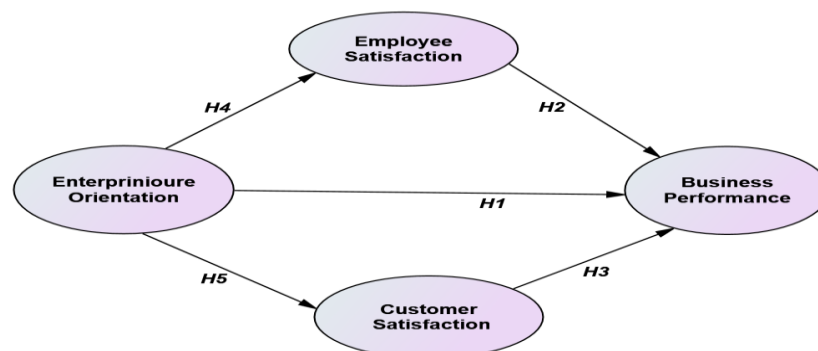
Fig -1: Value of AMOS
Source: Value of AMOS output (2023)

Hypothesis Investigation test

H1: An entrepreneurial orientation has a positive and significant Relationship with Business Performance of CBE.

H2: An employee satisfaction has mediated positive and significant Relationship with Business Performance of CBE.

H3: A Customer Satisfaction has a mediated positive and significant Relationship with Business Performance of CBE.

H4: An entrepreneurial Orientation has a positive and significant Relationship with Employee Satisfaction of CBE.

H5: An entrepreneurial Orientation has a positive and significant Relationship with Customer Satisfaction of CBE.

3. INVESTIGATION APPROACH AND DESIGN

A deductive research philosophy of a quantitative data analyses of research investigation in many ways, and the justifications support why quantitative data investigation can be selected in the study of the research, must be an empirical investigations in Commercial Banks of Ethiopia Bule Hora Branch has to be conducted by adopting quantitative approach in their designs to determine an expected relationships which might emerge from interaction between a set of given research variables, and this approach that has to be designed Explanatory Inferential Regression model research designed that has to be developed, Entrepreneurial Orientation on Business Performance of CBE, Ethiopia that factor of descriptive data has designed to be analysed, the direct Effect, and Blanco-Donoso, L. (2019), and Employee Satisfaction and Customer Satisfaction data is in the Explanatory Inferential research design, and there analysed with Model Summery, Analyses of Variance, Standardized and Unstandardized Beta Coefficient Regression Model that has to be designed. We have shown that the average Regression influence, with the evidence of mediating variable of Employee Satisfaction and Customer Satisfaction of data similarity, and feelings through identification in , for 384 respondent to collect questionnaires to Employee and Customer of CBE, Ethiopia and data collected from 384 Respondents, and Research technique to be designed with Simple random techniques and Stratified sampling technique has to be designed in Ethiopian CBE Knoster, K. C., & Goodboy, A. K. (2020).

Assessment of Linear Regression Statistics

Table –1: Model Fit value of EO, ES, CS of Statistics

Model Summary Value				
Model	(R)	R2	Adj. R2	Std. Err. Of Estimate
1. Entrepreneurial Orientation	.895a	.791	.790	.09049
2. Employee Satisfaction	.891a	.781	.780	.12750
3. Customer Satisfaction	.881a	.763	.760	.17940
a. predictors: (Constant), Entrepreneurial Orientation, Employee Satisfaction, Customer Satisfaction				
b. dependent, Business Performance				

Table 1: Model Fit value of Entrepreneurial Orientation, Employee Satisfaction, Customer Satisfaction (2023).

The results in Table 1 shows to predict Entrepreneurial Orientation, Employee Satisfaction, Customer Satisfaction explained to influenced the variation of Business Performance in CBE Entrepreneurial Orientation R= 0.895, R2= 0.791 Adjusted R2 result shows 0.790, Employee Satisfaction R= 0.891, R2= 0.781 Adjusted R2 result shows .0780 and Customer Satisfaction R= 0.881, R2= 0.763 and Adjusted R2 result shows due to this reason Entrepreneurial Orientation with Business performance, Employee Satisfaction with Business performance and Customer Orientation with Business performance is significantly fitted data output result of R= high Correlation value more than 0.80%, R2 value output 79.1%, .781% and 76.3% to solve the problem the remaining problem that solve by other variables and the variance value Adjusted R2 result is 79.0%, 78.0% and 76.0% by minimum variance to be explained, means the higher value of Model summary to support and fitted a problem in this study, in CBE, Ethiopia, R.H, P. J. (2016).

Table -2: ANOVA Result of EO, ES & CS

ANOVA Model						
Model		Sum of Squares	df	Mean Square	F- Calculate	p- Value
1.Entrepreneurial Orientation	Regression	102.334	1	102.334	12498.557	.000b
	Residual	.966	382	.008		
	Total	103.300	383			
2. Employee Satisfaction	Regression	101.382	1	101.382	6236.815	.000b
	Residual	1.918	382	.016		
	Total	103.300	383			
3. Customer Satisfaction	Regression	99.502	1	99.502	3091.512	.000b
	Residual	3.798	382	.032		
	Total	103.300	383			
a. dependent Variable: Business Performance						
b. predictors: (Constant), Entrepreneurial Orientation, Employee Satisfaction ,Customer Satisfaction						

Table1: ANOVA result of Entrepreneurial Orientation, Employee Satisfaction, Customer Satisfaction (2023).

From the above table, it has also identified that the value of F- Calculated of Entrepreneurial Orientation with Business Performance regression= 102.334 and residual .966 with mean square ME/RE 102.334/.008, df = 1/383, F- calculated result=112498.557 with p-value result .000, Employee Satisfaction with Business Performance F= Calculated result regression= 101.382 Residual= .1.918, ME/RE 101.382/1.918 df = 1/383, F- calculated result= 6236.815 with p-value result .000, Customer Satisfaction with Business Performance F= Calculated result regression= 99.502 Residual= 3.798 ME/RE 99.502/3.798 df = 1/383 F= Calculated result regression 3091.512, with p-value result .000 it indicating that the F- calculated has much larger than the F-

tabulate. The Greater the F- ratio, the more Variance in the dependent Variable has explained by the independent variable the regression model overall predicted significantly well.

Table –3: Coefficient Result of Business Performance

Coefficients Model						
Model		Unsta. Coefficients		Stand. Coefficients	t-calculate	p- Value
		B	Std. Err	Beta		
1	(Constant)	3.324	.188		1.720	.000
	Entrepreneurial Orientation	.984	.009	.795	111.797	.000
	(Constant)	2.441	.265		1.663	.000
	Employee Satisfaction	.979	.012	.891	78.974	.000
	(Constant)	2.828	.369		2.243	.000
	Customer Satisfaction	.960	.017	.681	55.601	.000
a. dependent Variable: BP						
b. predictors: (Constant), EO, ES & CS						

Table 3: Coefficient Result of BP

H1: An entrepreneurial orientation has a positive and significant Relationship with Business Performance of CBE.

H2: An employee satisfaction has mediated positive and significant Relationship with Business Performance of CBE.

H3: A Customer Satisfaction has a mediated positive and significant Relationship with Business Performance of CBE.

The unstandardized coefficients beta data column of a variables, it gives the coefficients of the predictors variable of Entrepreneurial Orientation with Business Performance Beta value output result .797 the coefficients of the independent variable Employee Satisfaction with Business Performance Beta value output result .891, the coefficients of the independent variable Customer Satisfaction with Business Performance Beta value output result .681, in the linear total regression equation model that included Predicted a dependent variable score with Constant value Entrepreneurial Orientation with Business Performance 3.324 +.797, Employee Satisfaction with Business Performance .891,Customer Satisfaction with Business Performance .681 (Entrepreneurial Orientation) +.797 (Employee Satisfaction) +.891 (Customer Satisfaction) +.681 + e=.822 with the 95% confidence level of the residuals with dependent variable, based on this reason H1, H2 and H3 of EO, ES and CS has significantly a positive Relationship between BP of CBE, Ethiopia George et al., (2018).

Table –4: Model Fit result of ES, CS

Model Summary				
Model	(R)	R2	Adj. R2	Std. Err. Of Estimate
1.Employee Satisfaction	.895a	.791	.789	.09162
2.Customer Satisfaction	.877a	.754	.752	.20531
a. Predictors Variable of EO				
b. Dependent Variable: ES, CS				

Table 4: Model Fit result of ES and CS

The results in Table 4 shows to predict Entrepreneurial Orientation with dependent variable Employee Satisfaction and Customer Satisfaction explained to influenced the variation of dependent variable in CBE Entrepreneurial Orientation R= 0.895, R2= 0.791 Adjusted R2 result shows 0.789, Employee Satisfaction R= 0.877, R2= 0.754 Adjusted R2 result shows .0752, Entrepreneurial Orientation with Employee Satisfaction and Entrepreneurial Orientation with Customer Satisfaction is significantly fitted data output result of R= high Correlation value more than 0.80%, R2 value output 79.1% and 75.4% to solve the problem the remaining problem that solve by other variables and the variance value Adjusted R2 result is 79.1% and 75.2% by minimum variance to be explained, means the higher value of Model summary to support and fitted a problem in this study, in CBE, Ethiopia, R.H, P. J. (2016).

Table –5: ANOVA result of ES, CS

ANOVA Model						
Model		Sum of Squares	df	Mean Square	F	Sig.
Employee Satisfaction	Regression	104.876	1	104.876	12494.710	.000b
	Residual	.990	382	.008		
	Total	105.867	383			
2. Customer Satisfaction	Regression	102.892	1	102.892	2440.861	.000b
	Residual	4.974	382	.042		
	Total	107.867	383			
a. Dependent Variable: ES, CS						
b. Predictors Variable of EO						

Table 5: ES and CS

From the above table, it has also identified that the value of F- Calculated of Entrepreneurial Orientation with Employee Satisfaction regression= 104.876 and residual .990 with mean square ME/RE 104.876/.008, df = 1/383 with p-value result .000, Entrepreneurial Orientation with Customer Satisfaction F= Calculated result

regression= 102.892 Residual= .042 ME/RE 102.882/.428 df = 1/383 with p-value result .000, it indicating that the F- calculated has much larger than the F- tabulate. The Greater the F- ratio, the more Variance in the dependent Variable has explained by the independent variable the regression model overall predicted significantly well.

Table -6: Coefficient result of Employee Satisfaction, Customer Satisfaction

Coefficients Model						
Model		Unsta. Coefficients		Stand. Coefficients	t-Value	p- Value
		B	Std. Err.	Beta Value		
1	(Constant Value)	6.081	.191		.424	.000
	Entrepreneurial Orientation	.997	.009	.595	111.780	.000
	(Constant)	5.283	.427		.663	.000
	Entrepreneurial Orientation	.987	.020	.477	49.405	.000
a. Constant Variable: ES and CS						
b. Predictor Variable: EO						

Table 5: Coefficient result ES, CS

H4: An entrepreneurial Orientation has a positive and significant Relationship with Employee Satisfaction of CBE.

H5: An entrepreneurial Orientation has a positive and significant Relationship with Customer Satisfaction of CBE.

To the value of unstandardized coefficients Beta columns of a variables it gives us the coefficients of the independent variables Entrepreneurial Orientation with Employee Satisfaction Beta value output result .595 the coefficients of the independent variable Entrepreneurial Orientation with Customer Satisfaction Beta value output result .477 to be Predicted with Employee and Customer to the Constant value Entrepreneurial Orientation with Employee Satisfaction 6.081+.595 and an Entrepreneurial Orientation with Customer Satisfaction 5.283+.477,and (Entrepreneurial Orientation with Employee Satisfaction.595 + Entrepreneurial Orientation Customer Satisfaction .477 + e=.618 with the 95% confidence level of the residuals with dependent variable, based on this reason H4 and H5 are Entrepreneurial Orientation with Employee Satisfaction and Customer Satisfaction has a positive significant influence with Business performance of CBE, Ethiopia.

4.CONCLUSION

To predict Entrepreneurial Orientation, Employee Satisfaction, Customer Satisfaction explained to influenced the variation of Business Performance in CBE Entrepreneurial Orientation R= 0.895, R2= 0.791

Adjusted R2 result shows 0.790, Employee Satisfaction R= 0.891, R2= 0.781 Adjusted R2 result shows .0780 and Customer Satisfaction R= 0.881, R2= 0.763 and Adjusted R2 result shows due to this reason Entrepreneurial Orientation with BP, Employee Satisfaction with Business performance and Customer Satisfaction with Business performance is significantly fitted data output result of R= high Correlation value more than 0.80%, R2 value output 79.1%, .781% and 76.3% to solve the problem the remaining problem that solve by other variables and the variance value Adjusted R2 result is 79.0%, 78.0% and 76.0% by minimum variance to be explained, means the higher value of Model summary to support and fitted a problem in this study, in CBE, Ethiopia.

F- Calculated of Entrepreneurial Orientation with Employee Satisfaction regression= 104.876 and residual .990 with mean square ME/RE 104.876/.008, df = 1/383 with p-value result .000, Entrepreneurial Orientation with Customer Satisfaction F= Calculated result regression= 102.892 Residual= .042 ME/RE 102.882/.428 df = 1/383 with p-value result .000, it indicating that the F- calculated has much larger than the F- tabulate. The Greater the F- calculate, of more Variance in the dependent Variable to be explained by the independent variable the linear regression model overall predicted significantly well in CBE, Ethiopia.

To the value of unstandardized coefficients Beta columns of a variables it gives us the coefficients of the independent variables Entrepreneurial Orientation with Employee Satisfaction Beta value output result .595 the coefficients of the independent variable Entrepreneurial Orientation with Customer Satisfaction Beta value output result .477 to be Predicted with Employee and Customer to the Constant value Entrepreneurial Orientation with Employee Satisfaction 6.081+.595 and an Entrepreneurial Orientation with Customer Satisfaction 5.283+.477,and (Entrepreneurial Orientation with Employee Satisfaction.595 + Entrepreneurial Orientation Customer Satisfaction .477 + e=.618 with the 95% confidence level of the residuals with dependent variable, based on this reason H4 and H5 are Entrepreneurial Orientation with Employee Satisfaction and Customer Satisfaction has a positive significant influence with Business performance of CBE of Bule Hora town has to upgrade the banks service and to interconnect with wide scope, not only Bule Hora including Ethiopia.

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