

# Factors That Influence the Effectiveness of Decision Making Process in Ethiopian Customs Commission: The Case of Kality Customs Branch Office

**Mengistu Bawoke Tiruye**

Department of Public Management, Ethiopian Civil Service University, Addis Ababa, Ethiopia

**Email address:**

mbawoke4@gmail.com

**To cite this article:**

Mengistu Bawoke Tiruye. (2023). Factors That Influence the Effectiveness of Decision Making Process in Ethiopian Customs Commission: The Case of Kality Customs Branch Office. *European Business & Management*, 9(6), 155-171. <https://doi.org/10.11648/j.ebm.20230906.12>

**Received:** November 13, 2023; **Accepted:** December 6, 2023; **Published:** December 18, 2023

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**Abstract:** The main purpose of this study was to analyze the factors that influence the effectiveness of decision making process in Ethiopian Customs Commission the case of kality customs branch office. The study aims to examine how internal situation of the organization, decision maker skill, experience and personality, availability of information, external condition of the organization, and nature of decision influence the effectiveness of decision making process. The study employed descriptive and explanatory method with both qualitative and quantitative research approach. Five point likert scale questionnaires were distributed to 255 randomly selected sampled employees who were working in customs clearance work processing unit and interviews were made with purposively selected 2 customs operation deputy managers. For this study there are five independent variables; internal situation of the organization, decision maker skill, experience and personality availability of information, external condition of the organization, and nature of decision, with one dependent variable i.e. effectiveness of decision making process. The collected data were analyzed using descriptive and inferential statistics. For this research, binary logistic regression model was applied to analyze the factors that influence effectiveness of decision making process. From the analysis result, it was concluded that all independent variables have positive and significant influence on the dependent variable (effectiveness of decision making process). The study reveals that decision maker skill, experience and personality is the highest influencing factor followed by external condition of the organization which is the second highest influencing factor for effective decision making process. Nature of decision is the third highest influencing factor followed by internal situation of the organization. Recommendations were also given to kality customs branch office to capacitate employees through continuous short term and long term training to promote employees' skill and experience to produce effective decision. customs commission has to closely work with the branch office through regular meeting and awareness creation for pressuring groups to stop unlawful action on decision makers.

**Keywords:** Effectiveness of Decision Making Process, Influencing Factors of Decision Making Process, Decision Maker Skill, Experience and Personality, External Condition of the Organization

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## 1. Introduction

### 1.1. Background of the Study

Decision making is the essential components of an organizational activity that can make difference among competing organizations to achieve desired objectives. According to Jennings & wattam study, decision making is an activity that lies at the heart of an organization [19]. As such, the qualities of decisions made by individuals have

great impact on the success of an organization.

Different literatures explain decision making in different ways with having similar idea. Study by Ata Elayyan & M Alshra'ah, defines decision making as a choice among competing alternatives and the implementation of the chosen alternatives [4]. Based on above statement it implies that without having alternatives there is no decision making and if there is choice of decision, it must be changed to practice.

Decision making process indicates the development of decisions, in which the decision makers are being under

constraints of time and resource, experience and skill and also influenced by the internal and external factors. According to Willyhoppe de souse, decision making process involves basically the problem, objectives, alternatives, evaluation and implementation. In regard to this, decision making process has steps in order to choose the best alternative that can maximize the organization overall objectives [40].

Decision making in the public administration for the effective and efficient service delivery requires making decision on transparent manner, being accountable, passes different hierarchy, assessing information for the problem from various aspects and ultimately must be based on the existing rules, regulations, principles and manuals. Andy Constantin Leoveanu, explained that decision maker in the public administration must be held accountable and the decision must be legal [8].

The Ethiopian Customs Commission, Kality Customs Branch Office (KCBO) is one of the basic offices that involves in decision making in the day to today service delivery including from the top management up to the implementers for the collection of government duties and taxes from the import and export of goods. The decision making process in the branch office influenced by different factors.

The internal situation of the organization influences effectiveness of decision-making process, such as the availability of budget, personnel and physical infrastructure as well as organizational structure, size, instrument and bodies Haris. It is sometimes not easy to deal with internal condition in a decision making process because internal conditions are not open to change, even though this factor generally manageable. The skill, experience and personality that decision makers develop also influence the effectiveness of decision. According to Shepherd, Williams, & Patzelt, elaborate that the human capital influences the decision-making of entrepreneurs, including his/her education, training, work experience, background and skills. People who practiced in decision of complex problems can develop competence to make more uncertain decisions. The availability or the unavailability of information in decision making process is an important influencing factor particularly in customs goods clearance process [17, 36].

Gathering, assessing and identifying information in decision making process is essential. As a result accessing reliable and accurate information in decision making process is an important factor for effectiveness of decisions. In this decision making process (DMP), there are also different external stakeholders that participate in the customs clearance process which includes the importer, exporter, agents and other government offices that provide required documents and information about the good to be cleared; the customs employees therefore provide decision being under pressure from the internal and external situation of the organization. The types of problem that decision makers face whether it is new or routine also influence the effectiveness of decision making process.

The decision making process in this branch office is highly criticized by customers, higher government officials in different meetings as it is non-transparent, making delayed decision, and exposed to personal bias, unfair treatment and corruption. Highly manipulative people can view the decision situation as an opportunity to manipulate others for their own personal gain (Kamal, Bigdeli, Themistocleous, & Morabito [22].

The basic activities in the custom clearance process that needs decision for the day today operation in the branch office are: the decision on valuation of goods, the decision on origin of goods, decision on tax rates and tariff of goods, etc. are core issues in the customs clearance process that requires detail investigation and legal action because decision in the day today operational service delivery given by employees have a direct impact on the national economy of the country.

Therefore, the decision makers expected to decide properly based on the rules, laws and principles of the organization. According to Drahomira Ondrov, decision makers must refrain from pronouncing their decisions spontaneously as this might bear the sign of one's personal attitudes and sentiment quite often marked by the non-objective evaluation of a specific situation or case influenced by one's social background, negative personal character traits, or simply caused by lack of professional qualification and experience. [28].

In relation to this the ethical decision making in public administration is core component to produce efficient and effective of decisions. According to Haris, identifying, assessing, and managing factors which influence decision-making process are important for decision maker in order to produce a quality decision and furthermore critical point to minimize wrong or not sound decision due to the importance of quality of decision making which improve organizational performance [17].

As a result, studying the factors that influence employees' effective decision making process in customs goods clearance in this branch office is decisive for improving the effectiveness of decision making process and for the achievements of planned goals and objectives of the organization.

## **1.2. Statement of the Problem**

Decision making is a course of action consciously chosen from available alternatives for the purpose of achieving the desired result. According to Sevinj Omarli, the process of decision-making is one of the most complex mechanisms of human thinking, as various factors and courses of action intervene in it, with different results. Accordingly, making effective and efficient as well as just decision is very challenging for decision makers especially in customs office as the internal and external factors influence the decision making process [27].

Richard D Irwin, elaborates that making decision today is much more complicated than in the past for three reasons; the number of alternatives are usually much larger, the consequence of decisions are more difficult to predict due to

increased uncertainty and the cost of decision making errors has become larger and larger [33]. This statement implies that the decision maker is expected to prioritize alternatives with cost benefit assessment and developing decision making skill and experience in order to produce effective decision.

As far as the knowledge of the researcher is concerned, there was no research conducted on this topic before, but prior studies on the challenges of customs clearance process (e.g. Debebe & Teklu, Tewoldebirihane, World Bank) studied on the cost of time delay that traders face in customs clearance process [13, 39, 42].

Despite such attempts, they did not address the factors that influence the effectiveness of decision making process that exists in customs goods clearance. They merely focused on time delay in customs process as a challenge. However, the customs clearance process is very complex process marred by multiple challenges in which different governmental organizations and other stakeholders are involved in providing decisions at every step of customs process. This decision implies the informal or formal, legal, administrative and operational decision making process made by all customs employees, which affects customs goods clearance positively or negatively.

Decisions in kality customs branch office, like, in other public administration are processed by the governing customs proclamations, rules, regulations and principles in which the decisions are expected to be transparent, fair, effective and efficient that can increase organizational performance for achievement of objectives and goals with improving satisfaction on customers.

However, according to kality customs branch office annual evaluation report, most decisions are conducted on non-transparent manner and in fear of accountability, with rent seeking behavior, subjective and unfair decision, skill and capacity gap, less effective and efficient and sometimes with long bureaucratic and delayed decisions which causes organizational ineffectiveness to achieve its planned objectives and goals that also weakens the inculcation of good governance in the branch office. The decision makers in KCBO make decision being under this situation [20].

Its consequence may be failure to achieve organizational objectives and goals, ineffective and inefficient decision, delayed customs clearance process, low quality decision to satisfy customers, pave way for rent seeking practice for decision maker and abuse of government revenue for personal benefit.

Therefore, the main purpose of this research is to identify and analyze the factors that influence the effectiveness of decision making process in kality customs branch office.

### 1.3. Research Question

Based on the nature of the problem and the objectives of the research, the following are research questions to be addressed.

- 1) How does internal situation of the organization influence the effectiveness of decision making process in customs goods clearance at Kality Customs Branch

Office?

- 2) How do decision maker's skill, experience and personality influence the effectiveness of decision making process in customs goods clearance at Kality Customs Branch Office?
- 3) How does availability of information influence the effectiveness of decision making process in customs goods clearance at Kality Customs Branch Office?
- 4) How does the nature of decision influence the effectiveness of decision making process in customs goods clearance at Kality Customs Branch Office?
- 5) How does external situation of an organization influence the effectiveness of decision making process in customs goods clearance at Kality Customs Branch Office?

### 1.4. Objectives of the Research

The general objective of this study is to investigate the factors that influence the effectiveness of decision making process in kality customs branch office. The specific objectives of the research are:

- 1) To examine how internal situation of the organization influences the effectiveness of decision making process in customs goods clearance at kality customs branch office.
- 2) To examine how decision maker skill, experience and personality influence the effectiveness of decision making process in customs goods clearance at kality customs branch office.
- 3) To examine how availability of information influences the effectiveness of decision making process in customs goods clearance at kality customs branch office.
- 4) To examine how external situation the organization influences the effectiveness of decision making process in customs goods clearance at kality customs branch office.
- 5) To examine how nature of decision (goal of decision, types of problem and types of decision) influence the effectiveness of decision making process in customs goods clearance at kality customs branch office.
- 6) The findings of the study may also initiate other researchers to conduct different research type and approach in the study of influencing factors of decision making process in kality customs branch office.

## 2. Literature Review

Decision making is one the main organizational function for fulfillment of its objectives and goals. Decision making is the commitment and process of selecting among potential alternatives which always involves risk. Decision making is the procedure of reducing the gap between the existing situation and the desired situation through solving problems and making use of opportunities Saroj. K [34]. A decision is simply a conclusion reached after consideration: it occurs when one option is selected, to the exclusion of others it is rendering of judgment. Organizations (public, nonprofit and

private) today, world over give so much resource and are engaged in a very serious competition to capture the right set of people to man their respective units and/or departments to assist in taking efficient and effective decisions.

According to Al-Tarawneh, decision making also refers the process of identifying and selecting from among possible solutions to a problem according to the demands of the situation [2]. Thus the decision made by an individual in organization has to conduct in ethical way based the values, rules and manuals in maximizing organizations efficiency and effectiveness. The decision makers can develop the quality of their decisions and using less time and resources with also meeting preplanned goals. In this competitive world in decision making process, the decision maker faces constraints in selecting the best solution among different alternatives; this is because of the existence of different influencing factors in decision making process which includes decision-specific characteristics, internal organizational characteristics and external environmental characteristics.

## **2.1. Models of Decision Making**

Different scholars suggest many types of decision making models. However this paper discuss the following decision making models based on Jennings & Wattan and SM Turpin which are mentioned hereunder [19, 38].

### **2.1.1. Normative Model**

A normative model describes how decisions should be made, rather than how they are made. This model is a proposal of how ideally to make a decision. The normative decision making process is based upon the organization having a set of goals and objectives Jennings & Wattan. In this regard, the predetermined objectives and goals, respective activities and definition of problem are the base for decision making processes [19].

The chosen alternative then changed to practice with effective controlling mechanism system. In contrast to rational model, this model assumes that managers and leaders face certain set of constraints and obstacles while making decisions. According to Deepika Verma, decision making is depicted in this model by [12]:

- 1) Limited processing of information which means there is a boundary or a threshold limit which manages the extent to which information can be managed and processed by a person.
- 2) Judgmental strategies like many shortcuts are used while making decisions.
- 3) Selection of those solutions or alternative that would require minimum inputs and resources but are good enough. Therefore, in this model decision making involves prioritizing and selecting the most efficient and effective alternative for problem.

### **2.1.2. Rational Model**

Rational model decision making implies the procedure to be followed to select the best possible alternative. According to Constantin Ieoveanu, the decisional process presented by the

rationalist model, comprises the following distinct and sequential stages Constantin Ieoveanu. Identifying the values and objectives achieved, Analyzing all possible alternatives for achieving the objectives, Researching and selecting information based on the efficiency or effectiveness of various alternatives, Making a comparison between alternatives and their consequences, Choosing the alternative that maximizes the values and objectives, Implementation and feedback [8].

From this model one can understand that the decision maker in public administration can't assess the consequences of all alternatives due to the shortage of time and resource as a result, the decision maker in order to produce quality decisions the application of all models together in accordance to the situation is important rather than rely only on one model.

### **2.1.3. Bureaucratic Models**

According to Turpin. S, the dominant idea of a bureaucratic model of decision making is that whatever organizations do is the result of standard operating procedures honed over years of active use [38]. The particular actions chosen by an organization are an output of one or several organizational subunits (e.g. marketing, production, finance, HR). The problems facing any organization are too massive and too complex to be attended by the organization as a whole. Problems are instead divided into their components and are parceled out to specialized groups.

### **2.1.4. Political Models**

According to Turpin, in a political model of decision making what an organization does is as a result of political bargains struck among key leaders and interest groups [38]. Actions are not necessarily rational except in a political sense, and the outcome is not what any individual necessarily wanted. Instead policy organizational action is a compromise, a mixture of conflicting tendencies. Organizations do not invent solutions that are chosen to solve some problem. They develop compromises that reflect the conflicts, the major stakeholders, the diverse interests, the unequal power and the confusion that constitutes politics.

### **2.1.5. Garbage Can Model**

This model by Turpin. S, explained that organizations are not rational [38]. Decision making is largely accidental and is the product of stream of solutions, problems and situations that are randomly associated. That is solutions become attached to problems for accidental reasons, Organizations are filled with solutions looking for problems and decision makers looking for work. If this model is correct it should not be surprising that the wrong solutions are applied to the wrong problems in an organization, or that, over time a large number of organizations make critical mistakes that lead to their demise.

## **2.2. Theories of Decision Making Process**

Theories are coherent group of tested general propositions,

commonly regarded as correct, that can be used as principles of explanation and prediction for a class of phenomena. According to Stein & Welch, decision theories have tried to throw light, in various ways, on the decision making periods, and how to operate according to the principles of these theories. In regard to this, decision theory refers the study of principles, procedures, explanations and perspectives which are used for making decisions in a given circumstance. As studied by Ahmed & Omotunde, observed that decision theory is the study of principles and algorithms use for making decision. This is achieved by identifying values, uncertainties and other things that might influence the decision. In general; this research paper explains following decision making theories organized from different literatures. Studying the theories and models of decision making process helps to develop the skill of decision makers and benefit the organization at large [1, 37].

### **2.2.1. Prospect Theory**

The theory was created in 1979 and developed in 1992 by Daniel Kahneman & Amos Tversky. The theory states that people make decisions based on the potential value of losses and gains rather than the final outcome, and that people evaluate these losses and gains using some heuristics [10]. The model is descriptive: it tries to model real-life choices, rather than optimal decisions, as normative models do. The theory describes the decision processes in two stages: During an initial phase termed editing, outcomes of a decision are ordered according to a certain heuristic. In particular, people decide which outcomes they consider equivalent, set a reference point and then consider lesser outcomes as losses and greater ones as gains. The editing phase aims to alleviate any framing effects. It also aims to resolve isolation effects stemming from individuals' propensity to often isolate consecutive probabilities instead of treating them together. The editing process can be viewed as composed of coding, combination, segregation, cancellation, simplification and detection of dominance.

In the subsequent evaluation phase, people behave as if they would compute a value (utility), based on the potential outcomes and their respective probabilities, and then choose the alternative having a higher utility.

### **2.2.2. Psychological Decision Making Theory**

According to Daniel Kahneman & Amos Tversky descriptive theories highlight the importance Psychological element play in influencing individual to reach decision and that use cognition to explain decision making and the basic principles people use when dealing with problems. This affirms that decision makers gather information from the surroundings and filter to develop knowledge for interpret and to select the best among alternatives [10].

In accordance to the journal studied by Oliveira, the influence of these filtering and simplifying mechanisms on the decision-making process always presents contextual and individual variances. As a result, these deviations may lead to conflicting expectations about judgment and behavior, which has not yet been explained by any of the decision theories. In

this theory of decision making process, the principle that people's set of beliefs or culture, might influence and corrupt the information processing [26].

### **2.2.3. Social Decision Making Theory**

According to Hansson Decision rules that have been developed for individual decision-making may in many cases also be used for decision-making by groups. The presumption is that the group acts as if it were a single individual. Similarly, most theories for corporate decision-making treat the corporation as if all decisions were to be taken by a single individual decision-maker. By a collective decision theory is meant a theory that models situations in which decisions are taken by two or more persons, who may have conflicting goals or conflicting views on how the goals should be achieved. Such a theory treats individuals as having conflicting interests which must be resolved, either in open conflict or by compromise Luce & Raiffa. Most studies in collective decision theory concern voting, bargaining and other methods for combining individual preferences or choices into collective decisions. The most important concern of social decision theory is the aggregation of individual preferences (choices) into collective preferences (choices) [16, 24].

### **2.2.4. Deterministic Versus Probability Decision Making Theories**

The deterministic (risky) theory assumes that the right decision is evaluated by end result. In other words according to Beresford and Sloper, Risky decisions are those decisions where the probabilities of the various possible outcomes are objective or known. As a result, when it is known, which decision to make, the decision-making issues occur in terms of costs, gains, loses opportunities or threats related to that choice [5].

However, in accordance to Raczkowski, probabilistic (uncertain) theory implies that, the decision-maker is not only concerned with the value of the outcome but also with the amount of risk each decision carries. Probabilistic decisions, which are made in conditions of risk, are characterized with high uncertainty. Therefore, the decision maker has to anticipate the probability of occurring various outcomes. This theory also implies that decision makers has going to make probability assessment influencing factors to quantify any gap between what is known and what needs to be known in order to make quality decision. Goodwin and Wright concluded that the probabilistic theories are used for protection against adverse uncertainty, and exploitation of encouraging uncertainty. This is because probability theory helps decision makers how to approach to face the unknown future to make optimal decision [15, 31].

Finally, having reviewed all different types of decision making models and theories this research provides suggestion that using all models and theories in combination with according to the situation, types of problem and for other factors is the best way for producing effective decision. In other words it suggests that decision makers should not be limited in one decision model or theory.

### 2.3. Influencing Factors in Decision Making Process

Decision making whether in governmental or private organization is indispensable activity which can help to achieve the objective of the organization. Inability to make efficient and effective decision affects the whole organizational process. However, the decision making process is influenced by many factors, particularly in public organizations. There are different internal and external factors that influence the decision making process in any organization.

Different writers mentioned their research results in relation to factors of decision making process. A research conducted by Arroba, identified the factors that influence decision making process which includes; information that was known concerning to the concrete problem which needs to be solved, the level of education, personality, experience and culture [3]. According to his literature the personal factors are the most difficult variables in decision making process.

In addition to the above factors, Lynch, identified the following factors that influence decision makers [25]. Decision itself (nature, time, urgency, frequency, number of option), decision maker (experience, attitude to risk, and impact on decision maker) and decision environment (impact on the company, political environment). the decision making process also influenced by culture of the organization for which employees adopted.

Shimizu, stressed the following determinant decision making factors that a decision maker faces in day to day decision making process. The nature of the problem (new or recurrent), awareness regarding to the problem, decision makers experience, organizational culture regarding risk taking in decision making, decision makers autonomy level and holistic view of the firm. In accordance to (Kamal, Bigdeli, Themistocleous, & Morabito, the factors that influence the decision makers can be seen from three perspectives [17]. Firstly from the individual perspective which includes personality, perception, and attitude towards risk, ethics and values. Secondly from the decision perspective which takes into consideration the nature of the decision, uncertainty, centralized and decentralized decision making. Thirdly organizational context includes culture and climate, politics, management style and organizational compatibility.

In general as shown in the above literatures, we can understand that decision making process is affected by internal and external factors. These factors can be categorized with three different contexts such as: individual, decision, and organizational, that influences the decision-making process. To sum up, based on Haris, the influencing factors of decision making process are going to be discussed in more detail by classifying them in to five in the following section in which this study will undertake based on these factors [17].

#### 2.3.1. Internal Condition of the Organization

Internal conditions are physical and intangible factors

inside of the organization that influence the decision-making behavior of individuals in the organization. It is important to note, that in internal condition of organization there are many “inter-related” element, which support the existence of organization. Each element could contribute in decision-making process, such as budget, personnel and physical infrastructure as well as organizational structure, size, instrument and bodies [17]. It is sometimes not easy to deal with internal condition in a decision making process because internal conditions are not open to change, even though this factor generally manageable. The challenge to develop a solid internal condition in organization considered as a strategy in order to produce a quality decision, which is the use of all potential in internal condition to support decision maker in decision making process.

#### 2.3.2. Skill, Experience and Personality of Decision Maker

The knowledge and experience that decision makers have on the problems, alternatives and past trends are valuable in decision making process. According to Shepherd, Williams, & Patzelt, elaborate that the human capital influences the decision-making of entrepreneurs, including his/her education, training, work experience, background and skills. People who practiced in decision of complex problems can develop competence to make more uncertain decisions [36].

The previous experience with a problem helps in the solution of problems structurally similar, or that at least had specific structural aspects in common [30]. While decision makers gain more experience, they can develop more knowledge to organize and structure problems to understand critically for quality decision result. The previous experience in decision making process in customs goods clearance has vital role for effective decision. However sometimes decisions in customs clearance process are made by past habitual actions without justifying problem in fair way with the existing rules and regulation.

Personality is the internal characteristics of individuals that distinguish one from the other.

There are four different general factors that can form personality factor of people such as genetic (e.g. factors that influence physical and mental characteristics of a person), social (e.g. factors that influence personality that arise from interaction with other people), cultural (e.g. factors such as wider social beliefs, values and motives that are absorbed by an individual and guide behavior towards which is acceptable within a specific social context) and situational (e.g. such factors that put the effect of a specific experience or situation on an individual's feelings and behavior) factors [22].

Thus personality can have an influence on a person's chosen behavior in a particular decision context. According to the above writers, decision makers might have a tendency to keep decisions to them, or withhold vital information to maintain control over other people in the organization.

#### 2.3.3. Availability of Information

Information is vital resource in this globalized world to compete and to achieve result. In more decentralized organizational structure, decision makers are expected to

make decision in short period of time, in such case information and supporting systems may not available to make quality decisions appropriately which expose the decision maker for uncertainty and risk.

However, the availability of much information does not mean that the decision maker can make quality decisions, because as Jennings & Wattan confirmed this often prevents the decision maker with an information overhead, i.e. too much information, and hence increase in complexity and perceived uncertainty [19]. This indicates that decision maker is under biased situation because of the presence of too much information, time pressure, simultaneous choice, or other constraint influence his/her decision making process.

### **2.3.4. External Condition of the Organization**

This refers the external factors that affect the decision making process directly or indirectly which includes the economic, political, social, and environmental aspects surrounding the organization.

It is important to note, that this may cover local, regional, national and international levels, because the impact of a decision or policy is sometimes not only experienced by the organization itself, but is also exposure to those in outside of the organization [17]. The executive decisions made by customs employee in goods clearance affects and be affected by the stakeholders, importers, exporters, agents, other government office. There for, the external situation around the kality customs office is an important factor for decision making process.

### **2.3.5. Nature of Decision**

It is also important to note that one goal of decision making is to ensure the performance of activities in organization running properly. The goal of decision affects the process of decision making. According to Richard, organizations could only function efficiently when those who have the knowledge necessary for decisions also have the authority to make those decisions [33].

Type of decision also provides significant contribution in influencing the decision-making process. The decision type might be programed or routine and repetitive problems within organization such decision has established policies, rules and procedures and stem from prior experience or organizational habit about what works or does not work in a given situation. While non-program decision are types unusual situations that have not been often addressed, and don't solved by existing rules to follow since the decision is new. As a result, the nature of decision and types decision can influence the decision making process, particularly in kality customs branch office, on customs clearance process as there are various goods fabricated every time in this world which affects the customs officer to provide quality decision.

### **2.4. Empirical Review**

A study conducted by Haris identifies five factors that

influence the decision making process which are Internal condition of the organization, availability of information, external condition of the organization, personality and skill of decision maker, nature of decision (type of problem, goal of decision and type of decision) [17]. Accordingly the finding shows that all factors have significant influence in the decision making process while internal condition organization has moderately high influences factor in the decision-making process and diverse factors have relatively low influence in decision making process. In relation to this study the internal organization situation, organizational structure, values, procedure, guiding principles have significant influence on decision making process.

Another study conducted by Boone & Kilmann, used six factor analyses to understand the factors that influence in decision making process [6]. These factors are multiple inputs and alternatives, problem identification and organization, reward for good decision, use of group effort, bureaucratic blocks and politics and lastly resource adequacy. The result of the study shows that multiple inputs and alternatives, problem identification and organization are critical factors that influence decision maker. Regarding to this study identification of the right problem and analysis of all alternative solutions influences the decision maker.

The study by Regina Lenart-Gansiniec in Poland conducted four factor analysis to understand the factors that influence the decision making process [32]. The factors are: type of task, the people, the management and the surrounding of the organization are the variables identified by the researcher. The researcher conclude that the type of task and management play the key role in making a decision. Based on this finding the task type whether routine or new highly influences the decision maker in combined with the management type the organization adopted.

A research study by De Sousa, Porto, Marcantonio, Takenouchi & Sin Oih Yu, used five variables for analysis that can influence the decision making process [11]. These include the nature of the problem, awareness regarding the problem, decision maker's experience, organizational culture regarding risk taking in decision making, decision maker's autonomy level. The results from this study paper confirms that the decision depends on the experience of the decision makers and the type of decision (recurrent or not).

From this result one can understand that the type of decision in which the decision maker faces i.e. recurrent or new and that past experience in decision making process has great contribution for quality decision.

### **2.5. Research Gap**

After reviewing different empirical studies, the researcher tries to indicate research gap. Decisions made in kality customs clearance process are ineffective, non-transparent, less quality and delayed. Which factors influence the effectiveness of decision making process is not yet studied in kality customs clearance process. Analyzing how these problems affects the custom clearance process and trade facilitation in general is essential. It is therefore important to

address these problems by identifying and analyzing the factors that influence the effectiveness of decision in the branch office.

## 2.6. Research Hypothesis

Based on the nature of the study the researcher develops the following hypothesis to test under this study.

Ho1: Internal situation of the organization doesn't have significant influence on the effectiveness of decision making process.

Ho2: Decision maker skill, experience and personality don't have significant influence on the effectiveness of decision making process.

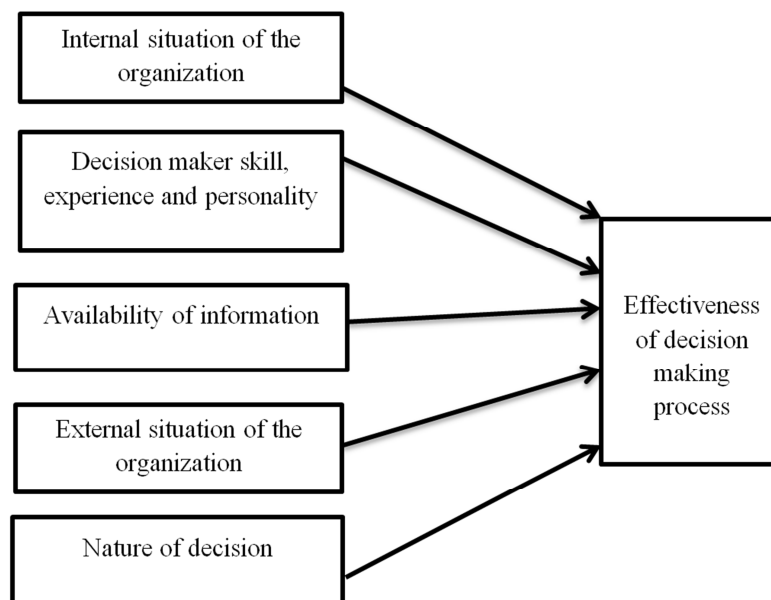
Ho3: Availability of information doesn't have significant influence on the effectiveness of decision making process.

Ho4: External condition of the organization doesn't have significant influence on the effectiveness of decision making process.

Ho5: Nature of decision doesn't have significant influence on the effectiveness of decision making process.

## 2.7. Conceptual Framework

Having reviewed literatures the conceptual framework for the factors that influence the effectiveness of decision making process in kality customs branch office on goods clearance process was developed. The framework includes five influencing variables required for the study of factors that influence the effectiveness of decision making process which determines to make quality decision in kality customs branch office on goods clearance process. These are internal condition of the organization, decision maker personality and skill, availability of information, external condition of the organization and nature of decision (type of problem, decision goal and type). These factors selected because they are common influencing factors in decision making process in kality customs branch office as the practical observation of the researcher confirms. Besides, there was no research conducted before by using these factors in this branch office which can help to get new insights to improve the effectiveness of decision making process in goods clearance process. These factors used in the analysis and discussion of the research findings.



Source (Ikanfan haris, 17)

**Figure 1.** Conceptual frame work of the study.

## 3. Methodology of the Study

### 3.1. Research Approach

Based on the nature of the problem and the data to be generated, mixed approach (quantitative and qualitative research approaches), as this approach allows the researchers to freely draw information from both qualitative and quantitative data for a better understanding of the problem under study. In line to this, Creswell W. explained that, mixed method approaches now provide rationale ahead of triangulation [9]. Furthermore, the use of both approaches also ensures that shortcomings in either method could offset

by the strength of the other. Thus, for this study, mixed research approach was used and with both descriptive and explanatory research design adopted.

### 3.2. Research Design

For this study descriptive and explanatory method research is employed to analyze the factors that influence the effectiveness of decision making process in Ethiopian Customs Commission at kality customs branch office.

### 3.3. Population and Sampling Frame

The population consider for this study consists of all fulltime employees of Addis Ababa kality customs branch



office customs clearance work processing unit. According to January, 2019 human resource data document of the office, there were 252 fulltime employees who were working directly in customs clearance department [21]. The population under which sample was drawn listed in the sample frame.

*Table 1. Sampling frame.*

NO	Category	Total Numbers
1	Work processing leaders	9
2.	Team coordinators	18
3.	Senior officers	98
4	Officers	114
5	Junior officers	13
6.	Total	252

Source KCBO human resource data document January, 2019

### 3.4. Sampling Technique and Sampling Size

#### 3.4.1. Sampling Technique

The sampling technique used for this study was simple random sampling. Random sampling is also known as chance sampling or probability sampling where each and every item in the population has an equal chance of inclusion in the sample and each one of the possible samples, in case of finite universe, has the same probability of being selected [23]. This method gives equal chance to the population to make sure the representativeness of the data and also to ensure the representative of all characteristics of the population which it might not be considered by the researcher.

In addition to simple random sampling, to get data by interview, purposive sampling technique were applied for those who have experience in decision making process. It is the researcher beliefs that using this method enable to have in depth knowledge from those who are in a position to give information about the influencing factors of effective decision making process in customs goods clearance department of office.

#### 3.4.2. Sample Size

Due to the limitation of time and scarcity of other resource, taking sample is indispensable for the process of this research. The sample size was 155 respondents out of a target population of 252. The sampling process is done using the formulae develop by Yamane [43].

Accordingly, the formula to find the sample size:

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

Where;

N= population size

e= Tolerance at desired level of confidence, take 0.05 at 95% confidence level

n= sample size.

How the formula is used is shown below

$$n = \frac{252}{1 + (252 \cdot 0.05 \cdot 0.05)} = 252/1.63$$

$$n \approx 155$$

The distribution of the sample across the categories was done using the formula

Number of individuals in the category x the sample size  
Total number of employees

based on this formula, from each sampling frame that is 6 work process leaders, 11 team coordinators, 60 senior officers, 70 officers and 8 junior officers totally 155 sample representatives were selected.

### 3.5. Data Sources and Data Collection Instruments

#### 3.5.1. Sources of Data Collection

For this study both primary and secondary data sources were used to collect relevant data. The primary data were obtained from the sample employees and secondary data were collected from books, journals and articles which are as closely related as possible to decision making process. In addition to this, secondary data were obtained from the annual report documents of the branch office, customs laws, and rules manuals and related written literatures on the issue under study.

#### 3.5.2. Instruments of Data Collection

Questionnaires and personal interview questions were used for primary data while the secondary data were obtained from different published and unpublished materials which are as closely related as possible through review techniques.

##### A. Questionnaire

To collect necessary data from the sample respondents, self-developed survey questionnaires containing both open-ended and closed ended types of questionnaires were designed and distributed to the respondents. This method of data collection was used because of the nature of questionnaire for a wide coverage of many respondents and its easiness to quantify and analyses the collected data. To get data through this tool, questionnaires were prepared in English languages clearly having appropriate standards.

##### B. Interview

Interview questions were used to gather data that cannot be collected using questionnaires and those questions that need detailed explanation. To ensure flexibility in the questions, unstructured interview were prepared and carried out through face to face with two operational deputy managers of the branch office who works in customs good clearance department totally two individuals were interviewed.

##### C. Document Analysis

In order to understand the subject matter different published and unpublished documents were reviewed by the researcher. Furthermore, customs laws, rules, manuals, annual reports, books, journals and articles which are as closely related as possible to decision making process were used.

### 3.6. Methods of Data Analysis

The quantitative data gather from questionnaire were summarized and analyzed by using descriptive statistics like frequency, percentage and inferential statistics like correlation and regression analysis. Then the data were described using tables for more clarification and the data

were coded using scientific statistical data analysis software SPSS v25. The qualitative data gain from interview and document review were analyzed contextually as per the research basic questions. Binary logistics regression analysis was conducted to test the effect of five independent variables

on dependent variable that is effectiveness of decision making process. Since the independent variables are continuous, using this logistics regression method is appropriate. Five point likert scale responses were categorized and recode in to two as agree (1) and disagree (0).

**Table 2.** Operationalization of study variables.

Types of variable	Data types	Measurement instruments
<b>Independent variables</b>		
Internal situation of the organization	Ordinal data	Descriptive and explanatory analyses by classifying data in to two categories as agree (1) and disagree (0).
Decision maker skill, experience and personality	Ordinal data	Descriptive and explanatory analyses by classifying data in to two categories as agree (1) and disagree (0).
Availability of information	Ordinal data	Descriptive and explanatory analyses by classifying data in to two categories as agree (1) and disagree (0).
External condition of the organization	Ordinal data	Descriptive and explanatory analyses by classifying data in to two categories as agree (1) and disagree (0).
Nature of decision	Ordinal data	Descriptive and explanatory analyses by classifying data in to two categories as agree (1) and disagree (0).
Dependent variable	Ordinal data	Descriptive and explanatory analyses by classifying data in to two categories as agree (1) and disagree (0).
Decision making effectiveness	Ordinal data	Descriptive and explanatory analyses by classifying data in to two categories as agree (1) and disagree (0).

Source: field survey, 2019

The researcher used hilbe, (2009) logistic regression model to regress independent variable and dependent variables.

$$\text{Logit}(p) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Where; p is the probability of occurrence of effectiveness of decision making process,

q(1-p) is the probability of none occurrence of effectiveness of decision making process,

$\beta_1, \beta_2, \beta_3, \beta_4$  and  $\beta_5$  estimate coefficient of independent variables,

$\beta_0$ : is the constant in the equation and

$\epsilon$  is error terms included in the model. Therefore, the model of the regression analysis is:

$$\text{Logit}(p) = \beta_0 + \beta_1 \text{ISO} + \beta_2 \text{DMSEP} + \beta_3 \text{AI} + \beta_4 \text{ECO} + \beta_5 \text{ND} + \epsilon$$

### 3.7. Measurement Instruments and Their Validity and Reliability

#### 3.7.1. Measurement Instruments

The effectiveness of decision making process were measured through collecting and analyzing data concerning the influencing factors on internal situation of the organization, decision maker skill, experience and personality, availability of information, external condition of the organization and nature of decision and in general through direct observation, interviews, questionnaires and document reviews related to customs clearance process.

#### 3.7.2. Validity

According to Kothari, Validity refers to the extent to which a test measures what we actually wish to measure [23]. The validity of data collection instrument for this research was conducted discussing with research supervisor and with other experts and academicians. There for that the comments, ideas and amendments helped the validation of the

instrument.

#### 3.7.3. Reliability

Reliability has to do with the accuracy and precision of a measurement procedure. Cronbach alpha was used to measure the internal reliability of data collection. According to Zinbarg, coefficient alpha ranges in value from 0, meaning no consistency, to 1, meaning complete consistency (all items yield corresponding values) scales with a coefficient  $\alpha$  between 0.80 and 0.95 are considered to have very good reliability. Scales with a coefficient  $\alpha$  between 0.70 and 0.80 are considered to have good reliability, and  $\alpha$  value between 0.60 and 0.70 indicates fair reliability. When the coefficient is below 0.6, the scale has poor reliability. As shown in the below table the Cronbach's alpha coefficients was listed for all variables [44].

**Table 3.** Reliability Statistics of the Instrument.

Variables	Cronbach's Alpha	N of Items
Internal situation of the organization	0.781	6
Decision maker skill, experience and personality	0.841	5
Availability of information	0.774	5
External condition of the organization	0.836	5
Nature of decision	0.813	3
Effectiveness of decision making process	0.822	9

Source: field survey, 2019

## 4. Result and Discussion

### 4.1. Correlation Analysis

To understand the correlation between the dependent variable and independent variables, the researcher uses spearman rank correlation coefficient. The reason for using non parametric test spearman correlation is because the data are ordinal. The result of spearman rank correlation presented

in the following table. According to Cohen, the result of spearman rank correlation coefficient interprets as the

following guidelines: Small  $r=.10$  to  $.29$  medium  $r=.30$  to  $.49$  large  $r=.50$  to  $1.0$  [7].

**Table 4.** Correlation coefficients of dependent and independent variables.

			DME	ISO	DMSEP	AI	ECO	ND
Spearman's rho	DME	Correlation Coefficient	1.000	.305**	.511**	.0288**	.520**	.252*
		Sig. (2-tailed)	.	.002	.003	.000	.007	.013
		N	152	152	152	152	152	152
	ISO	Correlation Coefficient	.305**	1.000	.005	.143	.090	.022
		Sig. (2-tailed)	.002	.	.955	.079	.268	.787
		N	152	152	152	152	152	152
	DMSEP	Correlation Coefficient	.511**	.005	1.000	.381**	.196*	.274**
		Sig. (2-tailed)	.003	.955	.	.000	.016	.001
		N	152	152	152	152	152	152
	AI	Correlation Coefficient	.288**	.143	.381**	1.000	.317**	.191*
		Sig. (2-tailed)	.000	.079	.000	.	.000	.018
		N	152	152	152	152	152	152
	ECO	Correlation Coefficient	.520**	.090	.196*	.317**	1.000	.330**
		Sig. (2-tailed)	.007	.268	.016	.000	.	.000
		N	152	152	152	152	152	152
	ND	Correlation Coefficient	.252*	.022	.274**	.191*	.330**	1.000
		Sig. (2-tailed)	.013	.787	.001	.018	.000	.
		N	152	152	152	152	152	152

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

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

In the above table, the correlation coefficient shows between the predictor variable (internal situation of the organization, decision makers' skill, experience and personality, availability of information, external condition of the organization and nature of decision) and dependent variable (decision making effectiveness).

According to the above table, the spearman correlation coefficient between internal situation of the organization and decision making process effectiveness is 0.305 at  $p=0.002$  which is less than 0.01. The spearman correlation coefficient between internal situation of the organization and decision making effectiveness is 0.305 indicate that the correlation between them is medium and positive which shows when there is favorable internal situation of the organization, decision making process effectiveness increase.

According to the above table, the spearman correlation coefficient between decision maker's skill, experience and personality with decision making process effectiveness is 0.511 at  $p=0.003$  which is less than 0.01. The spearman correlation coefficient between decision maker's skill, experience and personality with decision effectiveness is 0.511 indicate that the correlation between them is large and positive which shows when decision makers gain more and more skill, experience and good personality, the effectiveness decision making process increase.

According to the above table, the spearman correlation coefficient between availability of information and decision making process effectiveness is 0.288 at  $p=0.000$  which is less than 0.01. The spearman correlation coefficient between availability of information and decision making effectiveness is 0.288 indicate that the correlation between them is small and positive which shows when there is availability of complete and reliable information, the effectiveness of decision making process increases.

According to the above table, the spearman correlation coefficient between external condition of the organization and decision making process effectiveness is 0.520 at  $p=0.007$  which is less than 0.01. The spearman correlation coefficient between external condition of the organization and decision making effectiveness is 0.520 indicate that the correlation between them is large and positive which shows when there is favorable external situation of the organization, the effectiveness of decision making process increases.

According to the above table, the spearman correlation coefficient between nature of decision and decision making effectiveness is 0.252 at  $p=0.013$  which is less than 0.05. The spearman correlation coefficient between nature of decision and decision making effectiveness is 0.252 indicate that the correlation between them is small and positive which shows when the decision maker faces routine and usual nature of decision, the effectiveness of decision making process increases.

#### 4.2. Regression Analysis

According to Kothari, regression is a statistical method to deal with the formulation of mathematical model depicting relationship amongst variables meaning used to analysis cause and effect relationship between predictor and outcome, which can be used for the purpose of prediction of the dependent variable given the value of independent variables. This study is conducted using logistic regression methods to regress the variable that all the study independent variables entered into the regression equation at once [23].

In this research, binary logistics regression analysis is conducted to test the effect of five independent variables which are internal situation of the organization, decision maker, skill, experience and personality, availability of

information, external condition of the organization and nature of decision on effectiveness of decision making process. Since the independent variables are continuous, using this logistics regression method is appropriate.

#### 4.2.1. Assumption of Regression Model

##### 1) Sample size

According to Pallant, the formula for calculating sample size requirements, taking into account the number of independent variables that you wish to use:  $N > 50 + 8m$  (where  $m$  = number of independent variables). based on this formula the sample size for this research is:  $50+8*5=90$  which is lower than 152. there for, the sample size is enough [30].

##### 2) Multi-collinearity

This refers to the relationship among the independent variables. Multi-collinearity exists when the independent variables are highly correlated ( $r=.9$  and above). As it seen in table 4 of spearman coefficient correlation, there is no strong correlation among independent variables.

##### 3) Linearity

According to field, linearity of logit assumption can be check by Hasmer and Lemeshaw model test. As it shown in table 9 the value of chi-square is 9.529 ( $p=.300>0.05$ ). Therefor, the model is good enough fit for the data [14].

#### 4.2.2. Regression Model

The researcher used hilbe logistic regression model to regress independent variable and dependent variables [18].

$$\text{Logit}(p) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Where;  $p$  is the probability of occurrence of effectiveness of decision making process,

$q(1-p)$  is the probability of none occurrence of effectiveness of decision making process,

$\beta_1, \beta_2, \beta_3, \beta_4$  and  $\beta_5$  estimate coefficient of independent variables,

$\beta_0$ : is the constant in the equation and

$\epsilon$  is error terms included in the model.

The explanatory variables are,

ISO-Internal situation of the organization,

DMSEP-Decision maker skill, experience and personality,

AI-Availability of information

ECO-external condition of the organization

ND-nature of decision

$$\text{Logit}(p) = \beta_0 + \beta_1 \text{ISO} + \beta_2 \text{DMSEP} + \beta_3 \text{AI} + \beta_4 \text{ECO} + \beta_5 \text{ND} + \epsilon$$

Firstly: the regression analysis going to test the following hypothesis.

H01:  $\beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0$  (none of the independent variable explains the dependent variable)

#### 4.2.3. Fitness Model

Table 5. Case Processing Summary.

Unweighted Cases <sup>a</sup>		N	Percent
Selected Cases	Included in Analysis	152	100.0
	Missing Cases	0	.0
	Total	152	100.0
Unselected Cases		0	.0
Total		152	100.0

Source: field survey, 2019

The above case processing summery table shows that 152 cases are selected for the analysis in this model.

Block 0: Beginning Block

Table 6. Classification Table<sup>a,b</sup>.

Observed		Predicted		
		Decision making process effectiveness		Percentage Correct
		Disagree	Agree	
Decision making process effectiveness (quality, transparency and timeliness)	Disagree	82	0	100.0
	Agree	70	0	.0
Overall Percentage				53.9

Source: field survey, 2019

The above table of block 0 indicates the results of the analysis without any of our independent variables used in the model. This will serve as a baseline later for comparing the model with our predictor variables included in this classification the total percentage correctly classified case is 53.9%. This is simply SPSS guessed classification, the researcher hope that when the set of predictor variables entered, the result improves the accuracy later.

Table 7. Omnibus Tests of Model Coefficients.

		Chi-square	Df	Sig.
Step 1	Step	50.237	5	.000
	Block	50.237	5	.000
	Model	50.237	5	.000

Source: field survey, 2019

Omnibus Tests of Model Coefficients shows us an overall indication of how well the model performs, comparing with the baseline result or (Block 0). According to Pallant, the Omnibus Tests of Model Coefficients want a highly significant value (the Sig. value should be less than .05) [29]. Omnibus Tests of Model Coefficients uses for the comparison (chi-square=50.237%,  $df=5$ ,  $p=.000<0.05$ ). The above table shows that the chi-square is highly significant. Therefore, the model (with our set of variables used as predictors) is better than SPSS's original guess shown in Block 0.

Table 8. Model Summary.

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	159.531 <sup>a</sup>	.281	.376

Source: field survey, 2019

The above table provides about the usefulness of the model in estimating the amount of variation in the dependent variable. The Cox & Snell R Square and the Nagelkerke R Square values provide an indication of the amount of variation in the dependent variable explained by the model. These are described as pseudo R square statistics, rather than the true R square values [29]. In this table the values are 0.281 and 0.376 indicating that between 28.1 per cent and 37.6 per cent of the variability is explained by this set of variables.

The Hosmer and Lemeshow test indicates chi-square test of whether or not the model is an adequate fit for the data.

H02: the model is not good enough fit for the data.

**Table 9. Hosmer and Lemeshow Test.**

Step	Chi-square	Df	Sig.
1	9.529	8	.300

Source: field survey, 2019

As it is indicated in the above table the value of chi-square is 9.529 ( $p=.300>0.05$ ). Therefore, reject the hypothesis that the model is not good enough fit for the data. The conclusion is that the model is good enough fit for the data.

**Table 10. Classification Table.**

Observed			Predicted		Percentage Correct
			Effectiveness of decision making process (quality, transparency& timeliness)		
			Disagree	Agree	
Step 1	Effectiveness of decision making process	Disagree	68	14	82.9
	(quality, transparency& timeliness)	Agree	30	40	57.1
	Overall Percentage				71.1

Source: field survey, 2019

The above table shows how the full model classifies the cases correctly. Wondewossen explained that Adding across rows represents the number of cases in each category in the actual data and adding down the columns represents the number of case in each category as classified by the full model [41]. The key information in the above table at the

right corner is the total percentage which shows this model with all variables and constant  $((68+40)/152*100)$  is 71.1% accurate. The result of this model which is 71.1% is greater than block null model result which is 53.9%. Therefore, when we compare the two results, the predicted value correctly classifies the result.

### 4.3. The Result of Logistic Regression and Hypothesis Testing

**Table 11. The result of logistic regression.**

	B	S.E.	Wald	Df	Sig.	Exp(B)
Internal situation of the organization	1.168	.442	8.450	1	.005	3.162
Decision maker skill, experience & personality	1.224	.427	8.841	1	.004	3.315
Availability of information	1.401	.551	7.288	1	.006	3.844
External condition of the organization	1.160	.463	8.530	1	.002	3.221
Nature of decision (goal of decision, types of decision and types of the problem)	1.250	.425	8.422	1	.004	3.630
Constant	-2.468	.488	29.775	1	.000	.055

Source: field survey, 2019

The above table shows that the regression coefficient (B), the Wald statistics gives information about the contribution or importance of each of our predictor variables and Exp(B) which indicates the change in resulting from a unit change in the predictor for all variables.

As we see from the table the p value or sig of internal situation of the organization, decision maker skill, experience & personality, availability of information, external condition of the organization, nature of decision (goal of the decision, types of decision and types of problem) and the constant is 0.005, 0.004, 0.006, 0.002, 0.004 and 0.000 respectively which all are less than 0.05 (significant at 0.05 significant level). There for reject the null hypothesis that is  $\beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0$ . This implies that the occurrence the dependent variable explained by all independent variables and the constant. Therefore the regression model is:

$$\text{Logit}(p) = -2.468 + 1.168\text{ISO} + 1.224\text{DMSEP} + 1.401\text{AI} + 1.160\text{ECO} + 1.250\text{ND} + \epsilon$$

If the value of Exp(B) is  $>1$  then it indicates that as the explanatory variable increases, the odds of the outcome occurring increases, if Exp(B) is  $<1$ , it indicates explanatory variable increases, the odds of the outcome occurring decreases and Exp(B) is  $=1$ , it indicates the explanatory variable has no effect on the outcome occurring (Lond, 1997).

*H01: internal situation of the organization doesn't have significant influence on the effectiveness of decision making process.*

According to the above table, Exp (B) for internal situation of the organization is 3.162 at  $p=0.005<0.05$ . Therefore, reject the null hypothesis that internal situation of the

organization doesn't have significant influence on the effectiveness of decision making process. The conclusion is internal situation of the organization has significant influence on the effectiveness of decision making process. The coefficient of 3.162 is much greater than one which indicates that when there is good internal situation of the organization, the effectiveness of decision making process increases. Internal situation of the organization positively influences the effectiveness of decision making process. The Wald statistics for internal situation of the organization is 8.450 at  $p=0.005<0.05$ . This indicates that internal situation of the organization is contributing 8.450 amounts in the effectiveness of decision making process by keeping other factors remain constant.

*Ho2: decision maker skill, experience and personality don't have significant influence on the effectiveness of decision making process*

On the above table Exp(B) for decision maker skill, experience and personality is 3.315 at  $p=0.004<0.05$ . There for reject the null hypothesis that decision maker skill, experience and personality don't have significant influence on the effectiveness of decision making process. The conclusion is decision maker skill; experience and personality have significant influence on the effectiveness of decision making process. The coefficient of 3.315 is much greater than one which indicates that when decision maker gain more skill, experience and good personality, the effectiveness of decision making process increases. The Wald ratio for decision maker skill, experience and personality is 8.841 at  $p=0.004<0.05$ . This indicates that decision maker skill, experience and personality contributing 8.841 amounts in the effectiveness of decision making process by keeping other factors remain constant.

*Ho3: availability of information doesn't have significant influence on the effectiveness of decision making process.*

The above table shows that Exp (B) for availability of information is 3.844 at  $p=0.006<0.05$ . There for reject the null hypothesis that availability of information doesn't have significant influence on the effectiveness of decision making process. The conclusion is availability of information has significant influence on the effectiveness of decision making process. The coefficient 3.844 is much greater that one which indicates that when there is availability of relevant and accurate information, the effectiveness of decision making process increases. The Wald ratio for availability of information is 7.288 at  $p=0.006<0.05$ . This implies that the availability of relevant and accurate information contributes 7.288 amounts in the effectiveness of decision making process by keeping other factors remain constant.

*Ho4: External condition of the organization doesn't have significant influence on the effectiveness of decision making process.*

The above table shows that Exp(B) for external condition of the organization is 3.221 at  $p=0.002<0.05$ . Therefore, reject the null hypothesis external condition of the organization doesn't have significant influence on the effectiveness of decision making process. The conclusion is

external condition of the organization has significant influence on the effectiveness of decision making process. The coefficient 3.221 is much greater than one this indicates that when there is favorable external condition of the organization (that is less pressure from, importers, exporters, agents and no political interference), the effectiveness of the decision making process increases. The Wald statistics for external situation of the organization is 8.530 at  $p=0.002<0.05$ . this suggests us to say the external condition of the organization contributing 8.530 amounts in the effectiveness of decision making process by keeping other factors remain constant.

*Ho5: nature of decision doesn't have significant influence on the effectiveness of decision making process*

According to the above table, Exp(B) for nature of decision (decision type, goal of decision & types of problem) is 3.630 at  $p=0.004<0.05$ . There for reject the null hypothesis that nature of decision doesn't have significant influence on the effectiveness of decision making process. The conclusion is nature of decision has significant influence on the effectiveness of decision making process. The coefficient 3.630 is much greater than one indicates that when there are routine and programed problems, the effectiveness of decision making process increases. The Wald statistics shows that 8.422 at  $p=0.004<0.05$ . this implies that nature of decision (decision type, goal of decision & types of problem) contributes 8.422 amounts in the effectiveness of decision making process.

In general, based on Wald statics ratio as shown in the above table all variables influence effectiveness of decision making process. When we look the level of influence on rank to understand from the highest to the lowest factor, the Wald statics ratio for internal situation of the organization, decision maker skill, experience and personality, availability of information, external condition of the organization and nature of decision is 8.450, 8.841, 7.288, 8.530 and 8.422 respectively. Therefore, that decision maker skill, experience and personality is the highest influencing factor for effective decision making process in customs goods clearance process. While external condition of the organization is the second highest influencing factor for effective decision making process. Nature of decision is the third highest influencing factor followed by internal situation of the organization the fourth influencing factor. The least influencing factor among all variables is availability of information.

This result different from the finding of Ikhfan Haris, study in that his finding was internal situation of the organization was the most influencing factor while nature of decision was the least influencing factor in his study result [17].

## 5. Conclusion and Recommendation

### 5.1. Conclusion

In this research, reviewing of theoretical and empirical study shows that effective decision making process in organizations is highly influenced by many different factors. This study analyzes the factors that influence effectiveness of

decision making process in kality customs branch office. In this study internal situation of the organization, decision maker skill, experience and personality, availability of information, external condition of the organization and nature of decision (goal of decision, types of decision and types of the problem) are identified as the most influencing factors for effective decision making process in kality customs branch office.

According to the finding of the result, all factors influence effectiveness decision making process in the branch office. In relation to this decision maker skill, experience and personality was found to have strong positive relation with effectiveness of decision making process and is the first highest influencing factor among all other variables which means when decision makers develops more and more skill, experience and good personality, the effectiveness of decision making process also increases other factors being constant. External condition of the organization is also found to have small positive relation with effectiveness of decision making process and is the second highest influencing factor for effective decision making process which implies when there is less or no pressure from importers, exporters, agents (transistors), and political interference on employees in decision making process, the effectiveness of decision making process increases. Nature of decision (decision& problem type, goal of decision) has small positive relation with effectiveness of decision making process and is the third highest influencing factor for effective decision making process which implies when decision makers face routine and programed decisions in customs clearance, the effectiveness of decision making process increases. According to the study result internal situation of the organization is fourth influencing factor for effective decision making process which indicates that when there is favorable management style, effectiveness of decision increases in the branch office. Availability of information was least contributing factor for effective decision making process.

### 5.2. Recommendation

The findings discussed above drew some influencing factors on effective decision making process in kality customs branch office. Thus, the researcher forwarded the following recommendations.

- 1) The branch office has to develop favorable internal management system that can promote the effectiveness of decision making process. This can be through working closely with customs officers, having open communication trend and developing regular discussing room at the branch office between top managers and officers.
- 2) In order to improve the skill, experience and personality of decision makers for effective decision making process, the branch office should provide off job and on job trainings. Besides, the branch office should provide continuous training on ethics and anticorruption for employees through setting standards in order to deliver properly in customs clearance process. The branch office should also give critical attention for this factor

since it is the highest influencing factor that employees face in day to day decision making process. Employees should develop the process of decision making based on the given customs laws and principles rather than based on past experience and habitual action. This can be done through reading all customs manuals laws.

- 3) To overcome the problem of lack of availability of information for decision making process, customs commission has to develop decision aid tools or data base for all goods centrally that can provide latest and reliable information for decision makers. This also should be supported by proper evaluation in updating regularly and accessing for all at time.
- 4) In order to overcome the external pressure on employees decision making process, at the immediate time, customs commission has closely work with the branch office through regular meeting and awareness creation for pressuring groups to stop unlawful action on decision makers. At long run the branch office and the customs commission have to establish and strengthen electronic system that can help to communicate and exchange of any information and data with concerned external stakeholders without necessary coming to office. This can minimize the pressure from external condition of the organization that enables employees to make effective decision with less pressure.
- 5) To improve the effectiveness of decision makers in situation of uncertainty non program decisions, the branch office has to provide practical trainings at customs clearance process and develop customs clearance manuals that can guide how non program case handled and solved at the operational level by decision makers.

### Further Research Gaps

- 1) Researcher can study this topic in other factors in different approach in order to get other influencing factors.
- 2) The research may also have carried out by using only secondary data to establish whether the findings are similar as the finding this study.

### Acknowledgments

First of all I would like to thank JESUS CHRIST and his mother SAINT VERIGIN MARY who gave me the opportunity to alive today and to do all my works.

Next, I would like to express my deepest gratitude to my advisor Dr. Asfaw Wassie (PhD) for their assistance, guidance and valuable comments from the beginning of this research up to the completion. Once again I thank you so much!

Finally, my special thanks goes to my families who suppoort, encourage and advice me in all my line of life. My thanks extends to all Kality ccustoms Branch office empoloyees and my colleagues who partiapipte in filling my survey questionnaires. I owe thanks and love to all my friends. I

have got all your support and encouragement throughout my study. My dear friends, Mr. Solomon Admasu, Ms Yeshiwork Kassa and Ms Eyerus Worku who exert their time and resource for comments and helping me to complete this research. All of GOD bless you!

## Conflicts of Interest

I the researcher (Mengistu Bawoke Tiruye) declare that there is no conflict of interest.

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