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## Effect of Heuristic Decision-making on Performance of State-Owned Enterprises in Kenya: A Case of Kenya Power Company

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### Abstract:

*Heuristic decision-making is part of strategic decision-making. This study sought to examine the status of heuristic decision-making and organizational performance of Kenya Power Company. Moreover, the extent to which heuristic decision-making influenced the performance of the aforementioned company was analyzed. The study was conducted against a backdrop of acknowledged performance challenges. The poliheuristic theory of decision-making and the balanced scorecard model guided the study. A descriptive research design was adopted. The 31 senior management staff of Kenya Power were targeted. A census design was employed to obtain the study participants. The data collected from these participants were analyzed with the assistance of the Statistical Package for Social Sciences. Descriptive statistics, as well as inferential statistics, were used to analyze the collected data. It was revealed that the relationship between heuristic decision-making and organizational performance was positive though weak ( $r_s = 0.340$ ) and not statistically significant ( $p = 0.104 > 0.05$ ). The effect of heuristic decision-making on organizational performance was established not to be statistically significant ( $F_{1,22} = 3.181$ ;  $p = 0.088 > 0.05$ ). Consequently, the null hypothesis (There is no significant effect of heuristic decision-making on the performance of Kenya Power) was not rejected. Instead, it was also concluded to be true. Heuristic decision-making was inferred to have minimal effect on the organizational performance of Kenya Power. It was recommended that senior managers should have a duty to ensure that the heuristics embraced by the company are reliable in making pertinent decisions.*

**Keywords:** Heuristics, heuristic decision-making, Kenya Power Company, organizational performance

### 1. Introduction

Heuristics have the capacity to facilitate the making of decisions in either complex and uncertain contexts or environments. Heuristic simply means 'to discover', and characterize consideration of the personal experience in making decisions or solving a given problem. They involve the availability of limited options in the decision-making process (Dale, 2015). On the same note, it is asserted that heuristics are crucial in organizational environments that are challenging or impossible to understand rationally due to the high levels of uncertainty and complexity (Loock & Hinnen, 2015). This notwithstanding, there is a lack of depth in literature on the role heuristic decision-making plays in internationalization decisions (Niittymies, 2020).

In countries under the wing of Organization for Economic Co-operation and Development (OECD), there is an emphasis on good governance of State Owned Enterprises (SOEs). This is aimed at ensuring that these entities are able to not only perform efficiently but also compete at par with similar organizations in the private sector (OECD, 2020). It is stated that SOEs operating in countries where politics do not interfere with their activities perform as well as firms in the private sector (OECD, 2020). In the year 2018, Canada, followed by Mexico and Colombia, respectively, were ranked best in their closeness to international best practices, while Slovenia was ranked last out of the 36 OECD member states. The aforesaid ranking was based partly on the extent to which the SOEs were protected from political interference by the prevailing legal framework in their business decision-making (OECD, 2020). Importantly, the OECD guidelines, which were drafted in 2015, state that the public authorities (including politicians) should neither participate in the direct management of SOEs nor interfere with the business decisions made by these organizations (OECD, 2015).

In Nigeria, it is reported that the performance of state-owned enterprises has improved in the case of SOEs that have been privatization (Magaji, 2015). This means that strategic decisions to privatize hitherto state-owned organizations have positively impacted their performance. The importance of engaging stakeholders is highly emphasized while making decisions in organizations operating in Nigeria. In this respect, there is an emphasis on effective communication by the management to the stakeholders on matters affecting these organizations. This is aimed at ensuring that the stakeholders contribute to the decisions made by the aforesaid entities (Berebon & Lebura, 2020).

The performance of SOEs in Kenya has been attributed to several factors (Ileri, 2016). These include irregular appointment and removal of members of the Board of Directors (BOD), infringement of the appointment process of the board members by politics, poor legal framework and indebtedness, stringent economic conditions, and gender mainstreaming in board appointments, among others (Ileri, 2016). However, the contribution of strategic decision-making

to the performance of these entities has been given a wide berth. The Kenya Power Company (KPC), previously Kenya Power and Lighting Company (KPLC), is the State Corporation mandated with electricity distribution in Kenya. The organization enjoys a monopoly in power distribution to individual households, offices, factories, industries, and both public and private organizations in the country (Kenya Power, 2022).

### 1.1. Statement of the Problem

Despite the significant progress made by Kenya Power, the company has been facing seven key challenges, threatening the sustenance of its performance (Mutiso & Taneja, 2018). The first challenge is stagnating demand despite increased electricity production (Moss & Kincer, 2018). The firm has also been facing increased captive power, poor reliability, consumer backlash due to overpricing, overstated projections, corruption, and uncertainties in policies and regulations (World Bank, 2015; Kenya Power, 2018; Energy Regulatory Commission, 2018; Mutiso & Taneja, 2018). Given the importance of strategic decision-making to organizational performance (Asikhia & Mba, 2021), it was found to be imperative to investigate the nexus between the aforesaid performance and heuristic decision-making at Kenya Power.

### 1.2. Objective

To examine the effect of heuristic decision-making on the performance of Kenya Power Company

### 1.3. Research Hypothesis

- H<sub>0</sub>: There is no significant effect of heuristic decision-making on the performance of Kenya Power Company.

#### 1.3.1. Poliheuristic Theory of Decision-making

Poliheuristic theory (PH) is concerned with addressing the questions of 'why' and 'how' of decision-making (Mintz, Redd, & Tal-Shir, 2017). It was developed in the early 1990s by a group of scholars at Texas A & M University who were led by Alex Mintz (Mintz, 2004). It states that decision-makers are conscious of cognitive and environmental constraints and are most likely to focus specifically on the political consequences of their decisions. The PH innovatively attempts to conceptualize the decision-making process in a manner that appreciates and recognizes patterns derived from cognitive and rational schools of thoughts regarding decision-making. It is postulated that the PH can explain crisis decision-making (Sandal, Zhang, James, & James, 2011).

The PH theory offers an alternative to the expected utility (EU) theory of decision and other rational-analytic decision models. According to the poliheuristic theory, there is a two-phase process that is followed by decision-makers in making their choice. In the first phase, heuristic shortcuts are implemented with the view to reducing complexity. In this stage, a non-compensatory decision rule is employed to get rid of unacceptable alternatives (Dacey & Carlson, 2004). One or several heuristics (cognitive shortcuts) are employed in eliminating the aforesaid options (Mintz, 2004). In the second stage, a maximizing strategy (a traditional decision procedure) is adopted to address the remaining options in the set of choices (Mintz et al., 2017). In this phase, the remaining alternatives are evaluated with the objective of maximizing benefits while simultaneously minimizing risks (Mintz, 1993).

The PH theory seeks to bridge the gap between the cognitive (or psychological) approach (Stein & Welch, 1997) and the rational approach (Morrow, 1997) to issues pertinent to policy decision-making (Mintz, 1997). The theory centers on a set of five major characteristics of information processing, including:

- Satisfying decision rules,
- Non-holistic,
- Order-sensitive,
- Dimension-based searching, and
- Non-compensatory aspects

The shortcoming of the theory is the fact that it is majorly used to explain decision-making in matters of foreign policy. Moreover, the theory, unlike many others, has not been in existence for long (Redd, 2003). However, the theory has gained significant traction in becoming a respectable theory in decision-making (Geva & Mintz, 1994). In respect of strategic decision-making at the Kenya Power Company, the poliheuristic theory can be used to demonstrate the issues that should be considered and the alternatives that should be eliminated for the company to make decisions that will maximize its benefits and reduce the associated risks. As such, the theory can be applied to further explain the heuristic decision-making construct by the Kenya Power Company.

#### 1.3.2. Balanced Scorecard Model

The balanced scorecard (BSC) model was developed by Dr. Robert Kaplan and Dr. David Norton in 1992 (Kaplan & Norton, 1992). The BSC is a framework that was idealized to measure organizational performance using a set of balanced performance indicators. It is a strategic planning and management system that is employed by organizations to:

- Communicate their objectives,
- Align their day-to-day activities to the organization's strategy,
- Prioritize products, services, and projects, and
- Monitor and measure the progress made toward strategic targets (Kaplan & Norton, 1992)

The BSC is used to measure the overall performance of an organization where both financial and non-financial metrics are used. The development of the BSC was founded on four crucial dimensions:

- Balanced scorecards for performance measurement,

- Strategic objectives and strategy maps,
- Strategy management system, and
- Future opportunities (Kaplan, 2010)

The current study is concerned with the first dimension of the balanced scorecard, that is, BSC, for performance measurement (Kaplan, 2010). The financial metrics are supplemented by parameters from three other additional aspects:

- Internal business process,
- Customer, and
- Learning and growth

The BSC is borrowed from earlier recommendations to integrate both financial and non-financial metrics. In tandem, it was recommended that divisional performance be measured using seven non-financial indices and one financial metric. Profitability is the financial measure. The suggested non-financial metrics include: market share, productivity, personnel development, employee attitudes, product leadership, public responsibility, and the balance between short and long-range objectives (Nolan Norton Institute, 1991).

In respect of the present study, the balanced scorecard can be used to illustrate organizational performance, particularly in the case of the Kenya Power Company. Two perspectives of the BSC which are relevant to the performance of the company are customer quality metrics and internal business processes. The former perspective centers on the lead time, on-time delivery, market share, and customer-measured defects. An internal business process is characterized by production process metrics like yield, cycle times, and defect rates (Kaplan, 2010). The number of customers connected to the grid (market share), service delivery (power outages), customer satisfaction in terms of efficiency and effectiveness (on-time delivery) in addressing customer issues (absence of customer-measured defects), and electricity production will be the metrics that will be used to measure the performance of the Kenya Power Company.

Employee training and enhanced service quality are crucial to the overall performance of the aforementioned company. It is asserted that in line with the BSC, investment in employee training results in improved service quality, which in turn, leads to increased customer satisfaction. When customers are satisfied, they are likely to be loyal to the company. Eventually, increased customer loyalty leads to increased revenues and profit margins (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994). The foregoing demonstrates how the components of the BSC can be employed to improve the performance of the Kenya Power Company. In support of its adaptability, the balanced scorecard has previously been employed to illustrate organizational performance in a local study that centered on the Kenyatta National Hospital (Karisa & Wainaina, 2020). Therefore, it is imperative to infer that the BSC can be adapted to demonstrate the organizational performance of the Kenya Power Company.

## 2. Empirical Review

A study by Vetschera, del Campo, Steiner, and Vetschera (2016) evaluated decision-making styles and the use of heuristics in decision-making. Two countries, namely: Austria and Spain, were involved in the study. The objective was to examine whether individual decision-making styles influenced the usage of a given heuristic. An experimental research design was used. The Austrian sample comprised 178 respondents drawn from Vienna, while 142 Spanish respondents were residing in the country's capital, Madrid. Questionnaires were used to collect data from the respondents. The study findings indicated that decision-making styles influenced the use of heuristics. It was concluded that, besides the heuristics, other factors, mostly cultural, could be important in influencing decision-making styles.

An empirical study conducted by Olaborede and Meintjes-van der Walt (2020) was concerned with examining the cognitive bias that affected decision-making in the legal process in South Africa. The objective was to assess how cognitive heuristics affected decision-making in the judiciary. The specific interests were in confirmation bias, egocentric bias, anchoring, availability heuristics, framing, hindsight bias, and representativeness. It was found out that different manifestations of heuristics presented a potentially serious risk to the objectivity and the quality of any criminal cases despite the professional legal training of the judicial officers. It was recommended that the effects of cognitive heuristics should be avoided.

A study was conducted on the heuristic factors and their effect on real estate investment in Embu County, Kenya (Gitau, Kiragu, & Kamau, 2018). The objective was to assess the influence of the heuristic factors on investment in real estate. A census was conducted among the 126 hitherto registered real estate investment firms in Embu County. A self-administered questionnaire was used in data collection. It was established that heuristic factors had a positive and statistically significant effect on real estate investment. The study inferred that real estate investors, instead of making investment decisions rationally, are influenced by heuristic-biased decisions. It is recommended that mechanisms should be put in place to enable investors to evaluate prices since such can influence their investment decisions.

An empirical study carried out by Ileri (2016) centered on problems faced by state-owned enterprises in Kenya. The objective was to assess the various factors contributing to the performance of SOEs. According to the study findings, poor organizational performance is attributed to, among others, lack of diversity and gender mainstreaming in board appointment, poor legal framework, and irregular appointment to the boards of directors that oversight the SOEs. However, the study did not relate organizational performance to strategic decision-making in SOEs. This is despite the assertion that boards that have enshrined diversity that enables the building of consensus are better positioned to make better decisions (Fishkin, 1995).

### 3. Conceptual Framework

The study was guided by the conceptual framework illustrated in figure 1. It is evident that there are two variables that the study examined. These are heuristic decision-making and organizational performance, which comprise independent and dependent variables, respectively. It has been shown that each of these two variables has been operationalized using measurable indicators. Parameters for heuristic decision-making are:

- Market knowledge heuristics,
- Capability heuristics,
- Availability heuristics,
- Representativeness heuristics,
- Affect heuristics, and
- Anchoring heuristics

Effectiveness, supplier relationships, and connectivity rate are some of the key indicators of the organizational performance of Kenya Power.

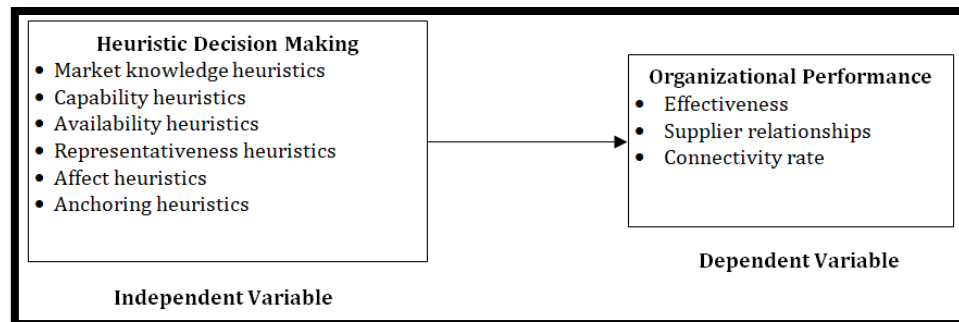


Figure 1: Conceptual Framework

### 4. Research Methodology

Methodology outlines the procedure followed in conducting this study. It outlines the adopted research design, target population, census design, data collection procedure, and methods of analyzing data and presenting results.

### 5. Research Design

Research design refers to the roadmap or framework that guides how a research study should be conducted. It is the foundation on which a research is conducted (Rajasekar, Philominathan, & Chinnathambi, 2013). A descriptive design was used in this study. Descriptive design is employed where the phenomenon or phenomena being studied are not altered.

#### 5.1. Target Population

An aggregate of objects, subjects, entities, or persons sharing similar or related characteristics with regard to a particular study is referred to as the target population. It is the population to which the study findings are supposed to be generalized (Lavrakas, 2008). The 31 senior management and directors of Kenya Power constituted the target and the accessible population.

#### 5.2. Census Design

A census design is adopted to obtain the respondents when the study population is not large. This mirrors the current study, whose accessible population is only 31. A census design or approach refers to the procedure of collecting and consequently analyzing data from every possible case or member of a group with respect to a given study (Saunders, Lewis, and Thornhill, 2009). Besides the relatively small study population, the choice of the census design was informed by the fact that it enhances the generalizability and reliability of the study findings (Kothari, 2004).

#### 5.3. Data Collection Procedure

A structured questionnaire was used to collect for this study. The questionnaire was structured in tandem with the quantitative approach adopted by the study. The data items were aligned with the study objectives, where the variables of interest were heuristic decision-making and organizational performance. A research permit was obtained from the National Commission of Science, Technology, and Innovation (NACOSTI), the agency which licenses and regulates research in Kenya. In addition to the research permit, the consent of the senior management of Kenya Power Company was sought before questionnaires were administered to the respondents. Data collection was effected by the researcher in person and through e-mails accompanied by telephone calls to clarify the study being undertaken. Before conducting the main study, a pilot study was conducted to test the validity and reliability of the questionnaire.

#### 5.4. Data Analysis and Results Presentation

The collected data underwent screening to ensure completeness and appropriateness. The cleaned data were coded and entered into the Statistical Package for Social Sciences (SPSS), ready for analysis. Descriptive statistics

(percentages, mean, and standard deviation) and inferential statistics (Spearman rank's correlation analysis and simple linear regression analysis) were used to analyze the collected data. The results of the analyses were presented in tabular format. The regression analysis will be guided by the following model:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where: Y,  $X_1$ ,  $\beta_0$ ,  $\beta_1$ , and  $\varepsilon$ , represent dependent variable (organizational performance), independent variable (heuristic decision-making), constant, coefficient of independent variable, and precision level (0.05), respectively.

### 5.5. Research Findings

The results of the study are presented relative to heuristic decision-making and organizational performance of Kenya Power. First, the results of descriptive statistical analysis are presented, and then there are those of inferential statistical analysis. The results are interpreted and discussed in respect of findings of past empirical studies.

### 5.6. Descriptive Statistical Analysis

The collected data and subsequently analyzed followed a five-point Likert scale, that is, 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Not Sure (NS), 4 = Agree (A), and 5 = Strongly Agree (SA). The results of the pertinent analyses are presented in tables 1 and 2.

	SD (%)	D (%)	NS (%)	A (%)	SA (%)	Mean	Std. Dev.
In making decisions, Kenya Power uses market knowledge heuristics	0	0	29.2	62.5	8.3	3.79	.588
At Kenya Power, heuristic decision-making is embraced when the managers have reliable heuristics that are relevant to the prevailing circumstances.	0	0	58.3	16.7	25.0	3.67	.868
In making decisions, Kenya Power uses affect heuristics	0	8.3	25.0	66.7	0	3.58	.654
At Kenya Power, heuristic decision-making is embraced when the heuristics are accurate	0	25.0	16.7	50.0	12.5	3.54	.977
In making decisions, Kenya Power uses anchoring heuristics	0	8.3	41.7	50.0	0	3.42	.654
In making decisions, Kenya Power uses availability heuristics	0	20.5	25.0	45.8	8.3	3.42	.929
In making decisions, Kenya Power uses capability heuristics	0	20.8	41.7	25.0	12.5	3.29	.955
In making decisions, Kenya Power uses representativeness heuristics	0	8.3	62.5	29.2	0	3.21	.588
At Kenya Power, heuristic decision-making is embraced when the consequences of the heuristics are trivial	0	33.3	50.0	16.7	0	2.83	.702

Table 1: Descriptive Statistics for Heuristic Decision-making

On average, as shown in table 1, it was largely concurred that:

- Kenya Power Company used market knowledge heuristics in decision-making (mean = 3.79; std dev = 0.588), and
- Heuristic decision-making was embraced when managers had reliable heuristics that were relevant to the prevailing circumstances at Kenya Power (mean = 3.67; std dev = 0.868)

A majority of the respondents agreed that:

- The company used affect heuristics in making decisions (agreed/strongly agreed = 66.7%), and
- The use of heuristic decision-making was embraced when the heuristics were accurate (agreed/strongly agreed = 62.5%)

The findings that the company used heuristics, to some extent, to make decisions corroborate the results of an earlier study which indicated that different heuristics were incorporated into decision-making (Gavetti, 2012).

Generally, it was, however, neither agreed nor disagreed that in making decisions, Kenya Power used anchoring heuristics (mean = 3.42; std dev = 0.654), availability heuristics (mean = 3.42; std dev = 0.929), capability heuristics (mean = 3.29; std dev = 0.955), and representativeness heuristics (mean = 3.21; 0.588). In respect of the assertions, it is apparent that the respondents' views were largely similar (std dev < 1.000). The results partly concurred with the observation of a local study which indicated that anchoring behaviour or heuristics influenced decision-making (Muriithi, 2014). The results partly agreed and partly disagreed with the findings of an earlier study which revealed that decisions were made

based on heuristics (Gitau, Kiragu, & Kamau, 2018). The assertion that heuristic decision-making at Kenya Power was embraced when the consequences of the heuristics were trivial drew mixed reactions. Whereas 16.7% and 33.3% were in agreement and disagreement, the rest (50.0%) remained neutral regarding the proposition. On average, the respondents remained neutral (aggregate mean = 3.42) regarding the heuristic decision-making issues at the Kenya Power Company. Their views also did not vary significantly regarding issues on the decision-making approach (aggregate std dev = 0.768).

	SD (%)	D (%)	NS (%)	A (%)	SA (%)	Mean	Std. Dev.
There is efficient service delivery at Kenya Power.	0	0	16.7	45.8	37.5	4.21	.721
Customers of Kenya Power experience low cases of power outages.	0	0	12.5	54.2	33.3	4.21	.658
Kenya Power's consumers enjoy an effective power supply.	0	0	16.7	70.8	12.5	3.96	.550
There is a good company-supplier relationship.	0	16.7	37.5	20.8	25.0	3.54	1.062
Kenya Power has good service quality.	0	16.7	41.7	16.7	25.0	3.50	1.063
Kenya Power experiences low employee turnover.	12.5	16.7	29.2	33.3	8.3	3.08	1.176
The company's customers are greatly satisfied.	0	54.2	33.3	16.7	12.5	2.71	.999
There is high employee satisfaction at Kenya Power.	16.7	37.5	16.7	29.2	0	2.58	1.100
There are minimal customer grievances at the company.	8.3	41.7	37.5	12.5	0	2.54	.833

Table 2: Descriptive Statistics for Organizational Performance

The results shown in table 2 indicate that, besides 16.7% of the respondents who were not sure, all other managers either agreed (45.8%) or strongly agreed (37.5%) that Kenya Power Company delivered its services efficiently. On average, it was agreed that:

- Customers of Kenya Power experienced low cases of power outages (mean = 4.21; std dev = 0.658), and
- The company's consumers enjoyed an effective power supply

Even though most of the respondents (A/SA = 45.8%) at least admitted that there existed a good relationship between the company and its customers, the rest either remained indifferent (NS = 37.5%) or disputed the assertion (D = 16.7%). It was further revealed that most of the participating managers were not sure whether or not Kenya Power services were considered to be of high quality. Generally, the respondents were indifferent regarding Kenya Power experiencing low employee turnover (mean = 3.08; std dev = 1.176) and the company's customers being greatly satisfied (mean = 2.71; std dev = 0.999). The foregoing results contrasted the findings of a study conducted in Sweden, which indicated that a majority of organizations in the country attained the desired customer satisfaction index (Government Offices of Sweden, 2020). A majority of the respondents disputed that there was high employee satisfaction at Kenya Power (D/SD = 54.2%), and there were minimal customer grievances at the company (D/SD = 50.0%).

#### 5.6.1. Inferential Statistical Analysis

Both Spearman rank's correlation and simple linear regression analyses constituted inferential statistical analysis.

#### 5.6.2. Correlation Analysis

Spearman rank's correlation was used to analyze the relationship between heuristic decision-making and the organizational performance of Kenya Power. The results to this effect are presented in table 3.

Spearman's rho	Heuristic Decision-making	Correlation Coefficient	1.000	
		Sig. (2-tailed)	.	
		N	24	
	Organizational Performance	Correlation Coefficient	.340	1.000
		Sig. (2-tailed)	.104	.
		N	24	24

Table 3: Spearman's Rank Correlation Results

According to the results shown in table 3, it was revealed that the relationship between heuristic decision-making and organizational performance was positive though weak ( $r_s = 0.340$ ) as well as not statistically significant ( $p = 0.104 > 0.05$ ). Therefore, although implementing heuristic decision-making could increase organizational performance, the increase was likely minimal and not substantial.

### 5.6.3. Regression Analysis

Simple linear regression analysis was employed to examine the effect of heuristic decision-making on the organizational performance of Kenya Power. The results to this effect are presented in tables 4 and 5.

Model	r	r Square	Adjusted R Square	Std. Error of the Estimate
1	.355 <sup>a</sup>	.126	.087	.46726

a. Predictors: (Constant), Heuristic Decision-making

Table 4: Model Summary of Heuristic Decision-making and Organizational Performance

It is apparent from the results shown in table 4 ( $r^2 = 0.126$ ) that only 12.6% of the variation in organizational performance could be explained by heuristic decision-making. These results meant that this decision-making method played a minimal role in respect of the organizational performance of Kenya Power Company.

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	.695	1	.695	3.181	.088 <sup>a</sup>
	Residual	4.803	22	.218		
	Total	5.498	23			

a. Predictors: (Constant), Heuristic Decision-making

b. Dependent Variable: Organizational Performance

Table 5: ANOVA of Heuristic Decision-making and Organizational Performance

The results of F-statistic shown in table 5 ( $F_{1,22} = 3.181$ ;  $p = 0.088 > 0.05$ ) were found not to be statistically significant at  $p$ -value = 0.05. This implied that the relationship between heuristic decision-making and organizational performance was not linear. Interpretively, the data collected and subsequently analyzed did not fit the simple linear model linking the two study constructs, that is, ( $Y = \beta_0 + \beta_2 X_2 + \epsilon$ ). Hence, it was not viable to use the model and the collected data to establish the effect of heuristic decision-making on the organizational performance of Kenya Power Company. The fact that the results were established not to be statistically significant implied that the pertinent null hypothesis, that is,  $H_0$ : There is no significant effect of heuristic decision-making on the performance of Kenya Power, was not rejected. Instead, it was considered to be true.

## 6. Conclusions and Recommendations

The study inferred that knowledge heuristics were prevalent at Kenya Power Company. The senior managers and directors of the company made heuristic decisions based on the reliability of the heuristics and the circumstances at hand. The accuracy of affect heuristics was concluded to be one of the key factors that were considered while making heuristic decisions. However, heuristic decision-making was inferred to have minimal effect on organizational performance. The study recommended:

- Senior managers should have a duty to ensure that the heuristics embraced by the company are reliable so that pertinent decisions can be made.
- The managers responsible for implementing policies and strategies should be enlightened on the importance and benefits of various heuristics, such as capability, anchoring, and representative heuristics.

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