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ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

**THE EFFECT OF STRATEGY EXECUTION ON ORGANIZATIONAL
PERFORMANCE; A CASE STUDY ON OROMIA BANK S.C.**

BY; GEDISA GURMU GELETA

**A RESEARCH PROJECT SUBMITTED TO ADDIS ABABA UNIVERSITY
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REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
LEADERSHIP**

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Declaration

I, the under signed, declare that this project work is my original work and has not been presented for a degree in any other University, and that all the sources of material used for the thesis have been duly acknowledged.

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Certification

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This is to certify that the project made by Gedisa Gurmu entitled, *“The effect of strategy execution on organizational performance: The Case of Oromia Bank S.C.”* and submitted to partial fulfillment of the requirement of the award of Masters of Art Degree in Business Leadership complies with regulation of the university and meets the accepted standards with respect to its originality and quality.

Signed by the examining committee

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i. Acronyms

OB: Oromia Bank S.C.

BAM: British Academy of Management

BSC: Balance Score Card

CEO: Chief Executive Officer

CO: Chief Officer

DCO: Deputy Chief Officer

M: Average Mean Score

SD: Standard Deviation

ANOVA: Analysis of Variance

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Abstract

The objective of the study was to examine the effect of strategy execution practices on organizational performance in the case of Oromia Bank. The study used the five principles of strategy-focused organizations to investigate such an effect. Mobilize Change Through Executive Leadership (mobilizing practices), Translate Strategy into Operational Terms (translating practices), Align the Organization to Strategy (alignment practices), Make Strategy Everyone's Everyday Job (motivating practices), and Make Strategy a Continuous Process (governing practices) are the five principles of strategy execution practices. Data were acquired from a targeted sample of 114 people via a census survey, and 109 of them completed a self-administered questionnaire. Explanatory research design and a quantitative research approach were used in the study. To analyze the relationship and effect of variables, descriptive statistics such as mean and standard deviation, Pearson correlation, and multiple linear regressions were used. The study's findings revealed that governing practices have a significant effect on organizational performance as the level of significance (P , 0.001) is less than 0.05, whereas mobilizing, translating, aligning, and motivating practices have no significant effect on organizational performance as $p > 0.05$. The regression results also revealed that the adjusted R square value was 0.417, implying that strategy execution practices (predictors) account for 41.7% of the variation in organizational performance, with the remaining 58.3% accounted for by other extraneous variables that can affect organizational performance. Even if only governing practices have a significant impact on organizational performance, all four strategy execution practices have a positive beta value. Therefore, it can be concluded that governing strategy (making it a continual process) was the major predictor variable having high beta value of 0.425. Thus, strategy implementation is very important to maintain competitive advantage and increase organizational performance in all aspect when there are strong governance practices to make the strategy a continual process. As a result, it is recommended that Oromia Bank S.C. completely execute and design strategic orientations as a source of competitive advantage over its industry competitors in order to achieve superior performance. The findings also showed the need for additional research on the effect of strategy execution practices in a broader sense with some addition moderating variables and organizational performance.

Key words: Strategy Execution Practices, Strategy Focused Organization, Organizational Performance.

Chapter One

1. Introduction

1.1. Background of the Study

According to many researchers, the capacity to implement strategies is far more crucial than the strategy itself. However, when it comes to maintaining a competitive advantage and enhancing organizational performance, most firms fall short of their strategic goals, (Kaplan and Norton, 2018). Cognizant to this fact, it has been also remained to be a paradox that most organizations are trading off strategy execution in pursue of short-term operational effectiveness. On the other hand, Michael Porter (1998), In his book; Competitive strategy indicated that an organization can achieve its long-term profitability based on its execution ability. This indicates that strategy implementation and organizational performance has a positive relationship provided that superior strategy execution ability will lead to higher organizational performance.

Despite the fact that effective strategy implementation is thought to have a positive effect on organizational performance, many organizations spend more resources and money on strategy formulation than implementation and monitoring, because strategy implementation is highly specific to individuals and top-down, challenges arise along the way, (Njenga, 2018). Thus, strategy implementation is more important than strategy formulation, as good strategy that is poorly implemented could lead to significant loss and failure.

Most organizations, stakeholders, shareholders, managements and employees, financing institution has paid more emphasis on organizational performance, (Mkalama, 2014). Organizations must design ways to get a competitive advantage over their competitors in a highly demanding and dynamic environment. However, developing a strong strategy is insufficient unless it is supported by a comprehensive strategic execution approach. Kaplan and Norton (Niven, 2006, p. 10) recognized four barriers to strategy execution as the vision barrier, the people barrier, the resource barrier and the management barrier. Most organizations placed vision statements to communicate the most intentions and desires of the organization destiny to all employees. However, communicating vision in practice is very difficult. According to Kaplan and Norton, (2006), in most organization, only 5% of a company organization would understand the vision a

company, only 25% of managers have incentives linked to overall strategy, 60% of organizations don't link budget to strategy and 85% of executive teams spend less than one-hour month discussing strategy.

Moreover, strategy implementation is a road map that drives an organization toward perceived destination to improve organizational performance, (Njenga, 2018). This journey can be achieved through dynamic process of strategy institutionalization and operationalization, (Hrebiniak, 2008). Many studies have also shown that strategy implementation comprises two major steps i.e., operationalization and institutionalization of strategy that translates strategy into action.

The Ethiopian banking industry which is characterized by stringent regulatory approaches, fragmented and infant sector as compared to other neighbor countries is now started facing stiff competition. Thus, commercial banks are implementing different strategies to cope up the competition and attain better performance position. However, according to the researcher's information, the topic of strategy execution and bank performance in Ethiopian banking sectors appears to be unexplored.

Oromia Bank S.C. (OB) was established in accordance with Ethiopian laws, regulations, and the 1960 Commercial Code, Monetary and Banking Proclamation No. 83/1994, and the Licensing and Supervision of Banking Proclamation No. 592/2008. Oromia Bank S.C. has gone through two strategic periods since its establishment, and it is about to complete its third five-year strategic period to improve its market position at the time this study was conducted. In its third five-year strategic plan, the bank adopted a balanced scorecard as a strategy implementation tool to achieve the required organizational performance. As a result, the study's purpose was to assess the effect of strategy execution practices on Oromia Bank S.C.'s performance.

1.2. Statement of the Problem

Rising rivalry in the Ethiopian banking business has put significant operational strain on the industry's performance. In addition, the long-anticipated entry of foreign banks which was approved last year by the Prime Minister of Ethiopia has remained to be big threat to the Ethiopian Banks, (Banks Ethiopia News, 2023). Foreign banks with advanced technologies, capital and such potential experience apparently gives them upper hand on the Ethiopian Banks. Hence, the conventional way of leading banking business will no longer be productive as in those past good

times. Therefore, Ethiopian banks are crafting and implementing smart strategies with the expectation of improving their business performance ever than before by engaging international consultants so as to stand with the stiff competition from internal and external environment.

Having Strategy for a bank that is geared toward success is significantly important, However, having good strategy alone will not guarantee superior performance. Effective strategy implementation is what makes difference and bring superior performance over competitors. Oromia Bank S.C. operating in the Ethiopian Banking industry is not exceptional to these multifaceted challenges mentioned here. Hence, Oromia Bank S.C has completed first and second five-year strategic period and currently implementing its third-five-year strategic plan since 2020/2021 fiscal year to improve its competitive edge. The bank has employed Balanced Score Card as strategy implementation tool focusing on the four main perspectives indicated as Learning and Growth, Internal Process, Customer and Financial perspectives.

However, according to the bank's survey¹ (2022–23), the bank's strategy implementation has been deemed inadequate. Customer satisfaction score of the bank, employee engagement and financial performance of the bank are also not as anticipated in the strategic plan as well as compared succeeding periods position of the bank in the industry. For instance, according to Addis Biz report July 15, 2019 business news, Oromia Bank S.C was the third private bank to register a profit threshold of one billion birr during 2018/2019 fiscal year next to Awash Bank and Dashen Bank. In order to maintain its market position, the bank has taken different initiatives by engaging international consultancy firm called Frankfurt School of Finance and Management based in Germany. Despite the implementation of its well thought strategic plan, the bank couldn't able to maintain its financial performance in most key performance indicators as measured by profitability, customer satisfaction score and employee productivity.

Furthermore, as MacLennan (2011, p. 3) points out, "strategy execution is a seriously under-researched area with no established theoretical basis." In addition, even if there are a sort of studies conducted on this area by analyzing the different dimensions of strategy implementation. As a result, the purpose of this study was to investigate the effect of strategy execution practices on

¹ Second round strategy implementation assessment survey report for the mid-year of 2022/23 conducted by Strategy Management Directorate of Oromia Bank S.C.

Oromia Bank S.C.'s performance, which had never been studied before in this specific organization.

Hence this research, this study attempted to close the knowledge and literature gap mentioned above.

1.3. Objectives of the Study

The study's major goal was to investigate the combined effect of strategy execution practices on the performance of Oromia Bank S.C. This study is specifically intended to address the following objectives;

- i. To measure the extent to which the mobilizing practices of strategy execution affect performance of the bank.
- ii. To explain the extent to which translating practices of strategy execution affect performance of the bank.
- iii. To what extent alignment practices affect the bank performance.
- iv. To what extent motivating practice of strategy execution affect the overall performance of the bank.
- v. To what extent do the bank's governing practices for strategy execution explain the bank's performance?

1.4. Research Question

This study attempted to solve the following basic research question;

1. How does the combined effects of strategy execution practices affect organizational performance?
2. How does mobilizing practices of strategy execution affect the performance of the bank?
3. How does translating practices of strategy execution affect the performance of the bank?
4. How does alignment practices of strategy execution affect the performance of the bank?
5. How does motivating practices of strategy execution affect the performance of the bank?
6. How does governing practices of strategy execution affect the performance of the bank?

1.5. Hypothesis of the Study

Based on the study's objectives, the following research hypothesis was established to investigate the impact of strategy execution practices on organizational performance;

- H1: Mobilizing practices of strategy execution has significant positive effect on the bank's performance.
- H2: Translating practices of strategy execution has significant positive effect on the bank's performance.
- H3: Alignment practices of strategy execution has significant positive effect on the bank's performance.
- H4: Motivating practices of strategy execution has significant positive effect on bank's performance
- H5: Governing practices of strategy execution has significant positive effect with bank's performance

1.6. Significance of the Study

This study could help Oromia Bank S.C., to understand to what extent different strategy execution practices affect its performance which will be measured through profitability, customer satisfaction, employee productivity and employee engagement. Insights from this study will be used by other organizations in the banking industry to improve on strategy implementation and especially the importance of the execution elements and processes to be followed and its effect on performance. It could also serve interested scholars and expert to undertake further research on the same topic and fill the literature gap.

1.7. Scope of the Study

The research was conducted at Oromia Bank S.C. in Ethiopia. It investigated the impact of strategy execution practices on bank performance as measured by profitability, customer satisfaction, employee productivity, and employee engagement, which are also identified as major key performance indicators in the bank's strategy map for the last three fiscal years from 2020 to 2023.

At the time of this study, the bank had successfully completed two five-year strategic periods and was on the verge of completing the third five-year strategic term. The researcher chose the third because, in comparison to the previous two strategic periods, the bank has begun to use advanced

strategy execution tools and has set corporate KPIs. The bank's strategy was also supported by a PMS called Trakstar System, which made monitoring the impact of strategy execution on corporate performance simple. However, in the absence of a PMS and clearly defined corporate KPIs generated from the bank's business plan, examining the impact of strategy execution on organizational performance would be impossible.

1.8. Limitations of the Study

As any research, this study has got some limitations which pave way outs for future studies indeed. First, the study is conducted on a single bank, implying that very limited in terms of scope to be generalized in a broader sense. Second, in terms of variables used in the study, there would be another moderating variable that could make the model more powerful to explain organizational performance. Third, the study was targeted only senior management members of the bank who are working at head office level and didn't considered strategy fellowship members into account. Hence, the study can be done in a broader sense in terms of scope, variables and target population to reach stronger conclusion regarding the effect of strategy implementation and organization performance.

Chapter Two

2. Related Literature Review

According to Gash (2000), a literature review is divided into two parts: process and product. The process involves the search for literature. A literature search is defined as "a systematic and thorough search of all types of published literature to identify as many items as possible that are relevant to a specific topic" (Gash, 2000). The product is a cohesive argument that leads to a proposed study prepared from your point of view. It is a textual summary of the literature organized around themes from an analytical standpoint. Ridley (2008) presented one of the more informative definitions of a literature review that I have encountered. "Where there is extensive reference to related research and theory in your field, connections are made between source texts you draw on and where you position yourself and your research among other sources." It is an opportunity to engage in a written discourse with scholars in your field while also demonstrating that you have interacted with, comprehended, and replied to the relevant body of knowledge behind your research. The literature review is where you find theories and past research that affected your choice of research topic and approach. You can utilize the literature to support your identification of a research challenge or to show that there is a gap in past research that needs to be addressed. As a result, the literature analysis acts as the impetus and starting point for your own study investigation, (Ridley, 2008).

2.1. Theoretical Framework

2.1.1. Definitions of Strategy Implementation and Organizational Performance

Strategy implementation is the collection of activities and decisions required to carry out a strategic plan. It is the process of putting objectives, strategies, and policies into action by developing programs, budgets, and procedures. Although implementation is typically considered after strategy has been developed, it is a critical component of strategic management" (Wheelen, 2012, p. 332). MacLennan (2011), on the other hand, defines strategy implementation as the process of indirectly manipulating how different units of an organization interact with their environment in order to achieve their envisioned objectives and desired results.

Eccles (1994), defines strategy implementation as "the action that moves the organization along its chosen route towards its goal - the fulfillment of its mission, the achievement of its vision. In other words, "strategy implementation is the realization of intentions" (Eccles, 1994). Unlike MacLennan (2011), Eccles (1994) views strategy execution as the primary roadmap for steering the entire organization toward intended goals, implying the critical role of strategy implementation. Many researchers describe organizational performance as the actual output or results of an organization as assessed against its expected outputs (or goals and objectives).

Organizational performance is also described as the organization's success or satisfaction at the end of a program or project, as intended. As a result, it is evident that strategy implementation is about making changes to the patterns of an organization's setup in order to achieve some desired performance. As a result of the preceding definitions of strategy execution and organizational performance, it appears that the two variables have a significant association.

2.1.2. Strategy Implementation Models

While strategic management and, in particular, strategy formulation have been extensively discussed, strategy execution in general and strategy implementation modeling in particular are rarely discussed (BAM, 2013). Even though there is broad agreement on the importance of strategic management and the evident issues involved with its implementation, academics have mostly ignored it (Atkinson, 2006). No good company plan can succeed if many managers do not completely comprehend the essence of strategy execution as well as strategy creation throughout the firm. Unfortunately, most managers are significantly more knowledgeable about establishing strategy than they are about implementing it (Hrebiniak, 2006). According to a study conducted by the British Academy of Management (2013), there are only roughly nine types of strategy implementation models.

- i. Galbraith & Nathanson's Model of Strategy Implementation
- ii. Stonich Model of Strategy Implementation
- iii. Hrebiniak & Joyce's Model of Strategy Execution
- iv. Thompson & Strickland's Strategy Implementation Model
- v. Morgan, Levitt & Malek's Strategic Execution Framework
- vi. Syrett's Pathway to Strategy Execution

- vii. Kaplan & Norton's Management System for Strategy Execution
- viii. De Flander's 'the 8'- Strategy Execution Framework
- ix. MacLennan's Inverted Pyramid Framework.

However, Kaplan and Norton have identified with new framework called strategy focused organization containing the five principles that will serve as a springboard to reinforce strategy execution.

2.1.2.1. Galbraith & Nathanson's Model of Strategy Implementation

In 1978, Jay Galbraith and Daniel Nathanson of the University of Pennsylvania developed the first strategy implementation model. Even though there have been several strategic management models that mention implementation, Galbraith and Nathanson's model is the first that focuses solely on strategy execution. The model was created using the open system model (input, process, and output). It argues that this system's input, product/market strategy, is handled by a mix of five interrelated aspects, including 'task,' "people," "structure," "reward system,' and finally 'information and decision processes'. They collaborate to generate 'performance' (Galbraith & Nathanson, 1978). It is also the first model to consider structural transformation as a key component of the strategic management process.

2.1.2.2. Stonich's Model of Strategy Implementation

By incorporating culture to Galbraith and Nathanson's Model, Stonich's model appeared to be the second strategy implementation model in 1982. Paul Stonich developed the model. This is a system-based approach, similar to Galbraith and Nathanson's, in which strategy formulation as input is processed by four interrelated elements of organizational structure, management procedures, human resources, and culture to produce strategic objectives as outputs. The coherence, match and fit together of these five elements are very important for effective strategy implementation.

2.1.2.3. Hrebiniak & Joyce's Model of Strategy Execution

In 1984, two years after Stonich's approach, Lawrence Hrebiniak of the University of Pennsylvania and William Joyce of Dartmouth College developed a new strategy execution model. Although both models have five elements, some of these elements are significantly different. Another

distinction between these two frameworks is their inventors' views on the nature of strategy implementation. Stonich's model views strategy execution as a system, whereas Hrebiniak and Joyce's model views strategy implementation as a step-by-step procedure. The Hrebiniak and Joyce model includes five factors: strategy formulation, operating level objectives, incentives and controls, primary structure, and operating structure.

2.1.2.4. Thompson & Strickland's Strategy Implementation Model

Thompson and Strickland (1986) established a model (in the third edition of their book) that emphasized the main responsibilities that general managers should perform when implementing strategy. Unlike all other models, Thompson and Strickland's model views strategy implementation as a step-by-step process with a cause-and-effect relationship between each of the model's six aspects and strategy execution. Their model's six stages/tasks are as follows;

- a. Building an organization capable of successful strategy execution;
- b. Establishing a strategy-supportive budget;
- c. Linking work assignments directly to strategic performance targets;
- d. Galvanizing commitment to the strategy throughout the organization;
- e. Installing administrative support systems (policies, procedures, information systems, and controls); and
- f. Exercising strategic leadership.

2.1.2.5. Morgan, Levitt & Malek's Strategic Execution Framework

Morgan, Levitt and Malek (2007) designed a new strategy implementation framework entitled Strategic Execution Framework focusing on six imperatives with twelve elements. Although it has been named Strategic Execution Framework, more than half of its elements are about strategy formulation. Ideation, vision, nature, engagement, synthesis and transition are the six imperatives their strategy execution framework.

2.1.2.6. Syrett's Pathway to Strategy Execution

Syrett (2007) proposed an eight-step guideline model for strategy execution. According to his book "Successful Strategy Execution," the eight steps of the strategy implementation model are seen as a path to strategy execution. The eight steps are as follows: focus, clarity, communication,

behavior, measurement, alignment, innovation, and change, divided into two dimensions: focus and freedom. Syrett describes each dimension and phase separately, according to a 2013 British Academy of Management assessment. However, he is unable to justify any relationship between the eight stages and the two dimensions because such a relationship does not exist. He thinks that good strategy execution is dependent on two factors: a focus on the correct strategic goals and giving all areas of the business flexibility.

2.1.2.7. Kaplan & Norton's Management System for Strategy Execution

In 2008, Kaplan and Norton, recognized for their balanced scorecard, presented their management system for strategy implementation. Kaplan and Norton's concept is a 6-stage, circular, step-by-step process. According to Kaplan and Norton (2008, pp. 8–9), managers must first develop the strategy, then plan the strategy to have a strategic plan, and finally, the organization must be aligned with the strategy. After that, managers must plan operations in the form of an operational plan, and the organization must monitor and learn about the results and any difficulties that may arise. The sixth stage is testing and adapting the strategy based on the data collected regarding the operations. Except for the first and sixth stages, the effects of the external environment on the remaining stages of strategy execution are neglected. The model of Kaplan and Norton is a circular framework that communicates the absurd logic of infinite recurrence in a closed system. The concepts of progress and innovation would be meaningless due to the model's cyclical nature. Although this is a strategy implementation model, execution is not one of the six steps.

2.1.2.8. De Flander's 'the 8'- Strategy Execution Framework

According to the British Academy of Management Review (2013), De Flander, a management consultant, created the "8" strategy execution framework in his self-published book in 2010. He is so taken with Kaplan and Norton's work that he plagiarized far too much of their 2008 model for his own. Although similar to Kaplan and Norton's model, De Flander's model is a circular step-by-step process with two circuses, one for the organization level and the other for the individual level, creating the incorrect assumption that only some of the implementation tasks should be repeated indefinitely at either the organization level or the individual level.

The eight stages of De Flander's model begin with reviewing and updating current strategies (no sign of a new strategy) and continue with communicating strategy to others, cascading the

company's strategy by breaking it down into smaller chunks for the next organizational level, comparing and learning from the executed strategy (no executing stage), managing initiatives by selecting and prioritizing the right actions, setting objectives for individuals, and monitoring an initiative. These eight stages are clearly not in logical order. For example, the fourth step is comparing and learning from the implemented strategy, showing that the strategy has already been executed, whereas the next three phases are about how to prepare for implementation, indicating that the strategy has not yet been implemented.

2.1.2.9. MacLennan's Inverted Pyramid Framework.

The most recent model for strategy implementation was introduced by Andrew MacLennan in 2011. This model seems to be based on longitudinal case studies in just two organizations, so this research has an embedded limitation in external validity.

This approach consists of thirteen activities separated into two phases. Phase 1 consists of three tasks (overall objective, strategic choices, and critical activities), which would translate the organization's broad goals into a sequence of activities. The second phase, which consists of ten tasks (processes, projects, resource allocation, organizational structure, interface management, roles and responsibilities, performance criteria, capacity, commitment, and capability), would create alignment between organizational designs and existing systems (MacLennan, 2011).

2.1.3. Strategy Execution and Organizational Performance

According to W. Chan (2015) in his book *Blue Ocean Strategy*, a corporation must execute a new profitable business model in order to succeed. In fact, any approach has execution obstacles. However, W. Chan believes that the issue is more difficult than the red ocean approach because the "blue ocean strategy requires a long departure from the status quo. At this stage, the business has four distinct challenges: cognitive (awakening personnel to the necessity for a strategic plan), limited resources, motivation, and politics. In a nutshell, this means that effective execution leads to higher organizational performance.

2.1.4. Balanced Score Card

"The Balanced Scorecard (BSC) provides managers with the instrumentation they need to navigate to future competitive success, write Kaplan and Norton in their book "Translating Strategy into

Action" (2013, p. 14). Organizations today compete in complicated contexts, so an accurate grasp of their goals and techniques for achieving those goals is critical. The balanced scorecard converts a company's vision and goals into a comprehensive collection of performance measurements that serve as the foundation for a strategic measurement and management system. The balanced scorecard emphasizes accomplishing financial targets while also incorporating the performance drivers of these financial objectives. The scorecard assesses organizational performance from four vantage points: financial, customer, internal business processes, and learning and growth. The BSC helps businesses track financial performance while also tracking progress in developing capabilities and acquiring intangible assets required for future growth.

2.2. Empirical Literature Review

According to Awonusi (2022), the influence of strategy implementation methods addresses the subject of why some companies succeed while others fail, as well as the factors of organizational success or failure, which will invariably have an impact on other sectors. As a result, many scholars have continued to focus on organizational performance. It is not how well-crafted is the strategy rather it is how well implemented is the strategy that determines whether a company succeed or fail. The effectiveness with which an organization implements its policies and programs and achieves its strategic objectives in terms of its mission and vision is critical.

Linnet Njagi (2014) studied the effects of strategy execution on the performance of Kenyan commercial banks and argued that strategy is all about implementation. For an organization to perform well it is a must that strategy must be implemented very effectively. Hence, strategy implementation has significant impact on an organization performance.

2.3. Principles of Strategy Focused Organization

The balanced scorecard was initially seen as a performance measuring instrument that contained both non-financial and financial variables, according to Kaplan and Norton (2006). Strategy-focused organizations, on the other hand, have transformed the balanced scorecard from a performance management tool to a strategy implementation instrument. Kaplan and Norton (2001) define the five principles of the 'Strategy-Focused Organization as Mobilize Change through Executive Leadership (mobilizing practices), which include ownership, involvement, mobilizing through a sense of urgency, or "burning platform"; Translate Strategy into Operational Terms

(Translating Practices), which is about strategy mapping, logical, comprehensive architecture for describing strategy, Align the organization to strategy (alignment practices), covering issues like goal congruence through the company, Make strategy everyone’s everyday job (motivating practices) by holding day-to-day awareness, top-down communication, not direction, town hall meetings, and Make strategy a continual process (governing practices) to shift from traditional tactical management processes (budget and operating planning) to the integration of tactics and strategy.

Figure 2.1. Principles of Strategy Focused Organization.



Source: © 2005 Balanced Scorecard Collaborative

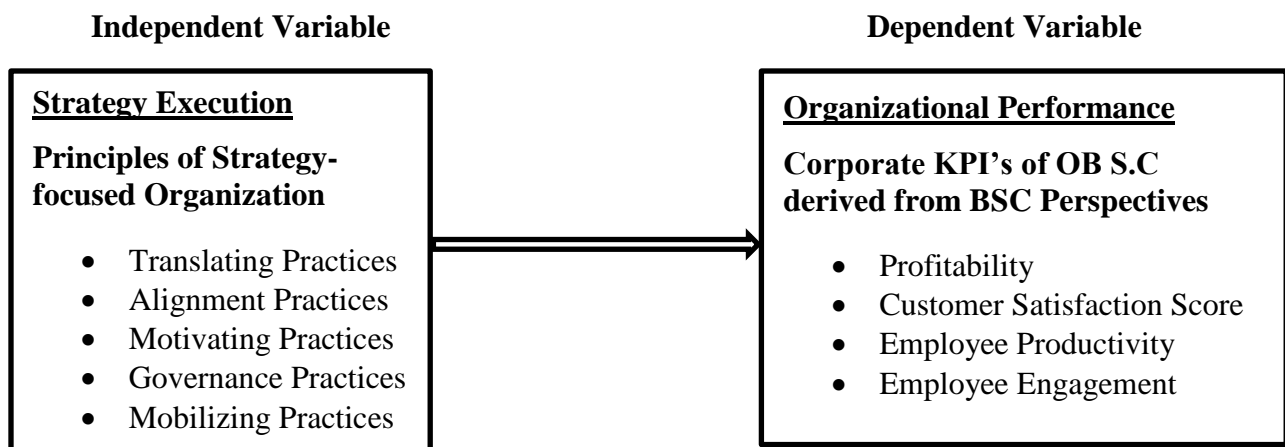
2.4. Conceptual Framework

Based on the above literatures, the conceptual framework shown below was developed using Kaplan and Norton's five principles of a strategy-focused organization. Kaplan and Norton (2006) recognized the vision barrier, the people barrier, the resource barrier, and the management barrier. Nine out of 10 firms fail to execute their strategy as a result of these constraints. As a result, their strategy execution approach was based on the 5 Principles of a Strategy-Focused Organization;

1. **Translating Practices:** Translate the strategy into operational language so that everyone understands it.
2. **Alignment Practices:** Link and align the organization around its strategy which creates a line of sight from the boardroom to the backroom;
3. **Motivating Practices:** Make strategy everyone's job through personal contribution to strategic implementation.;
4. **Governance Practice:** Make strategy a continuous process through organizational learning and adapting;
5. **Mobilizing Practices:** Provide a change agenda for executive leadership to mobilize change.

Organizational performance (the dependent variable) is measured against the four perspectives of the balanced score card (financial, customer, internal process, and learning and growth): profitability, customer satisfaction, employee productivity, and employee engagement.

Figure 2.1. Conceptual Framework of the study



Chapter Three

3. Research Methodology

3.1. Research Approach

According to Creswell (2009), research approaches are characterized as qualitative, quantitative, or pragmatic (mixed) approaches that provide a distinct aim and direction for the processes to be followed in a research project.

A quantitative approach employs numbers as a means of representing facts in order to obtain statistically conclusive results. It is more objective because the numbers have been examined using statistical procedures. According to Creswell (2009), a quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge (i.e., cause and effect thinking, reduction to specific variables and hypotheses and questions, use of measurement and observation, and the test of theories), employs inquiry strategies such as experiments and surveys, and collects data on predetermined instruments that yield statistical data. It is entirely top-down (deductive) in nature.

A qualitative strategy, on the other hand, is diametrically opposed to a quantitative research approach and is commonly utilized in exploratory studies (Blaikie, 2009). The third technique is pragmatic (mixed approach), which employs a combination of qualitative and quantitative research methods as needed.

Accordingly, a quantitative approach was used in this study. Data on both the independent variable (strategic execution) and the dependent variable (organizational performance) were collected and analyzed using validated survey tools.

3.2. Research Design

According to Endashaw (2020), research design is the overall strategy chosen by the researcher to combine the many components of the study in a consistent and logical manner, ensuring the researcher will effectively address the research topic and research questions.

According to Akhtar (2016), there are four sorts of research designs: exploratory, descriptive, explanatory, and experimental. An exploratory research design is used when there have been few

or no previous studies on the study problem and the goal is to get fresh insights into a phenomenon. The goal is to get fresh insights and theories regarding a specific occurrence, opening the way for future research. A descriptive approach is a research method that attempts to describe a current phenomenon, occurrence, or event. According to Creswell (1994), the descriptive method of research is used to obtain information regarding the current state of affairs. Descriptive research is also used to investigate the current condition and answer the questions what, who, where, how, and when (Akhtar, 2016).

Explanatory research is a study method that investigates why something happens when there is limited information available. It can help you gain a better grasp of a subject, determine how or why a particular phenomenon occurs, and forecast future events. When the investigation is primarily concerned with the causes or "why" component of a phenomenon, an explanatory research design is used. The goal of this inquiry is to become acquainted with unfamiliar locations. Explanatory research design is frequently used to establish an issue for specific investigations or to formulate research design. In explanatory research, the hypothesis states the relationship between two or more variables (Akhtar, 2016). Experimental research is a research design used to explore a causal relationship in a controlled environment. In other words, it is a design in which some of the variables being researched are changed or in which the environment in which people are watched is controlled (Akhtar, 2016).

Based on the definitions and purposes of the above mentioned research design methods and to address the main objectives of this study, this research was designed to be explanatory research as the effect of independent variables of strategy execution (Translating Practices, Alignment Practices, Motivating Practices, Governance Practices and Mobilization Practices) the dependent variable i.e., organizational performance of Oromia Bank S.C based on the four BSC perspectives (Profitability, customer satisfaction score, employee productivity and employee engagement) were empirically tested.

3.3. Sampling Design

3.3.1. Population of the Study

According to Shukla (2020), population refers to the set or group of all the units to which the research findings will be applied. As a result, we may say that it consists of all the units to which

research findings can be applied. In other words, a population is a collection of all the units that share the variable characteristic under investigation and for whom research findings can be generalized. As a result, the study's target demographic was centered on the bank's senior management members and their managerial subordinates. The reason why the target population of the study was centered on senior management members and their respective managerial subordinates are that the role of senior management members in taking out strategy from board room agenda is believed to be vital and very significant. In addition, the level of senior management members ownership and commitment to translate strategy into actionable targets significantly affects strategy implementation and organizational performance. Therefore, all senior management members and their respective managerial subordinates who are assuming leadership role in the bank strategy execution ranging from the board of directors to division managers at department levels were administered a questionnaire. Accordingly, a questionnaire was administered to all 114 senior management members and their respective managerial subordinates of the bank.

3.3.2. Sampling Method and Sample Size

Sampling enables the researcher to save time and resources by collecting enough data to produce accurate findings without expending huge resources (Saunders et al., 2009). As far as strategy implementation is considered, the role of senior management members in getting out strategy from boardroom agenda is very vital. Hence, this study employed purposive sampling method to collect primary data from senior management members of the Oromia Bank S.C. Purposive is a non-probability sampling method and it occurs when “elements selected for the sample are chosen by the judgment of the researcher. Many scholars believe that they can obtain a representative sample by using a sound judgment, which will result in saving time and money. Accordingly, a questionnaire was administered via email to all the 114 senior management members and their respective managerial subordinates of the bank where 109 response rate was exhibited via google survey.

3.4. Sources of Data Collection and Instrument

According to Kothari (2004), data gathering occurs after a research problem has been specified and a study design or plan has been developed. The primary data are those that are obtained for the first time and, hence, have a unique nature. For that purpose, the most popular tool for

collecting primary data is the questionnaire, which is devoid of interviewer bias, minimal in cost, and provides enough time for respondents to express themselves in their own words. As a result, this study relied on primary data, which was gathered using a standard questionnaire prepared by Norton and Kaplan (2001), to collect basic information from senior management members of Oromia Bank S.C. via a Google survey that was distributed to all target population email addresses.

3.5. Method of Data Collection

Some common data collection methods include surveys, interviews, observations, focus groups, experiments, and secondary data analysis. The data collected through these methods can then be analyzed and used to support or refute research hypotheses and draw conclusions about the study's subject matter.

In order to gather usable information pertinent to the study's objectives, data for this study was collected through standard questionnaire administered to the target population online via google survey. The researcher rigorously pursued an impartial data collection process void of any form of bias and subjectivity.

3.6. Dependent and Independent Variables of the Study

Based on the conceptual framework of this study, it is clearly indicated that Organization performance is the dependent variable and strategy execution explained as mobilizing practices, translating practices, alignment practices, motivating practices and governing practices. Both variables were measured on five-point liker scale questionnaires which was adapted from Norton and Kaplan, (2001).

3.7. Method of Data Analysis

Data analysis is the process of discovering useful information by evaluating data. Relevant data; derived from the statement of the problem and objectives of this study on both dependent and independent variables was assessed by using questionnaire via google survey for further analysis.

The questionnaire data was coded and transmitted to IBM SPSS Statistics (V.20) tools for further analysis and presentation. As a result, the study included both descriptive and inferential statistics, employing multiple linear regression and correlation coefficients to examine the impact of strategy implementation on organizational performance as well as the link between each variable.

The descriptive statistics, such as the mean and standard deviations of the overall perception of senior management members and their managerial subordinates regarding strategy execution and bank performance, were used in frequency tables to summarize the respondent's demography in the form of frequencies and percentages.

3.8. Reliability and Validity Test

Validity and reliability were established for standardization of the research instruments to be used in the study. Content validity of the research instruments was established in order to make sure that they reflect the content of the concepts in question.

3.9. Ethical Consideration

The research was made using primary data collected from the senior management members and their respective subordinates who were assuming leadership role from Board of Directors to Relationship Managers/Principal position working at head office and district offices. The data collection instrument was online structured self-administered questionnaire sent via google survey completed by respondents, at their own free will and volunteerism.

The respondent's opinion and response were presumed to be kept confidential and for their convenience no need of writing their name was added on the questionnaire. In the body of the research, all the views and opinions of the scholars were properly referenced.

Chapter Four

4. Data Analysis and Interpretation

4.1. Reliability Test

A measurement instrument is reliable if different respondents understand the question statements (or other measures) connected with each variable in the same way.

Table 4.1. Cronbach's alpha of all variables

Reliability Statistics				
S.No	Scale	Cronbach's Alpha	No of items	No. of Observation
1	Mobilizing Practices	.773	5	109
2	Translating Practices	.819	5	109
3	Alignment Practices	.827	5	109
4	Motivating Practices	.707	4	109
5	Governing Practices	.816	7	109
6	Organizational Performance	.898	14	109
7	Overall Reliability	.930	46	109

Source: Survey Result, 2023.

As a result, all Cronbach alpha coefficients that evaluate items in terms of the unidimensional of a set of scale items are greater than 0.7, ranging from 0.707 to 0.930, indicating strong internal consistency.

4.2. Validity Test

The Kaiser Meyer Olkin (KMO) measures the sampling adequacy (which determines if the responses given with the sample are adequate or not) which should be close to 0.5 for satisfactory factor analysis to proceed. Kaiser (1974) recommends 0.5 (value for KMO) as a minimum (barely accepted), values between 0.7-0.8 are acceptable, and values above 0.9 are superb. Looking at the table below, the KMO measure is 0.417, which is close to 0.5 and therefore can be barely accepted.

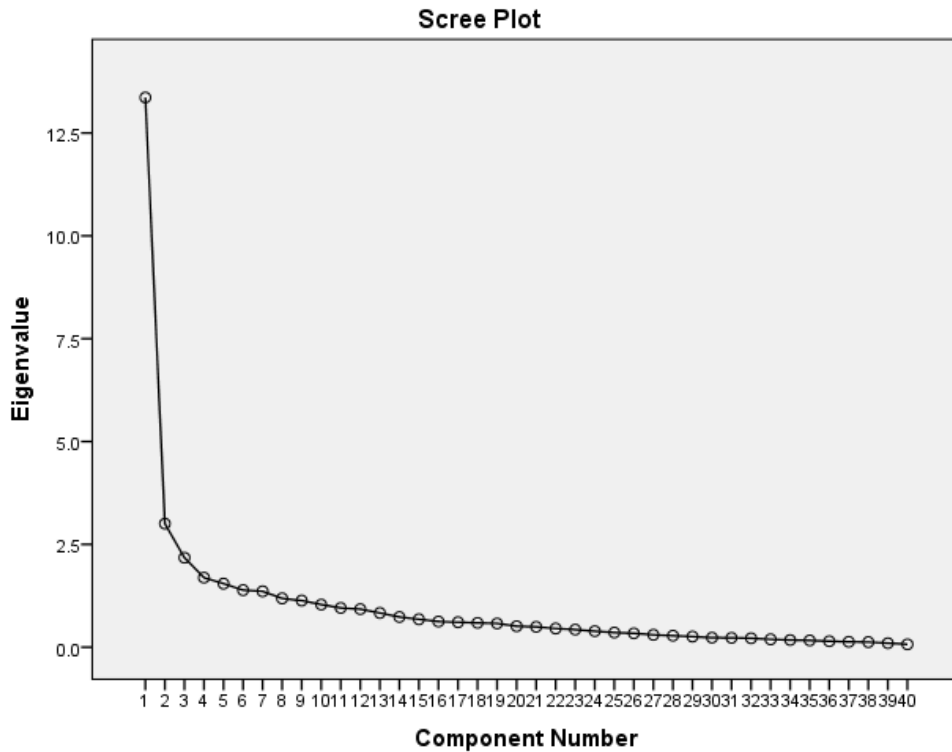
Table 4.2. KMO and Bartlett's Test of Sphericity

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.845
Bartlett's Test of Sphericity	Approx. Chi-Square	2553.305
	df	780
	Sig.	.000

Source: Survey Result, 2023

The KMO measure of sampling adequacy yielded a value of 0.845, indicating that the sample size was large enough to assess the factor structure. Bartlett's test is another indication of the strength of the relationship among variables. Bartlett's test of sphericity shows that the variables in the population are highly correlated at P=0.001 significance level, (P<0.05).

Figure 4.1. The Scree Plot



Source: SPSS (V. 20) Result, 2023

These results show the unrotated factor loadings for all the factors using the principal components method of extraction. The first 10 factors have variances (eigenvalues) that are greater than 1. The eigenvalues change less markedly when more than 30 factors are used. Therefore, 10-30 factors appear to explain most of the variability in the data. The percentage of variability explained by factor 10-30 was more than 95%. The scree plot shows that the first ten factors account for most of the total variability in data which is almost 70%.

4.3. Response Rate

A total of 114 of questionnaire were administered to the target population which includes the senior management members of Oromia Bank S.C and their respective managerial incumbents via google survey out of which 109 of the total respondents were successfully responded within a period of two weeks. This accounted 95.61 response rate for the study. According to Baruch and Holtom (2008), a researcher should target 60% response rate to be considered adequate for analysis and drawing conclusion. Therefore, 95.61% response rate can be considered adequate for data analysis and conclusion. There was no incomplete and missing questionnaire as the google survey was restricted to accept any missing and/or incomplete response i.e., each question was set to be mandatory and required.

4.4. Demographic Characteristics of the Respondents

Respondent's demographic information, such as gender, age, years of service, qualification and work place has been assessed to indicate the relevance of the respondents to the study. The total frequency table for the demographic status of the respondents is presented in Table 4.3 below.

Table 4.3: Demographic characteristics of respondents

S/No	Variables	Items	Frequency	Percent	Valid Percent	Cumulative Percent
1.1	Sex of Respondents	Male	85	78.0	78.0	78.0
		Female	24	22.0	22.0	100.0
		Total	109	100.0	100.0	
		25-35	53	48.6	48.6	48.6
		35-45	38	34.9	34.9	83.5

1.2	Age of Respondents	Above 45	18	16.5	16.5	100.0
		Total	109	100.0	100.0	
1.3	Education Level of Respondents	BA/BSC	27	24.8	24.8	24.8
		MA/MSC	80	73.4	73.4	98.2
		Above	2	1.8	1.8	100.0
		Total	109	100.0	100.0	
1.4	Job Position of Respondents	Board of Directors	1	.9	.9	.9
		CEO/CEO Office	2	1.8	1.8	2.8
		Chief Officer	4	3.7	3.7	6.4
		Deputy Chief Officer	3	2.8	2.8	9.2
		Director	20	18.3	18.3	27.5
		Division Manager	26	23.9	23.9	51.4
		Relationship Manager/Principal	26	23.9	23.9	75.2
		Another	27	24.8	24.8	100.0
		Total	109	100.0	100.0	
1.5	Place of Work of Respondents	Head Office	99	90.8	90.8	90.8
		District Office	9	8.3	8.3	99.1
		Another	1	.9	.9	100.0
		Total	109	100.0	100.0	
1.6	Year of Services of Respondents	1-3	11	10.1	10.1	10.1
		4-6	7	6.4	6.4	16.5
		7-9	26	23.9	23.9	40.4
		10-12	25	22.9	22.9	63.3
		Above 12	40	36.7	36.7	100.0
		Total	109	100.0	100.0	

Source; Survey Result, 2023.

As shown in Table 4.2 above, 78% of the total 109 respondents who participated in this survey were male, while the remaining 22% were female. Most of the respondents are who are assuming leadership role in the Oromia Bank S.C are young staffs with 48.6% ranging between 25-35 age group, 34.9% falling in the 35-45 age group and the rest 16.5% are found to be above 45 years.

From the total participants who have engaged in the survey, majority of the respondents (73.4%) were second degree holders, 24.8% and 1.8% of the respondents are first degree holders and PHD holder, respectively. Majority of the respondents have worked in Oromia Bank S.C, above 12 years

(36.7%), followed by 7-9 years (23.9%), 10-12 years (22%), 1-3 years (10.1%) and the least service years was reported to be 4-6 years accompanying 6.4% of the total participants.

Furthermore, nearly all research participants (90.8%) work at head offices, with the remaining 8.3% working at district offices, demonstrating that the study's target demographic is reliably addressed. Further, the job position of the participants constituted from Board of Directors to Principal/Relationship Managers working head office and district offices assuming leadership role of the bank.

4.5. Descriptive Analysis

Descriptive statistical analysis has been conducted for the five constructs of independent variables (mobilizing practices, translating practices, alignment practices, motivating practices and governing practices) and dependent variables i.e., organizational performance.

According to Zaidatol & Bagheri (2009), any mean score above 3.80 is measured high, 3.40-3.79 is measured moderate and below 3.39 is considered as low. Accordingly, the statistical description of the average mean scores of all constructs, as indicated below in the tables is found to be between 3.4417-3.7339 which can be considered as moderate. The average mean score of governing practices is the lowest average mean score as compared to other constructs including the dependent variable. In addition, the mean scores of governing practices ($M=3.4417$, $SD=0.58079$), alignment practices ($M=3.5339$, $SD=0.59008$), and translating practices ($M=3.4471$, $SD=0.67873$) of strategy execution initiatives of the bank is lower than the average mean score of Organizational Performance ($M=3.6075$, $SD=0.49892$). This implies that the low activities of strategy execution of the bank have moderately improved the organizational performance of the bank. On the other hand, the average mean scores of mobilization practices ($M=3.7339$, $SD=0.62483$) and motivating practices ($M=3.6491$, $SD=0.58079$) is apparently higher than the average the mean score of organizational performance ($M=3.6075$, $SD=0.49892$) of the bank. This is a clear indication that the tremendous effort of mobilizing change through executive leadership and motivating everyone to make strategy their job through communication has not resulted in good organizational performance. On the other hand, looking at governing practices alone has a substantial impact on the organizational performance of the bank when compared to other constructs of the independent variables.

Table 4.4. Descriptive statistics of variables

	N	Min	Max	Mean	Std. Deviation
Organizational Performance	109	1.93	4.71	3.6075	.49892
Mobilization Practices	109	2.00	4.80	3.7339	.62483
Translating Practices	109	1.20	4.80	3.4771	.67873
Alignment Practices	109	1.40	4.80	3.5339	.59008
Motivating Practices	109	1.50	5.00	3.6491	.59133
Governing Practices	109	1.71	5.00	3.4417	.58079
Valid N (listwise)	109				

Source: Survey Result, 2023

4.5.1. Descriptive Analysis of Mobilizing Practices of Strategy Execution

A statistical analysis of strategy execution mobilization practices was conducted using five constructs: leaders driving strategy execution, executives making the case for change, leaders reinforcing strategic priorities, the existence of a well-articulated strategy, and the establishment of a strategic management office. The table below provides detailed descriptive statistics for the independent variable and its components.

Table 4.5: Descriptive statistics of Mobilizing Practices of strategy execution

Mobilization practices	N	Min	Max	Mean	Std. Deviation
Leaders drive strategy execution	109	1.00	5.00	3.2844	.93385
Executives make case for change	109	1.00	5.00	3.6972	.83338
Leaders reinforce strategic priorities	109	1.00	5.00	3.5321	.95809
Well-articulated strategy exists	109	2.00	5.00	4.2477	.78358
Office of Strategic Management (OSM) established	109	1.00	5.00	3.9083	.99574
Over all mean score				3.7339	.62483

Source: Survey Results, 2023

As shown in the table above, the average mean scores for two constructs (well-articulated strategy exists ($M=4.2477$, $SD=0.78358$) and strategic office established ($M=3.9083$, $SD=0.99574$))

apparently exceeds the average mean score of the independent variable, the mobilization practices (M=3.7339, SD=0.62483), implying that having well-articulated strategy and dedicated office to manage the strategy of the bank failed to mobilize change through executive leadership to enhance strategy execution. On the other hand, three constructs of the independent variable, namely, leaders drive strategy execution (M=3.2844, SD=0.93385), executives make a case for change (M=3.6972, SD=0.83338) and leaders reinforce strategic priorities (M=3.5321, SD=0.95809) have scored lower average mean as compared to the independent variable, mobilization practices (M=3.7339, SD=0.62483). This implies that the low efforts made to drive strategy execution, making a case for change and reinforcing strategic priorities have resulted in improved mobilization of change through executive leadership.

4.5.2. Descriptive Statistics of Translating Practices of Strategy Execution

Descriptive statistics analysis of translating practices of strategy execution has also been conducted using five constructs (strategy translated in strategy maps, strategy described in balanced scorecard, targets identified for all measures, strategic initiatives rationalized and executives accountable for initiatives), as indicated below.

Table 4.6: Descriptive statistics of Translating Practices of strategy execution

Translating practices	N	Min	Max	Mean	Std. Deviation
Strategy translated in Strategy Maps	109	1.00	5.00	3.6147	.85968
Strategy described in Balanced Scorecard	109	1.00	5.00	3.5046	.92920
Targets identified for all measures	109	1.00	5.00	3.5413	.95774
Strategic Initiatives rationalized	109	1.00	5.00	3.2110	.95329
Executives accountable for initiatives	109	1.00	5.00	3.5138	.90895
Over all mean score				3.4771	.67873

Source: Survey Result, 2023

The table above demonstrates the average mean score of four constructs (strategy translated in strategy maps (M=3.6147, SD=0.85968), strategy described in balanced scorecard (M=3.5046, SD=0.92920), targets identified for all measures (M=3.5046, SD=0.92920), and executives accountable for initiatives (M=3.5138, SD=0.90895) have scored higher mean as compared to the average mean score of the independent variable, Translating Practices (M=3.4771, SD=0.67873),

implying that the overall initiatives taken to translate the strategy of the bank to operational terms doesn't brought as such impact as desired. On the other hand, only one construct, strategic initiatives rationalized (M=3.2110, SD=0.90795) have lower average mean score than the independent variable, meaning low effort made to rationalize strategic initiatives have resulted in more enhanced translation of strategy into operational terms.

4.5.3. Descriptive Statistics of Alignment Practices of Strategy Execution

Similar to other independent variables of strategy execution, alignment practices of strategy execution have been analyzed using five constructs, (corporate contribution to strategy defined, enterprise scorecard guides business units, enterprise scorecard guides support units, scorecards align suppliers and/or customers and scorecard reports to board and/or shareholders), as shown in the table given below.

Table 4.7: Descriptive Statistics of Alignment Practices of Strategy Execution

Alignment Practices	N	Min	Max	Mean	Std. Deviation
Corporate contribution to strategy defined	109	1.00	5.00	3.4679	.77661
Enterprise Scorecard guides business units	109	1.00	5.00	3.6330	.74113
Enterprise Scorecard guides support units	109	1.00	5.00	3.4679	.85601
Scorecards align suppliers and/or customers	109	2.00	5.00	3.4954	.80074
Scorecard reports to Board and / or Shareholders	109	1.00	5.00	3.6055	.83907
Overall mean score				3.5339	.59008

Source: Survey Result, 2023

From the table above, it is clear that only two of the constructs (enterprise scorecard guides business units (M=3.6330, SD=0.74113) and scorecard reports to Board and/or shareholders (M=3.6055, SD=0.83907) of the independent variables have scored relatively higher average mean than the overall average mean scores of alignment practices (M=3.5339, SD=0.59008) of strategy execution. These indicates that the enterprise scorecard guides to business unit and scorecard reports to Board and/or shareholders have resulted in low alignment of corporate strategy with business strategy of the bank. Whereas, three of the five constructs of alignment practices of strategy execution, namely; corporate contribution to strategy defined (M=3.4679, SD=0.77661), Enterprise Scorecard guides support units (M=3.4679, SD=0.85601) and Scorecards align

suppliers and/or customers (M=3.4954, SD=0.80074) have scored relatively lower average mean score as compared to the overall average mean score, implying that the use of balanced scorecard improves alignment practice across the bank.

4.5.4. Descriptive Statistics of Motivating Practices of Strategy Execution

Unlike other independent variables of strategy execution, motivating practices has been analyzed using four constructs; Strategic awareness created, Personal goals aligned, Personal incentives aligned and Competency development aligned. The average mean and standard deviation scores of the constructs and other details are presented in the table given below.

Table 4.8: Descriptive Statistics of Motivating Practices of Strategy Execution

Motivating Practices	N	Min	Max	Mean	Std. Deviation
Strategic awareness created	109	1.00	5.00	3.6606	.95472
Personal goals aligned	109	1.00	5.00	3.7064	.80855
Personal incentives aligned	109	1.00	5.00	3.6514	.82075
Competency development aligned	109	1.00	5.00	3.5780	.81982
Overall Mean Score				3.6491	.59133

Source: Survey Result, 2023

The preceding table shows that the average mean score of the three constructions is quite unfavorable. These includes strategic awareness created (M=3.6606, SD=0.95472), personal goals aligned (M=3.7064, SD=0.80855), personal incentives aligned (M=3.6514, SD=0.82075) is higher than the overall average mean score of motivating practices (M=3.6491, SD=0.59133) implying the motivating effort of the bank have resulted in lower strategy implementation by motivation. On the other hand, relatively lower competency development alignment initiative has resulted in a higher motivation.

4.5.5. Descriptive Statistics of Governing Practices of Strategy Execution

Descriptive statistics of governing practices of strategy execution has been analyzed using seven standard constructs as measured by; Budget is driven by strategy, Planning is linked to strategy, Portfolio of strategic initiatives aligned to themes, Process improvement aligned to strategy, Best

practice sharing in place, Review and adapt strategy and Data and analytics guide strategy. Detail descriptive analysis of governing practices is presented as follows.

Table 4.9: Descriptive Statistics of Governing Practices of Strategy Execution

Governing Practices	N	Min	Max	Mean	Std. Deviation
Budget is driven by strategy	109	1.00	5.00	3.3761	.96022
Planning is linked to strategy	109	1.00	5.00	3.5963	.86195
Portfolio of strategic initiatives aligned to themes	109	1.00	5.00	3.5138	.71511
Process improvement aligned to strategy	109	1.00	5.00	3.3394	.80760
Best practice sharing in place	109	1.00	5.00	3.3394	1.10738
Review and adapt strategy	109	2.00	5.00	3.5046	.88844
Data and analytics guide strategy	109	1.00	5.00	3.4220	.79691
Overall Average Mean Score				3.4417	.58079

Source: Survey Result, 2023

As indicated in above table, three constructs (Planning is linked to strategy (M=3.5963, SD=0.86195), Portfolio of strategic initiatives aligned to themes (M=3.5138, SD=0.71511), Review and adapt strategy (M=3.5046, SD=0.88844) have relatively higher average mean score above the overall average mean score of the independent variable. The rest four constructs have relatively lower average mean score of the independent variable (M=3.4417, SD=0.58079) implying that a small initiative taken have resulted in slightly improved governing practices of strategy execution measures.

4.6. Inferential analysis and presentation

Marshall and Jonker (2010), define statistical inference as the act of extrapolating from a sample to a population with a calculated degree of certainty. On top of this, the researcher has conducted inferential statistical test to confirm that relevant assumption of the multiple linear regression model such as multicollinearity, test of normality, model fit, outliers, linearity, auto collinearity (independence of errors) and homoscedasticity assumption are fully addressed before going to detail presentation and analysis is being made. Coefficients of the predictor variables along at 95% confidence interval was computed. Furthermore, Pearson correlation coefficients were performed

to determine the strength of the association between the dependent and independent variables. The following sections show the details of the study's inferential analysis.

4.6.1. Correlation Statistics

Basically, the study sought to establish the strength of relationship between strategy execution (the independent variable) and organizational performance (the dependent variable) of the study.

According to Cohen (1988), the value of Pearson's correlation is divided into three categories. A correlation coefficient between 0.10 and 0.29 indicates a weak correlation, a correlation coefficient between 0.30 and 0.49 indicates a medium correlation, and a correlation coefficient between 0.50 and 1.0 indicates a strong correlation. Accordingly, Pearson correlation coefficient was computed at 95% confidence interval and the result is presented in the below table as follows.

Table 4:10 Pearson Correlation Matrix of variables of the study

Correlations Matrix		
	Strategy Execution	Organizational Performance
	1	.681**
Strategy Execution		.000
	.681**	1
Organizational Performance	.000	
**. Correlation is significant at the 0.01 level (2-tailed). N, 109		

Source: SPSS (V.20) Result, 2023

The estimated Pearson correlation matrix revealed a high association between strategy execution and organizational performance ($r = 0.681$, $P = 0.001$). This means that improved organizational performance follows adequate strategy execution. This result was consistent with Okwemba and Njuguna's (2021) earlier study findings, which demonstrated a substantial link between strategy execution and organizational performance. The study looked at the impact of strategy execution on the organizational performance of Chemelil Sugar Company in Kisumu County, Kenya, and discovered a substantial link.

Furthermore, the correlation between each independent and dependent variable can be presented as follows when the combined effect of strategy execution practices (mobilizing practices,

translating practices, aligning practices, motivating practices, and governing practices) on organizational performance is broken down.

Table 4.11 Pearson’s Correlation Matrix between All Independent Variables and Organizational Performance.

Correlations Matrix						
	Mobilizing Practices	Translating Practices	Alignment Practices	Motivating Practices	Governing Practices	Org. Performance
Mobilizing Practices	1					
Translating Practices	.610**	1				
Alignment Practices	.610**	.606**	1			
Motivating Practices	.693**	.565**	.648**	1		
Governing Practices	.600**	.573**	.625**	.697**	1	
Org. Perform.	.485**	.505**	.488**	.543**	.635**	1
**. Correlation is significant at the 0.01 level (2-tailed). N=109						

Source: SPSS (V.20) result, 2023

The Pearson correlation coefficient indicates the strength and direction of a link between two variables. All five constructs (independent variables) have a positive linear connection with the dependent variables, as shown in Table 4.11. However, the connection between mobilizing practices ($r = 0.485$), alignment practices ($r = 0.488$), and organizational performance is moderate. On the other side, a substantial association was found between organizational performance and strategy execution through translating practices ($r = 0.505$), motivating practices ($r = 0.543$), and governing practices ($r = 0.635$).

4.6.2. Regression Analysis and Results

Regression analysis is a statistical technique for determining the causal link between two or more variables. The purpose of this study was to investigate the impact of strategy execution, as evaluated by the five principles of Kaplan and Norton's (2001) strategy-focused organization model, on the organizational performance of Oromia Bank S.C. As a result, mobilizing practices, translating practices, alignment practices, motivating practices, and governing practices were used to measure the independent variable in this study. As a result, the study's model was defined using multiple linear regression based on the conceptual framework as follows:

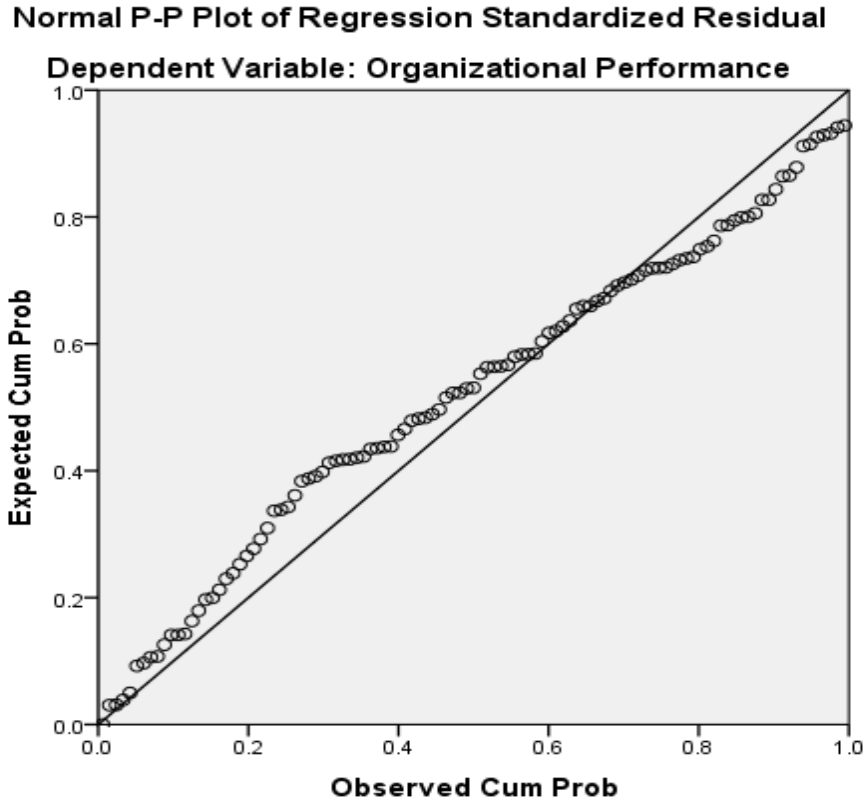
$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$; where Y = organizational performance a = constant variable, X_1 = motivating practices; X_2 = translating practices; X_3 = alignment practices; X_4 = motivating practices; and X_5 = governing practices of strategy execution.

4.6.2.1. Test of Normality

The linear regression model assumes that the parameters of the independent variables and the dependent variable have a linear relationship. If the true connection between the independent and dependent variables is not linear, the model will not fit.

The normal probability plot (Chambers et al., 1983) is a graphical method for determining whether a data set is approximately normally distributed. With the help of residual plots, the data is shown against a theoretical normal distribution in such a way that the dots form an approximate straight line, confirming the correctness of the study model. As a result, the normal probability plot of the standardized residual for this study's dependent variable is presented below as follows:

Figure 4.2. Normal P-P Plot of Regression Standardized Residual



Source: SPSS (V. 20) Result, 2023

Therefore, as it is depicted in the above figure 4.2. as long as there is no significant departure from the straight line, it can be concluded that the variables involved in this study follow normal distribution, hence, the residual value is normally distributed fulfilling the regression analysis procedures.

4.6.2.2. Autocorrelation Statistics

The Durbin-Watson Test was used to ensure that there is no association between the residual variable and the independent variable. The Durbin-Watson Test value naturally ranges from 0 to 4. Any Durbin-Watson number between 1.5 and 2.5 indicates that no autocorrelation was observed in the sample and that it is statistically suitable for presentation. As a consequence of the Durbin-Watson test result of $D = 1.997$ shown in table 4.12 below, the null hypothesis is accepted and the alternative hypothesis is rejected.

H_0 = There is no first-order autocorrelation.

H_1 : There is first-order autocorrelation.

Table 4.12: Autocorrelation Statistics,

Model	R	Durbin-Watson
1	.666 ^a	1.997

Source: SPSS (V.20) result, 2023

4.6.2.3. Test of Multicollinearity

According to Kothari (2004, p. 142), the regression coefficients (viz., b1 and b2) become less accurate in multiple regression analysis as the degree of correlation between the independent variables (viz., X1, X2) increases. If there is a high degree of correlation between independent variables, we get what is known as the multicollinearity problem.

In regression analysis, the most widely used metric of multicollinearity is the variance inflation factor (VIF). A common rule of thumb for interpreting the variance inflation factor is that a VIF with a value greater than 10 indicates a high correlation between the independent variables and draws attention to what to do with it.

H0: There is a concern with multicollinearity.

H1: There is no difficulty with multicollinearity.

Table 4.13: Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Mobilizing Practices	.431	2.319
	Translating Practices	.516	1.938
	Alignment Practices	.459	2.180
	Motivating Practices	.372	2.690
	Governing Practices	.439	2.279

Source: SPSS (V.20) Result, 2023

As shown in table 4.13 above, the VIF index for all variables was calculated to be less than 10, and all tolerance limits are greater than 10%, indicating that there is no problem of multicollinearity

in the model for analysis and interpretation. As a result, the null hypothesis was rejected in favor of the alternative hypothesis, which states that there is no multicollinearity between the study's explanatory factors.

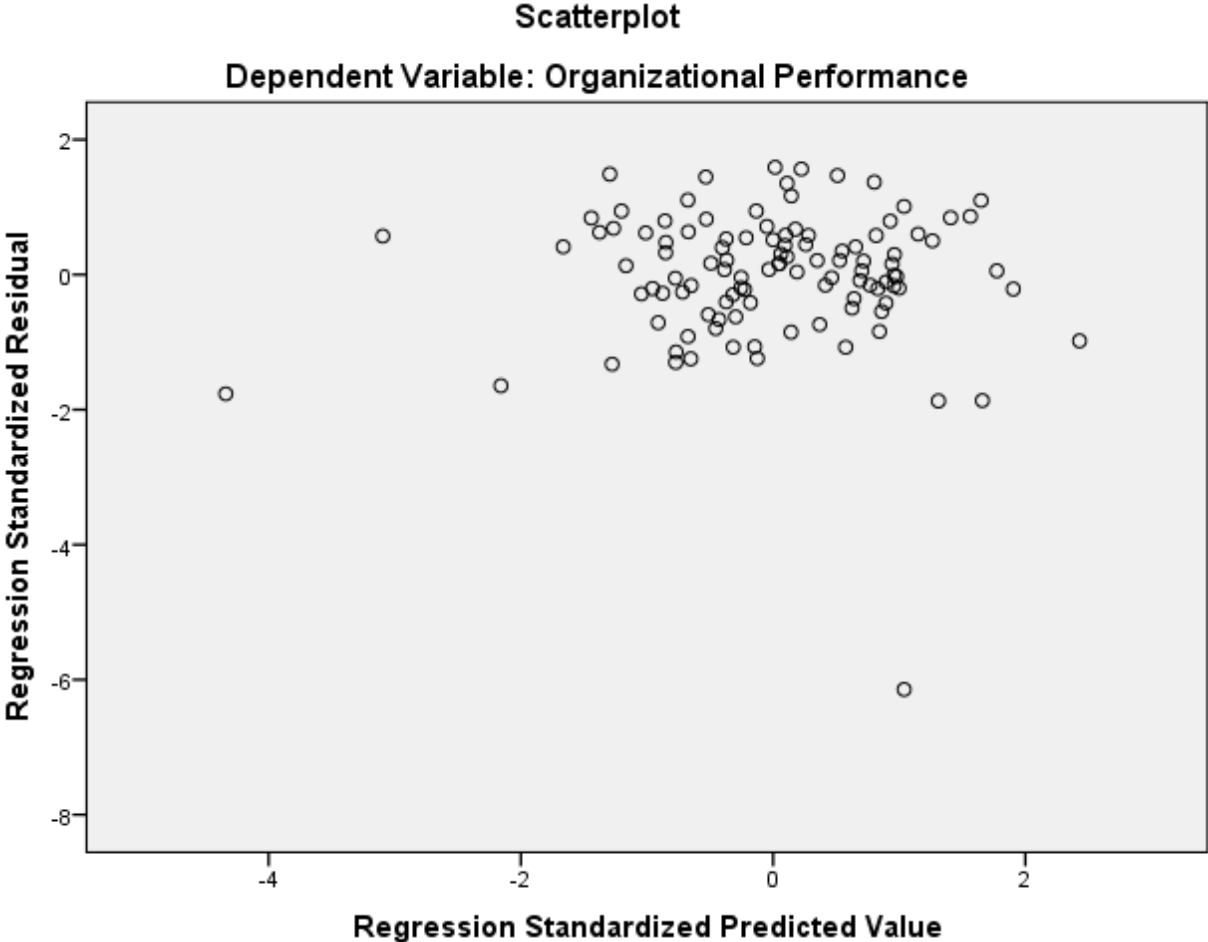
4.6.2.4. Test for Heteroscedasticity

Simply glancing at the scatterplot output, it looks like the spots are diffused and do not form a distinct, unique pattern, implying that the regression model does not exhibit heteroscedasticity. On this basis, we accept the null hypothesis.

H0: There is no heteroscedasticity.

H1: There is heteroscedasticity.

Figure 4.3. Scatterplot for heteroscedasticity problem



Source: SPSS (V.20) Output, 2023

4.6.2.5. The ANOVA Analysis

The ANOVA analysis is a powerful model for demonstrating the model's overall significance: $Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$. It aids in determining whether the difference between group means is statistically significant, examining the group means by comparing them, determining how well the model fits the data, and determining whether the model matches the analysis's assumptions or not. As shown in table 4.14, the regression degree of freedom represents the study's five independent variables, while the residual degree of freedom represents the total number of observations minus the independent variables and constant variable (residual df, $109 - 5 - 1 = 103$).

Based on this finding, the overall regression sum of squares ($17.332/39.068 = 44.36\%$) indicates that the independent variable, i.e., strategy execution, explains the complete variation in organizational performance. The residual sum of squares, which reflects the overall variability of organizational performance that the model did not explain, was ($21.736/39.068 = 55.6$).

H0: $b_1, b_2, b_3, b_4,$ and b_5 are all equal to zero.

H1: $b_1, b_2, b_3, b_4,$ and b_5 are all different from 0.

Table 4.14, Table of ANOVA Analysis

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.332	5	3.466	16.426	.000 ^b
	Residual	21.736	103	.211		
	Total	39.068	108			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Governing Practices, Translating Practices, Mobilizing Practices, Alignment Practices, Motivating Practices						

Source: SPSS (V.20) Result, 2023

In summary, the results shown in Table 4:14 show that the regression model had a favorable effect on the study. This is due to the fact that the significance level ($p = .001$) was less than 0.05. As a result, the null hypothesis is rejected, and we find that strategy implementation has a considerable impact on Oromia Bank S.C.'s performance.

4.6.2.6. Regression Result and Model Summary

The primary goal of the study was to determine whether or not strategy execution influences the performance of Oromia Bank S.C. As a result, the researcher used multiple linear regression to determine the link between the study variables, namely strategy implementation and organizational performance. Regression analysis, according to Mooi et al. (2017), is a method of fitting a "best" line through a collection of observations. Multiple linear regressions were run to determine the effect and the most important variables of strategy implementation that influenced organizational performance.

This regression analysis was carried out to determine the extent to which each independent variable (mobilizing practices, translating practices, aligning practices, motivating practices, and governing practices of strategy implementation) explains the dependent variable (organizational performance of Oromia Bank S.C.)

Furthermore, to demonstrate the impact that each dimension of strategy execution has on the dependent variable, the study examined the standardized coefficients, R-square (the power of the model that shows the amount of variation in organizational performance explained by strategy execution practices), and P-value to determine the relationship's significance level. The beta coefficient may be negative or positive in the following regression outputs; beta shows the level of influence of each variable on the dependent variable. The model summary's findings are reported as follows:

Table 4.15 Table of Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.666 ^a	.444	.417	.45938	1.997

a. Predictors: (Constant), Governing Practices, Translating Practices, Mobilizing Practices, Alignment Practices, Motivating Practices

b. Dependent Variable: Organizational Performance

Source: SPSS (V.20) Result, 2023

The results presented in Table 4.15 revealed that the coefficient of determination ($r^2 = .444$) indicated that strategy execution practices can explain 44.44% of the variation in organizational performance, assuming that all independent variables (strategy execution practices) have affected the dependent variable (organizational performance). In a nutshell, this means that the model accurately explains 66.60% of the responses.

The adjusted R square is used to compare the explanatory power of different predictor models. As a result, the combined influence of the predictor factors (mobilizing practices, translating practices, aligning practices, motivating practices, and governing practices) could account for 41.7% of changes in organizational performance. However, other characteristics not included in the study and predicted by other extraneous factors explain 58.3% of the variance.

4.6.2.7. Coefficients

The sign of the regression coefficient reveals whether the relationship between each independent variable and the dependent variable is positive or negative. The coefficient p-values reflect whether or not these associations are statistically significant. Accordingly, table 4.16 given below shows that there is a positive effect that mobilizing practices ($b_1=0.038$), translating practices ($b_2=0.155$), alignment practices ($b_3=0.033$), motivating practices ($b_4=0.112$) and, governing practices ($b_5=0.425$) have on organizational performance at Oromia Bank S.C.

Further, the highest beta coefficient of a given variable, the highest correlation exists between the dependent variable and independent variable., Accordingly, governing practices ($b_5=0.425$) have the highest beta value, meaning explaining the outcome variable, organizational performance out of the five strategy execution practices followed by the third predictor variable, i.e., translating practices having beta value of 0.155. Pursuant to the multiple linear regression result, a unit increase in governing practices of strategy execution will result in 42.5% improvement in organizational performance, other things remain constant. On the other hand, a unit increase in the translating practices of strategy execution will result in increase in organizational performance by

15.5%. In contrary, as depicted in the table 4.14 above, alignment practices followed by mobilizing practices of strategy execution have the lowest beta values ($b_3=0.033$), implying low relationship with organizational performance. This means, a unit increase in alignment practices and mobilizing practices of strategy will lead to increase in organizational performance by 3.3% and 3.8%, respectively, other things remain unchanged.

Table 4.16: Coefficient

Coefficients ^a						
Model		Unstandardized		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.112	.286		3.881	.000
	Mobilizing Practices	.033	.098	.038	.339	.735
	Translating Practices	.129	.085	.155	1.516	.133
	Alignment Practices	.031	.100	.033	.308	.759
	Motivating Practices	.104	.112	.112	.926	.357
	Governing Practices	.402	.105	.425	3.830	.000
a. Dependent Variable: Organizational Performance						

Moreover, having a positive beta value is not sufficient but mandatory to conclude the existence of statistically significant and positive relationship between the predictor variable and the outcome variable. Based on this premise, as clearly depicted in the above table 4.14, the p-value for four independent variables are greater than 0.05 confidence interval, implying the relationship is not statistically significant. However, having a p-0.001, which is less than 0.05 significance interval, governing practices of strategy execution have statistically significant positive relationship with organizational performance.

The five principles of the "strategic-focused organization" are defined by Kaplan and Norton (2001). Mobilize Change Through Executive Leadership (mobilizing techniques), which include ownership, involvement, mobilization through a feeling of urgency, and a "burning platform," Translate Strategy into Operational Terms (Translating Practices), which is concerned with strategy mapping, a logical, comprehensive architecture for articulating strategy, and so on. Align the organization to strategy (alignment practices) to address issues such as goal congruence throughout the organization. Make strategy everyone's daily job (motivating practices) by holding

daily awareness, top-down communication rather than direction, town hall meetings, and so on. To transition from traditional tactical management processes (budget and operational planning) to the integration of tactics and strategy, make strategy a continuous process (governing practices). According to this view, the first four parts of strategy execution practices of strategy-focused organization principles are more about proper strategy creation and prior strategy implementation prerequisites. On the other hand, governing practices (to make strategy a continual process) of strategy execution, is all about to shift an organization from traditional management processes to integration of tactics and strategy and sustaining the change. Hence, the beta values of each predictor variable obtained here is positive implying a unit change in each predictor values will result in improved organizational performance of the bank and only sustaining change is more important to the performance the bank.

4.6.2.8. Hypothesis Testing

The study used multiple linear regression models to test the combined effect of strategy execution practices (mobilizing practices, translating practices, alignment practices, motivating practices and governing practices) on organizational performance. Accordingly, as indicated in table 4.16 above, the level significance for each independent variable mobilizing practices (0.735), translating practices (0.133), alignment practices (0.759) and motivating practices (0.357), except for governing practices (0.001) are greater than 0.05 ($P > 0.05$). As a result, the first four hypotheses that propose a significantly favorable association between mobilizing, translating, and motivating practices of strategy execution and organizational performance were rejected. Only governing practices have a substantially significant effect on organizational performance, with a significance level less than 0.05 (p-value, 0.01). The summary hypothesis testing results are shown in the table below.

Table 4.17, Hypothesis testing result

S. No	Hypothesis	Analysis used	Criteria	Remark
H1	Mobilizing practices of strategy execution has significant positive relation with bank's performance	Multiple Linear Regression	Coefficient sign	Rejected

H2	Translating practices of strategy execution has significant positive relation with bank's performance	Multiple Linear Regression	Coefficient sign	Rejected
H3	Alignment practices of strategy execution has significant positive relation with bank's performance	Multiple Linear Regression	Coefficient sign	Rejected
H4	Motivating practices of strategy execution has significant positive relation with bank's performance	Multiple Linear Regression	Coefficient sign	Rejected
H5	Governing practices of strategy execution has significant positive relation with bank's performance	Multiple Linear Regression	Coefficient sign	Accepted

Source: SPSS (V.20) Result, 2023

As it is clearly depicted in the table above, the findings of the study have managed to reject the first four hypothesis claiming that mobilizing practices, translating practices, alignment practices and motivating practices have no significant effect on the organizational performance. According to the best understanding of the researcher, this can be probably attributed to three main issues. The first is, having strategy and taking the first step to its implementation alone doesn't support the organization to reach the intended and aspired competitive advantage without making the implementation on a continual basis. One-time communication of vision, translation of strategy into operational terms on document, aligning units and linking incentives to the strategy implementations are what most likely be done document and its success is also up to its close follow up and monitoring.

The second concern would be, the result is implying that Oromia Bank S.C should work on these areas to bring the desired effect of the strategy execution practices on its performance. The third argument is that, for strategy to bring the desired effect on organization performance, the strategy implementation process along its initial stage vibe should be done and maintained on continual basis.

Chapter Five

5. Summary of Findings, Conclusion and Recommendation

5.1. Summary of Findings

The following significant findings were identified in this study, which was performed to assess the effect of strategy execution practices on organizational performance in the case of Oromia Bank S.C.:

- ✓ According to the survey results, 78% of the 109 respondents were male and 22% were female in the gender distribution, and in the age distribution, the majority of respondents (48.6%) were between the ages of 25 and 35, 34.9% were between the ages of 35 and 45, and 16.5% were found to be over 45. Regarding the respondents' qualification profile, 73.4% were second degree holders, 24.8% were first degree holders, and just 1.8% were PHD holders at the bank, with 90.8%, 8.3%, and 0.9% working in the head office, district office, and board of directors, respectively. This indicates that the majority of the bank's senior management members are young and competent professionals who are in charge of strategy execution.
- ✓ The descriptive analysis of the study shows that the mean scores of the bank's strategy execution initiatives' governing practices ($M = 3.4417$, $SD = 0.58079$), alignment practices ($M = 3.5339$, $SD = 0.59008$), and translating practices ($M = 3.4471$, $SD = 0.67873$) are lower than the average mean score of organizational performance ($M = 3.6075$, $SD = 0.49892$). This means that the bank's low-level strategy execution efforts have moderately improved its organizational performance. However, the average mean scores of mobilizing practices ($M = 3.7399$, $SD = 0.62483$) and motivating practices ($M = 3.6491$, $SD = 0.58079$) appear to be higher than the bank's average mean score of organizational performance ($M = 3.6075$, $SD = 0.49892$).
- ✓ According to the regression results, there is a positive relationship between mobilizing practices ($b_1 = 0.038$), translating practices ($b_2 = 0.155$), alignment practices ($b_3 = 0.033$), motivating practices ($b_4 = 0.112$), governing practices ($b_5 = 0.425$), and organizational performance at Oromia Bank S.C. This means that all strategy execution practices and dimensions are positively contributing to Oromia Bank S.C.'s performance.

- ✓ In line with earlier research, the Pearson correlation matrix revealed a substantial association between strategy execution and organizational performance ($r = 0.681$, $P = 0.001$). This means that proper plan execution follows improved organizational performance. Previous research by Okwemba and Njuguna (2021) indicated a strong association between strategy execution and organizational performance.
- ✓ The multiple linear regression results revealed that the level of significance (p-value) of mobilizing practices (0.735), translating practices (0.133), alignment practices (0.759), and motivating practices (0.357) were all greater than 0.05, indicating that there was no significant relationship between these four strategy execution practices and the bank's organizational performance. Governing practices, on the other hand, have a substantial link with organizational performance, with a p-value (0.001) that is evidently less than the 0.05 significance level of the confidence interval.

5.2. Conclusion

The purpose of the research was to determine the impact of strategy execution on organizational performance at Oromia Bank S.C. The study's findings were based on descriptive statistics for demographic distribution, data collected using a Likert scale for measuring constructs on strategy execution dimensions such as mobilizing practices, translating practices, aligning practices, motivating practices, and governing practices, as well as organizational performance.

The purpose of the research was to determine the impact of strategy execution on organizational performance at Oromia Bank S.C. The study's findings were based on descriptive statistics for demographic distribution, data collected using a Likert scale for measuring constructs on strategy execution practices such as mobilizing practices, translating practices, aligning practices, motivating practices, and governing practices, as well as organizational performance.

Even though Pearson correlation statistics show a significantly strong correlation between the combined effect of strategy execution practices and organizational performance, only the relationship between governing practices and the bank's organizational performance was found to be significant. As long as no previous study comparing these five constructs has been conducted, it is up to future studies to determine the significance of the relationship between the remaining four independent variables (mobilizing practices, translating practices, and motivating practices of

strategy execution) once more. Except for regulating practices, the association between these four strategy execution practices was insignificant in this study. According to Kaplan and Norton (2001), the first four principles of strategy-focused organizations, namely mobilizing practices, translating practices, aligning practices, and motivating practices, cover the most critical aspects of prior strategy execution activities, ranging from articulating visions to communicating strategy.

The last principle, however, is all about identifying and implementing a BSC reporting system, conducting strategic review meetings, integrating planning, budgeting, and strategy, linking HR and IT planning to strategy, linking process management to strategy, linking knowledge sharing to strategy, and establishing a strategic management office within a bank. As a result, governing practices are an essential component of strategy execution in any business. According to this logic, the study discovered that only governing practices had a statistically meaningful effect on organizational performance.

Finally, the analysis discovered that the bank's strategy execution practices explain 41.7% of the variation in organizational performance. Furthermore, the hypothesis test results for the four independent variables reject the null hypothesis, implying that there is no significant positive relationship between motivating practices, translating practices, alignment practices, and motivating practices and the bank's overall organizational performance, except for governing practices.

In a nutshell, even though the study strongly implied the combined importance of strategy execution practices to organizational performance, having a well-articulated vision, good operationalization initiatives, alignments, and communicating strategy to ensure ownership by all stakeholders were necessary but not sufficient. As a result, the intended outcome of strategy execution will only be accomplished through the right and ongoing use of strategy implementation tools in conjunction with properly implemented governance processes in the business. As a result, the study has successfully attempted to fill the gap in terms of literature by investigating the five dimensions of the principles of strategy-focused organizations.

5.3. Recommendation

Based on the study's major findings, the researcher advises the following course of action:

- ✓ The study emphasized the significance of all strategy execution practices and exceptionally governing practices. As a result, the bank must continuously work on and improve its strategic governance practices.
- ✓ The bank's mobilizing and aligning processes were discovered to be relatively modest, resulting in less improved organizational performance. As a result, the bank should focus on these high-priority areas of strategy execution practices.
- ✓ The study clearly discovered a substantial relationship between strategy execution and organizational performance. As a result, it is critical for the bank to transform into a strategy-focused organization in order to assure long-term business success while also coping with the challenges of foreign bank entry and significant rivalry from domestic competitors. As a result, the bank should hire competent advisors to ensure proper strategy implementation.
- ✓ Finally, it is strongly advised that Oromia Bank S.C. maintain its strategy execution efforts in order to gain a competitive edge through improved company operation processes and an excellent customer experience.

5.4. Suggestion for Future Studies

Even though the study met its basic objectives and specifics, there are several issues that need to be addressed by future research.

- ✓ The issue of strategy execution is understudied and merits further investigation. As a result, the influence of strategy execution on organizational performance can be evaluated by incorporating some mediating variables and combining effects with other variables not included in this study.
- ✓ The study focused on a single bank. It can be expanded to include additional banks in general.
- ✓ The study was based on the perceptions of top management members of a particular bank. As a result, the effect of strategy implementation can be further analyzed by using the bank's actual organizational performance.
- ✓ Furthermore, findings highlighted the need for additional research in this area, mainly on the relationship between other strategy execution and performance, as well as prospective mediators and moderators that will explain the relationship more thoroughly.

- ✓ The five principles of strategy-focused organizations, which explain the different aspects of strategy execution practices, can also be further used to evaluate the impact of strategy implementation on organizational performance.

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Annex – 1 -Questionnaire



ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE
DEPARTMENT OF BUSINESS LEADERSHIP
Survey Instrument for primary data gathering

Dear Respondents,

My name is Gadisa Gurmu Geleta (0910190775/6884lil6884@gmail.com) and I am currently conducting study on *The Effect of Strategy Execution on the Organizational Performance; Case Study of Oromia Bank S.C*, Ethiopia.

The aim of the study is for academic purpose as Partial Fulfilments of the Requirements for the Degree of Masters in Business Leadership. It will not take you more than 10-15 minutes to complete this questionnaire, with your kind consent and full attention. Your response will be kept confidential and will be used only for the intended academic purpose. Questions and concerns are warmly welcomed. You need not write your name on the questionnaire. I thank you in advance for your cooperation and the valuable time.

Section-I: Personal Information

1.1. Gender: Male Female

1.2. Age: 25-35 35-45 >45

1.3. Highest Educational Level: BA/BSc MA/MBA/MSc Other _____

1.4. **Your Current Job Position:** _____

1.5. **Your placement (place of work):** Head Office District

1.6. **Job Tenure/Your Service Year in the bank:**

A) 1-3 Years B) 4-6 Years C) 7-9 Years D) 10 Years and above

Section-II: Questionnaire on Strategy Execution Initiatives

For the following Likert Scale based questions, please indicate your level of agreement in front of each questions/statements.

S/No	Strategy Execution Initiatives	Explanation of the Strategy Focused Organization Criteria	We are poor at this [1]	We are not good at this [2]	Neutral [3]	We are good at this [4]	We are "best practice" at this [5]
1	Mobilize Change Through Executive Leadership						
1.1	Leaders drive strategy execution	The leadership team as a whole (full management team) provides proactive leadership in the development and execution of business strategy.					
1.2	Executives make case for change	Strategy is about change, not standing still. Why should we change - and what to? The management team sets out a clear logical explanation of "why".					
1.3	Leaders reinforce strategic priorities	Strategy is about making choices. The management team of our Bank set out clear priorities and the underlying reasoning behind why specific choices have been made and the implications of those choices.					
1.4	Well-articulated strategy exists	"Strategy" encompasses Vision, Mission, Values, Goals and the supporting strategies to achieve those goals. The strategy is well defined and documented.					
1.5	Office of Strategic Management (OSM) established	A dedicated, focused, office has been established to lead / co-ordinate / facilitate the development, monitoring and execution of business strategy - directly supporting the CEO / Top Team					
2	Translate Strategy to Operational terms						
2.1	Strategy translated in Strategy Maps	The business strategy has been clearly and explicitly set out in Strategy Maps for each Unit having					

S/No	Strategy Execution Initiatives	Explanation of the Strategy Focused Organization Criteria	We are poor at this [1]	We are not good at this [2]	Neutral [3]	We are good at this [4]	We are "best practice" at this [5]
		its own strategy. Those Maps align with on-the -ground management understanding.					
2.2	Strategy described in Balanced Scorecard	The business strategy has been translated into a complete Balanced Scorecard format with measures that convert the general words of strategy into explicit measurable terms.					
2.3	Targets identified for all measures	Sensible and realistic performance targets have been set for all measures. They are consistent with the overall SMART goals of the organization and are "stretching but attainable".					
2.4	Strategic Initiatives rationalized	Strategic Initiatives - the building blocks of strategy implementation - have been identified, prioritized. The common danger of "initiative overload" has been carefully managed.					
2.5	Executives accountable for initiatives	Each Strategic Initiative is "owned" by a named manager who understands his personal accountability to deliver the Initiative on-time/in-full: otherwise the strategy will fail.					
3	Align the Organization to the Strategy						
3.1	Corporate contribution to strategy defined	The role of Corporate Centre has been clearly defined and is understood: the value that the Centre brings to the organization is captured in a Corporate BSC - this is not just SBU add-through					
3.2	Enterprise Scorecard guides business units	The overall Corporate BSC provides a clear context within which Business Units can develop their individual (responsive) Scorecards					
3.3	Enterprise Scorecard guides support units	The overall Corporate BSC provides a clear context within which Support Units can develop their individual (responsive) Scorecards - aligned to Corporate AND Business Units.					
3.4	Scorecards align suppliers and / or customers	The Scorecards are used as key tools to support the relationships with key suppliers and customers					
3.5	Scorecard reports to Board and / or Shareholders	The overall Corporate BSC (or an appropriate summary) is regularly reported to Board to create a Board focus on strategy understanding and execution, not just financial historic reporting.					
4	Motivate to make strategy everyone's job						

S/No	Strategy Execution Initiatives	Explanation of the Strategy Focused Organization Criteria	We are poor at this [1]	We are not good at this [2]	Neutral [3]	We are good at this [4]	We are "best practice" at this [5]
4.1	Strategic awareness created	The strategy has been clearly communicated, in appropriate style, to all who need to understand the company / department strategy - and the crucial question of "how does it affect me?"					
4.2	Personal goals aligned	The personal goals within a PMS are explicitly aligned with the contribution that the Unit makes to the overall strategy of the organization.					
4.3	Personal incentives aligned	The personal incentives within a PMS are explicitly aligned with the contribution that the Unit makes to the overall strategy of the organization.					
4.4	Competency development aligned	The development of people skills and competencies is explicitly aligned to the future strategic needs of the organization and its constituent Units / Departments.					
5	Govern to make strategy a continual process						
5.1	Budget is driven by strategy	There is explicit alignment between budget and strategy, including the understanding of strategic vs operational initiatives (concept of Strategy)					
5.2	Planning is linked to strategy	Medium and short-term business planning is explicitly aligned with the overall strategy of the organization and its constituent Units / Depts					
5.3	Portfolio of strategic initiatives aligned to themes	The totality of strategic initiatives has been correlated to the overall key strategic themes of the organization. There is balance rather than undue and inappropriate concentration.					
5.4	Process improvement aligned to strategy	Process improvements have been aligned with strategic requirements to ensure we are not investing in processes that are irrelevant in strategic terms, even if locally attractive.					
5.5	Best practice sharing in place	Information / knowledge and good practices are shared throughout the organization as appropriate. There is a clear mechanism for this, supported by top management leadership.					
5.6	Review and adapt strategy	Strategy is regularly reviewed / refreshed and updated as appropriate - both as a regular process and in					

S/No	Strategy Execution Initiatives	Explanation of the Strategy Focused Organization Criteria	We are poor at this [1]	We are not good at this [2]	Neutral [3]	We are good at this [4]	We are "best practice" at this [5]
		response to specific material external changes					
5.7	Data and analytics guide strategy	Strategy development is supported by appropriate analysis and data to enable informed strategic decisions to be taken. Management do not feel that they are "flying blind...".					

Section-III: Questionnaire on Organizational Performance (Adapted from Njuguna, 2021)

Dear Respondents, for the following Likert Scale based questions, please indicate your level of

S/No	Organizational Performance	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Having a monitoring process and evaluation procedure for tracking performance increases organizational performance					
2	Your organization set clearly defined Key Performance Indicators (KPI) for each plan, do they lead to increased organizational growth					
3	Organization has experienced significant growth in the last three years.					
4	Level of your customer's satisfaction has improved in the last three years					
5	Organization's profitability has improved in the last three years.					
6	Organization has a monitoring process and evaluation procedure to track performance					
7	Implementation of strategies improves the profitability of your organization.					
8	Organization has experienced low employee turnover					
9	Organization has expanded over the last 10 years					
10	All the departments and sections have adopted use of Key Performance Indicators (KPI) leading to overall improvement of the company					
11	The organization responds to customer complaints promptly					
12	The organization is able to retain its customers as compared to its peers in the industry					
13	There has been continuous re-engineering of internal processes to meet customer expectations					
14	The organization processes are documented into procedure manuals					

agreement in front of each questions/statements.

Section IV. Open-ended Question

