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SCHOOL OF COMMERCE

DEPARTMENT OF BAIS

ASSESSMENT OF THE STRATEGIC MANAGMENT AND ORGANIZATIONAL PERFORMANCE IN THE CASE OF HIBRET BANK

A RESEARCH SUBMITTED TO SCHOOL OF COMMERCE, DEPARTMENT OF BAIS FOR PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER IN BUSINESS LEADERSHIP

BY WONDOWOSEN TADESSE NEGA

ADVISOR: ABDUREZAK MOHAMMED (PhD)

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By: WONDWOSEN TADESSE

APPROVED BY BOARD OF EXAMINERS

Advisor	Signature	Date
Internal Examiner	Signature	Date
External Examiner	Signature	Date
Department Chairperson	Signature	Date

DECLARATION

I declare that this thesis for the partial fulfillment of Masters in Business Leadership is my own work. This project titled with " Assessment of the strategic managment and organizational performance in the case of Hibret Bank Share Company" has not been copied and has not been submitted in any other university.

Declared by:

Wondwosen Tadesse Nega

Name	Signature	Date

STATEMENT OF CERTIFICATION

This is to certify that Wondwosen Tadesse Nega has carried out this thesis work on the topic entitled "Assessment of the strategic managment and organizational performance in the case of Hibret Bank Share Company. This work is original in nature and it is sufficient for submission for the partial fulfillment for the award of Degree of Master of Art in Business Leadership.

Abudrezak Mohammed (PhD)

Signature: _____

Date: _____

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ABBREVIATION

BOA Bank of Abyssina

EIC Ethiopian Insurance Corporation

SME Small and Micro Enterprise

SPSS Statistics package for social science

Abstract

*The purpose of this study was to assess the effect of strategic managment on the organization performance of Hibret bank. Explanatory research design was applied. Secondary and Primary data was utilized in this study. Secondary data was obtained from reviewing text books, publications, financial records and internal records of Hibret bank. Primary data was gathered with the aid of questionnaires and interview. 344 questionnaires were sent to employees of the bank and 331 responses were obtained representing a response rate of 96.2%. The results of the study revealed that though the bank has well documented strategy that prepared by a foreign consultant, employees were unaware of it. The formulation and evaluation process were not participatory to stakeholders including employees and middle level managers. The accessibility of the strategy itself is managed by top managers only. Employees were only participant in the implementation of strategy. Employees and middle level managers were performing a task given by top managers. They do not have a self-initiation to perform the strategy. From inferential analysis, all independent variables, strategy formulation, strategy implementation and strategy evaluation were positively correlated with organizational performance. Strategy Implementation (r=.219**), strategy formulation,(r=.181**) and strategy evaluation (r=.120*). The linear combination of the independent variable was significantly related to the dependent variable, R=.319a, R square=. 102 adjusted R square=.094. Strategy implementation has b value .061 (p<0.05), strategy evaluation beta value .263 p<00, strategy formulation beta value .314, P<0.01. The study recommends the bank should participant all stakeholders and create belongings of the strategy and include in all phases of the strategy formulation, implementation and evaluation.*

Key words: strategy formulation, implementation, evaluation and organizational performance

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

According to Alharthy et al., (2017) Strategy implementation is the process of allocating resources to support the specified strategies. The multiple managerial actions required to put strategy into action, create strategic controls to track progress, and eventually achieve company objectives are all included in this process.

According to Aosa, E.,(2012) the implementation process encompasses all managerial activities such as motivation, compensation, management appraisal, and control processes, which entail cascading strategy to all functional areas to achieve both vertical and horizontal logic and improve policy implementation.

Organizations appear to be having trouble in implementing their strategies. A lack of communication, a lack of commitment to the strategy, unawareness or misunderstanding of the strategy, misaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors have all been identified as issues with strategy implementation in several studies(Brenes et al.,2008).

According to David, F.R. (2003) strategic planning's role is to set the stage for all other planning in the organization by defining a clear corporate mission and purpose, defining detailed supporting company objectives that guide the entire company, and designing the best portfolio of businesses and products for the company.

As we all know the strategic managment plays a key role in banks performance. Hibert Bank was incorporated as a Share Company on 10th September 1998 in accordance with the Commercial Code of Ethiopia of 1960 and the Licensing and Supervision of Banking Business Proclamation No. 84/1994(Hibret bank annul report, 2010).

The Bank obtained a banking services license from the National Bank of Ethiopia to provide commercial banking business through out the country and is registered with the then Trade, Industry and Tourism Bureau of the Addis Ababa City Administration.

Hibret Bank announces the official launching of its long term strategic road map to be one of the top five private Banks in East Africa by its capital base but the expansion of the bank were not comparable with other private banks as mentioned by its employees.

In this time, the Bank serves its customers with a network of more than 439 branches and 9 sub-branches but these branches were low in number as compared to other private banks in Ethiopia and the cause for this low expansion is poor strategy implementation. Though the strategy is designed to be one of five top private banks in East Africa in reality, it is out of top five in Ethiopia. Though no empirical studies on strategy implementation in the bank, the bank's employees perceive that poor strategy implementation was the cause and this topics aims to explore the role of bank's strategy to its performance.

Deloitte Company has been hired by the bank as a consultant and strategy developer. In June 2017, the board of directors approved the strategy. The new strategy will be implemented during a 12-years period, from 2018 to 2030. The bank primarily aspires to be among the top five private commercial banks in East Africa by expanding its capital base. The bank has 439 branches across the country as of March 31, 2022 and the total number of employees reached to 5,478 by the end of march 31,2022. The strategy implementation plan was divided into two phases: the first from 2018 to 2022, which lasted 5 years, and the second from 2023 to 2030, which will take 7 years.

According to the data obtained form the strategy department of the bank,due to the disagreement between top management and the board of directors over the assignment of individuals for the new management structure, the bank began implementing the strategy in 2019. After the implemetation of the strategy when we examine the strategic paln of the bank with the financial statements for 2019/20 and 2020/21 the bank's performance versus the strategy, we find that on various key performance metrics, such as loan to deposit ratio, branch expansion, profit, revenue, cash flow, foreign currency generation,technological application and other measures fall short of expectations(Hibret bank annual report 2019/20,2020/21G.C).

1.2. Statement of the Problem

In recent years, a growing number of studies on strategic management strategies and their effects on organizational effectiveness and financial performance have been published around the world, including a few empirical studies focusing on banking and financial systems (Wubishet F., 2018, Thomas G., 2020 & Haimanot S., 2017).

According to Thomas G.,(2020) financial institutions that make a significant contribution to a country's growth should concentrate on the diagnosis of their strategic plan, which is linked

to their institutional performance. Banks should review their strategic planning and performance management in light of current conditions in the country, through regional stability, strong international contacts, and rapid economic expansion.

Ethiopia has managed to create a competitive economic system as well as world-class infrastructure. The banking industry, which provides financial assistance to individuals and businesses in the creation of jobs, has played a significant part in this steady increase. It's not surprising, then, that strategic planning and management, which is a relatively new concept in Ethiopia, particularly in Hibert bank, is gaining traction (Gizaw K., 2020).

Despite this, Hibert Bank was not immune to the global financial crisis, which has had a significant influence on Ethiopia's economic growth and financial stability. And Hibert Bank is one of the financial institutions that has been impacted by the country's and the world's current realities.

A number of private banks in Ethiopia have reported their unaudited gross profits for the 2020/21 G.C budget year which has ended on June 30, 2021. Hibret Bank has reported that it has earned a gross profit 1.44 billion birr before tax and after reserves. This profit amount is 27.45% higher compared to the previous year's amount. Even if there hasn't been a decline in profits in the last year, the Bank will never be able to maintain its previous growth rate in normal circumstances.

As far as researcher’s knowledge concerned there is no any empirical research that asses the performance of strategic management practice in Hibret Bank though different studies were conducted in different area, Ngairah, L. M. (2018), Obeidat, B. Y., Al-Hadidi, A., &Tarhini, A. (2017). Oduol, S. M. (2015). (Wubishet F., 2018), Thomas G., (2020) and Haimanot S., (2017) but all the above the researchers did not assessed strategic management practice in terms of strategy formulation, implementation and evaluation rather they simply explore how strategy is implemented.

As a result, the study attempted to assess strategic managment and organizational performance in the case of Hibret bank by raising the following research questions

1.3. Research Questions

The Research Questioners are the following:

1. What is the Influence of strategy formulation practice on Hibret bank performance?
2. What is the Influence of strategy implementation practice on Hibret bank performance?
3. What is the Influence of strategy evaluation practice on Hibret bank performance?

1.4. Objectives of the study

This study has the following general and specific objectives

1.4.1. General objective

The general objective of the research is to assess the strategic management practice and organizational performance in the case of Hibret Bank share company.

1.4.2. Specific objectives

The specific objectives of the research are

1. To determine the Influence of practice of strategy formulation on the organizational performance of Hibret bank.
2. To examine the Influence of strategy implementation practice on the organizational performance of Hibret bank.
3. To examine the Influence of practice of strategy evaluation on the organizational performance of Hibret bank.

1.5. Research Hypothesis

The researcher tested the following hypothesis

H_1: strategy formulation has significant effect on bank's performance.

H_2: strategy implementation has significant effect on bank's performance.

H_3: strategy evaluation has significant effect on bank's performance.

1.6. Scope of the Study

The study encompasses strategy formulation, implementation and evaluation in Hibert bank. Therefore the thematic scope is strategy formulation, implementation and evaluation in the

bank. The study is limited to Addis Ababa Branches of Hibret Bank S.C, head office departments and four district offices found in Addis Ababa.

1.7. Significance of the Study

Strategic planning is a critical survival strategy for businesses, and those that do not embrace it may find themselves out of business. This study's conclusions have a substantial impact on the followings.

- ✓ **For Managers at Hibret Bank S.C**: to better understand the strategy formulation, implementation, evaluation processes and how to manage it for the bank's performance.
- ✓ **For other banks and organizations**: The study's findings will also aid Ethiopian private commercial and public financial institutions in better understanding how strategic planning affects service delivery effectiveness. This could be one approach for the bank to make any required modifications to ensure that its strategic plans and performance are in sync. Banks will learn how strategic planning affects their operational and service delivery effectiveness.
- ✓ **For Academicians and Researcher**: any interest body may use the fruit of this paper for further research.

1.8. Definition of Terms

- **Strategy:** Strategy is the long-term direction and scope of an organization that gives it a competitive advantage in an ever-changing business environment. Effective strategy aligns a company's resources and key skills in order to achieve its goals and objectives. Strategy establishes a company culture in which the company focuses solely on the value-adding priorities outlined in its mission and vision. (Rajasekar, J., 2014).
- **Performance:** It is a non-financial (success) or financial measure of an organization's efficiency. Profit, turnover, return on investment, return on capital utilized, and inventory turnover are all financial measures that compare the planned to the reality.
- **Strategic Management:** The concept of strategy is referred to as strategic management there is no a single agreed-upon definition of strategy. (Rajasekar, J., 2014).

- **Strategic planning**: In a business setting, strategic planning is a critical tool. It is defined as the process of identifying a company's long-term goal or objective. As a result, planning fills the gap between where we are now and where we want to go (Rajasekar, J., 2014).

1.9. Organization of the Study

The paper contains five chapters; the first chapter explains an introduction of the study, the second chapter incorporates the review of literatures. It includes the theoretical and empirical literature review was discussed in detail together with conceptual review. The third chapter covers the methodology while the fourth contains data presentation, In the fifth chapter, the researcher reveals with findings, conclusion and recommendations.

CHAPTER TWO

2. LITERATURE REVIEWS

2.1. Concept of Strategy and Strategic Management

According to Schaap, J.I. (2006) A strategy is a plan of action aimed at achieving a long-term or broad goal. Strategy is the art of foreseeing and directing overall military procedures and activities in a war or conflict. It was formerly known as business policy, and it has made significant progress thanks to the combined efforts of researchers and practitioners.

Strategic management is the art and science of conceiving, implementing, and assessing cross-functional decisions that enable a company to achieve its goals but for others strategic management is different; it is a notion that is concerned with making judgments and taking corrective actions in order to achieve a company's long-term goals and objectives. Strategic management is one of management's efforts to deal with problems that develop in the course of an organization's everyday operations while attempting to attain organizational goals and objectives (Shibru et al., 2017).

Strategic management has been hailed as one of the most successful management strategies for improving organizational performance through effective decision-making and methodical strategic formulation and implementation. In the private sector, strategic management was also more common (Zaribaf, M., & Bayrami, H., 2010).

According to Alharthy et al., (2017) the strategic management historical development is divided into three periods. These are as follows: the precursors, birth in the 1960s, and transition towards a research orientation in the 1970s. The first phase is the prehistory of strategic management, as the academic area began with the research of economic firms and bureaucracies. These studies were conducted in order to establish a relationship between the study of business and economic concepts. The contingent viewpoint characterizes the second era, in which enterprises must adjust to their external environment. Under a normative treatment, these inquiries were administratively focused.

The move to an exploration orientation began in the third period, with two sets of diverse study viewpoints. While one perspective (process approach) uses descriptive studies of

strategy creation and implementation, another (structural approach) uses deductive research to look for links between strategy and performance (Andrews, R., et al., 2011).

Mintzberg, Ahlstrand, and Lampel (1998) identified 10 principles that currently dominate strategic thinking and may be divided into three categories: prescriptive schools, descriptive schools, and one configuration school. Prescriptive schools have a normative nature to how a strategy should be designed and described in terms of the organization's outcomes. Assumed by design, planning, and position schools, strategy is the consequence of study and process. Descriptive schools describe the process of developing and implementing strategies.

Entrepreneurial and cognitive schools view strategy as both an entrepreneurial act and a decision-making process within an organization. The theory of organizational configuration and the tactics that result are detailed in configurationally schools. This school looks at strategy formulation as a balance between organizational constraints and strategic needs.

2.2. Strategic Management Practices

The term "strategic management" refers to the process of planning, implementing, and evaluating a strategy (Thomson and Strickland, 2014). They specified five tasks in the strategic management process, on the other hand. The steps are developing a strategic vision and mission, setting objectives, crafting a strategy, implementing the strategy and evaluating performance, initiating corrective adjustments.

Strategy implementation has become a major priority for businesses and continues to do so since it is critical to their success today. In knowledge-based economies, people are the most valuable asset, and human resource policy should reflect this. One of the components of strategic management is strategy implementation. Strategy implementation is a combination of decisions and activities that affect the formation and operation of long-term plans aimed at achieving corporate goals (Aosa, E., 2012)

According to Johnson et al. (2009), strategy implementation is the process of translating a strategy into actions. It comprises the formalization and implementation of strategies, as well as the management of the resulting change. The evaluation process addresses the aspect of adjusting existing tactics in order to attain competitive advantage. This is feedback to the original strategy, which repeated until the majority of the organization is on board.

Strategic analysis, according to Johnson et al. (2009), is concerned with the company's strategic position in terms of its external and internal surroundings, as well as stakeholder expectations.

The purpose of external environmental scanning is to identify and assess trends and occurrences that are beyond the organization's control. The functioning political, economic, social, technological, and legal contexts of the firm are all considered in the external environment analysis. The primary goal of external environment analysis is to identify potential opportunities and dangers in the operating environment. The impact of any one element on the external world is so dynamic and interactive that it cannot be completely separated from the impact of other elements (Brenes, E. R., 2008).

According to Bryson, J., (2012) the focus of the general environment analysis is on the future. The industry environment analysis focuses on the variables and conditions that influence the organization's profitability within its industry, whereas the competitor environment analysis focuses on forecasting the dynamics of competitors' actions, responses, and intentions. Internal environmental analysis, on the other hand, is concerned with the company's resources and competencies, which can be used to determine the company's strengths and shortcomings. Internal environmental factors such as organizational structure, company ownership, company size, organizational culture, management style, stakeholder expectations, and company resources, capabilities, competencies, and core competencies can all have an impact on a company's strategic management practices.

According to Čater, T., and Pučko, D. (2010) Long-term organizational success hinges on identifying and developing organizational mission, vision, and values. The establishment of organizational goals and objectives is made easier when the mission statement is clear any effective successful strategy is dependent on structure, hence the organization must change its structure in order to attain any effective economic performance. The structure of an organization might limit or boost your team's ability to obtain resources.

According to Cole, G.A. (2006) view corporate strategy from cultural perspective, they described it as a strategy based on the experiences, assumptions and beliefs of management overtime and which may eventually permeate the whole organization. Culture is the common set of behaviours, values, beliefs, patterns of thinking and assumptions shared by members of an organization. Culture influences our perceptions of the world and how we think and act toward others, the environment, and ourselves. Culture is made up of layers of values and

beliefs within and outside the company, actions and ways of doing business are taken for granted. As a result, the cultural web notion is a representation of various behaviours that are taken for granted in order to comprehend how they link and influence strategy. Observations of how the company behaves, such as routines, rituals, stories, structures, and systems, can be used to analyse culture.

2.3. Strategy Implementation

According to David, F.R. (2003) even good strategies may fail to provide superior performance for the business if they are not adequately implemented. The process of turning implementation strategies and plans into actions in order to achieve objectives is known as strategy implementation. These address the issues of who, where, when, and how to successfully implement a strategic plan. As a result, it is preferable to implement a second-grade plan well rather than trash a first-class strategy through inadequate implementation.

Managers and employees should all be included in the decision-making process, and strong communication between all stakeholders should be improved for effective strategy execution. The ability of managers to coordinate operations in order to turn strategic intent into action is critical to the success of a plan (Getz, G., & Lee, J.2011).

When adopting a plan, a number of aspects must be considered. These include implementation requirements, implementation resources, leadership abilities, leadership attributes, and temperamental characteristics (Henri, J. F., 2004). Factors that come from both the external and internal environment are investigated as prerequisites. Raw resources, energy, and people are examples of external elements, whereas machinery, qualified personnel, financial strength, internal structure, and management capability are examples of internal factors.

2.4. Theory of Strategy Implementation

2.4.1 Resource Allocation Process Model

In this literature, a resource is described as assets that are semi-permanently linked to a corporation and comprise both tangible and intangible assets. The primary claim is that the way resources are distributed in the firm defines the firm's actual strategy. Understanding how strategy is developed requires an understanding of the resource allocation process. Even

when environments change, the mechanisms that lead to strategic results are relatively consistent. Despite the process's intricacy, many of the forces can be controlled if they are understood. This idea is relevant to this research because resource allocation and utilization have a significant impact on an organization's strategy implementation (Hrebiniak, L., 2006).

2.4.2. Systems Model

Our theory was applicable to this research since strategic management is critical in the public sector in order to improve service delivery. Create specialized administrative organizations with clear goals, as well as new budgetary and financial management methods for delivering public services. This paradigm encourages managers to think about their organization not just as a whole, but also as a member of a larger group. This theory was applicable to this study because it highlights the importance of internal elements such as leadership, resources, institutions, and cultures in improving service delivery (Hrebiniak, L. G., 2006).

2.4.3. The New Public Management Theory

The idea of flexibility in the use of private management tools to increase performance in public organizations is at the heart of the New Public Management. The use of contractual models to define the hierarchical relationships of administrative institutions; the introduction and use of performance indicators and quality standards for public services; the preference for specialized administrative structures with well-defined purposes over large bureaucratic structures with rigid hierarchies and multiple purposes; the use of performance indicators and quality standards for public services (Koske, F. K., 2003).

The flexibility in supporting alternatives to direct public sector offers of goods and services, prioritizing solutions that value efficiency in spending public money; creating a new competitive environment for organizations; and new forms of budgetary and financial management to support features such as the new public management approach presented (Koske, F. K., 2003).

Our theory was applicable to this research since strategic management is critical in the public sector in order to improve service delivery create specialized administrative organizations with clear goals, as well as new budgetary and financial management methods for delivering public services.

2.4.3. Max Weber's Bureaucratic Model

Max Weber defined bureaucracy as a system of administration in which an organization's operations for obtaining objectives are led by established rules, regulations, processes, and methods in order to achieve efficiency. It is a system in which legal,rational leadership, expertise, competence, and experience are prioritized as selecting factors for businesses. Knowledge, qualification, abilities, and experience determine the hierarchical organization of positions. Merit-based rewards and promotions are given out.

According to Weber (1946), bureaucracy is capable of achieving the highest level of efficiency from a strictly technological standpoint, and is hence formally the most rational known technique of exercising imperative control over human beings.

This theory is relevant to this research since it emphasizes leadership, knowledge, qualification, and experience as selection criteria for companies. Knowledge, qualification, abilities, and experience determine the hierarchical organization of positions.

2.5. Steps of Strategy Implementation

For the purpose of this study a model is adopted from Wheelen and Hunger (2017) as a reference the model is segmented to four sections, which are as follow:

- ✓ Environmental Scanning (Gathering Information)
- ✓ Strategy Formulation (Developing Long-Range Plans)
- ✓ Strategy Implementation (Putting Strategy into Action)
- ✓ Evaluation and Control (Monitoring Performance)

2.5.1. Environmental Scanning

Managers must first comprehend the context of the environment in which they compete before they can formulate a plan. Without a thorough awareness of the external environment, it is nearly impossible for a corporation to develop a strategy. Management is in a position to evaluate the firm's competitive edge once they have farmed the aspect of the environment that affects the business (Pearce, J.A. & Robinson, R.B. (2014).

The organizational environment, according to Rajasekar, J. (2014) is made up of both external and internal variables. Environmental scanning is the process of monitoring, evaluating, and disseminating information from the outside and inside environment to

company strategists. To determine the evolution and forecasts of factors that will influence organizational success, the environment must be surveyed. Environmental scanning is the collection and use of data concerning events, patterns, trends, and linkages that occur within an organization's internal and external environments. It aids management in determining the organization's future direction. Scanning is required to determine the hazards and possibilities that exist in the environment. An organization must take advantage of opportunities while minimizing threats when developing a plan. A threat to one group could be an opportunity for another.

2.5.2. Strategy Formulation

The process of establishing acceptable courses of action for achieving organizational objectives and, as a result, achieving organizational purpose is known as strategy formation. The following are some of the special tools they can utilize to help them formulate strategies: analysis of crucial questions SWOT analysis is a method of analysing the strengths, weaknesses, opportunities and treats. Traditional long-range planning must be rethought in order to establish a strategy. In constructing its competitive plan of action, strategy formulation blends a forthcoming focused on viewpoint with worry for the company's inside and outside environments. The process of strategy formulation began with definition of the company's mission (Shibru, S., 2017).

Articulated management scientists' growing interest in strategy formulation, in part because it has become increasingly evident that an organization's effectiveness is highly dependent on how it makes and interrelates its key decisions, and in part because management science has had enormous success at the operating level of organizations since the 1920s and at the middle man level. However, strategy formulation necessitates decision behaviour that differs from that observed at the other two levels, and management scientists require the descriptive foundation required to develop effective prescriptive techniques (Zaribaf, M., et al., 2010).

Instead of extensive tables of figures and bubble charts, we now have numerous sorts of realized formalism for developing strategic plans. The current fill-in-the-blanks template begins with a vision statement, followed by a mission statement or a list of core values, and then a list of initiatives for each goal.

2.5.2. Strategy Implementation

The entire number of actions and decisions required to put a strategic plan into action is referred to as strategy implementation. It is the process of putting objectives, strategies, and policies into action by developing programs and tactics, as well as a budget and procedures. Although strategy implementation is generally regarded only after the strategy has been created, it is an important aspect of strategic management. As a result, strategy formulation and strategy implementation should be seen as two sides of the same coin (Alharthy A. et al., 2017).

Andrews, R., et al.,(2011) disagrees with the aforementioned viewpoint, stating that an effective strategy should consist of a set of coordinated operations. They aren't implementation details; they are the strategy's punch. A strategy that fails to provide a range of reasonable and achievable immediate actions is missing a key component.

According to Pearz et al. (2004) Strategy formulation, analysis of alternative strategies, and strategic choice while these phases are important, they alone cannot ensure success. The strategy must be translated into success; this stage will have three major activities these are

- Identification of measurable, mutually determined annual objective
- Development of specific functional strategies
- Development and communication of concise policies to guide decisions

According to Aosa, E.,(2012) those who implement strategy are likely to be a far more diverse group of people than those who design it, depending on how the organization is organized. The implementers in most large, multi-industry businesses are everyone in the organization.

2.5.3. Strategy Evaluation and Control

Performance statistics and activity reports are used to evaluate and control information. If poor performance occurs as a result of improper utilization of the strategic management approach operational supervisors must be aware of this in order to address staff behaviour. There is no requirement for top management to get involved. If, on the other hand, the process causes poor results, senior management and operational managers must be informed so that a new implementation program or procedure can be developed (Getz, G., & Lee, J. (2011).

In order to properly position and manage a corporation in an often rapidly changing environment, a strategy is chosen and applied over time. Forward-looking strategies are those that are planned to be implemented several years in the future and are based on management assumptions about a variety of yet-to-happen events (Pearz et al., 2004).

The goal of strategic control is to keep track of the strategy. It monitors the organization's performance, whether it's in place or not, by detecting faults or changes in the underlying premises and making required adjustments. Strategic control, in contrast to post-action control, is concerned with directing and controlling activities on behalf of the strategy while action is taking place and the final result is still several years away. Managers are in charge of strategy, and achieving it often involves two sets of questions (Hill, C. & Jones, G. R.,2008).

2.6. Organizational Performance

Despite the fact that the concept of organizational performance is widely used in literature, understanding it can be difficult due to its varied interpretations. As a result, there is no commonly agreed definition of the concept of organizational performance. Organizational performance refers to how well a company is doing in terms of achieving its vision, purpose, and objectives (Henri, J. F. 2004).

Strategic management requires a thorough examination of organizational performance. Executives must understand how well their companies are operating in order to determine what strategic changes, if any, they should make. However, because performance is such a broad notion, careful consideration must be given to how it is measured (Cole, G., 2006).

Performance metrics and performance referents are two significant issues. A performance measure is a metric that can be used to assess an organization's performance. Most CEOs track profits, stock prices, and sales in order to better understand how well their companies compete in the marketplace. However, these metrics only provide a snapshot of an organization's performance. To determine whether an organization is performing successfully, performance referents are also required. A performance referent is a metric that is used to determine where an organization stands in relation to another (Hrebiniak, L. G. 2006).

For both business practitioners and academic groups, the techniques of measuring business success remain a point of contention. There are two sorts of performance measurement approaches: objective and subjective measurement (Maxwell Philip, 2015).

Profit, sales volume, return on investment, breakeven point, and inventory turnover are examples of objective measurements whose data is studied from financial statements such as the balance sheet and income statement. The subjective measurement, on the other hand, is based on the managers' or owners' perceptions of the company's performance. The objective measurement of corporate performance has been criticized since its performance reports are difficult to obtain, secret, incomplete, and frequently erroneous (Mbaka, R. M., 2014).

Objective metrics are unreliable because they are too broad and tend to look backward rather than forward. Short-term benefits are also emphasized more than long-term benefits in objective measurements. As a result, managers and owners struggle to comprehend the fundamental reasons of performance issues in order to make cross-functional decisions necessary to survive in uncertain business contexts (Messah, 2015).

According to Tang and Zhang (2005), objective performance data is impacted by particular industry characteristics, making cross-sector comparisons problematic. Due to the difficulty in getting objective performance data, Tang and Zhang (2005) suggest that prior researchers relied more on subjective company performance tracking as a result of these flaws.

Performance information is presented in non-monetary terms for subjective performance measurement, such as sales volume, market share, customer satisfaction, cost reduction, employee turnover, and new product creation, all of which are important to thrive in a competitive environment (Schaap, 2006).

According to Nabwire, M. (2014) Firm managers or owners are eager to share their judgments about business performance, including their perceptions about sensitive or confidential information needed by enterprises to thrive in a competitive and fast changing environment.

Non-financial activities' power rests in their potential to provide insight into company processes, which is a stronger predictor of future business performance in the long run. Because objective performance assessment through financial documents is difficult to obtain, the researcher employed subjective performance evaluation for this study based on an interpretation of the empirical facts. As a result, the subjective measures of performance are

profit, market share, and sales volume in terms of output, customer happiness, and waste reduction (Ndegwah, D. M., 2014).

The following terms are used as a business performance indicator in more detail.

2.6.1. Profit

The revenue that remains after all costs have been paid is referred to as profit. Labor, supplies, debt interest, and taxes are all included in these costs. When characterizing commercial activities, profit is commonly utilized. However, everyone who earns money makes money. It's what's left over after you've paid your bills or expenses. Profit is the return on investment for business owners. It is paid immediately as income in small businesses. It is frequently provided to shareholders as dividends in corporations. When expenses exceed revenue, the result is a loss. A corporation can become bankrupt if it loses money for an extended period of time (Neilson, G. L., 2008).

2.6.2. Customer Satisfaction

According to (Neilson, G. L., 2008) it is a measure of how well a company's products and services meet or exceed customer expectations, according to Wikipedia (n. d). Customer satisfaction is a metric that evaluates how satisfied customers are with a business's products, services, and capabilities. Information on customer satisfaction, such as surveys and ratings, can aid a firm in determining how to enhance or adjust its products and services.

The primary goal of any business should be to please its clients. This holds true for manufacturing enterprises, retail and wholesale businesses, government agencies, service businesses, non-profit organizations, and every subgroup within a company. When it comes to determining client satisfaction, there are two key questions to consider (Nguyen, 2016).

2.6.3. Product or Service Output

The total number of goods and services produced by an individual, firm, industry, city, region, country, or even the entire planet in a certain period is known as product or service output ((Nguyen, 2016).

2.6.3. Waste Reduction or Minimization

Trash minimization refers to a collection of procedures and activities aimed at reducing the quantity of waste generated. Waste minimization helps to foster a more sustainable society by minimizing or eliminating the development of harmful and persistent wastes. Redesigning items and processes, as well as modifying social consumption and production patterns, are all part of waste minimization (Nkosi, S. M. (2015).

2.6.4. Market Share

The percentage of the overall market that a firm services, measured either in revenue or unit volume, is known as market share. The greater a company's market share, the greater the share of the market it controls (Nyakeriga, C. K., 2015).

2.7. Empirical Reviews

A study done by Wubeshet (2018) evaluates the strategic management methods of Ethiopian private commercial banks. Finally, the report recommended that banks focus on strategic implementation in terms of human resource capabilities and board support, as well as strategy review and control in terms of performance measurement, communication, and quick response to identified deficiencies.

Khalique and Khan (2014) conducted a review of empirical studies on strategic planning and business performance from 1970 to 2014, and found that some of the studies produced contradictory findings on the links between strategic planning and firm performance. As a result, empirical research on strategic planning should be encouraged in emerging nations like Malaysia and Pakistan, particularly in the setting of SMEs. In future studies, the influence of other variables as mediating variables on the relationship between strategic planning and organizational performance should be investigated with great enthusiasm.

Even though there are many studies linked to strategic management techniques all over the world, most of them are undertaken in industrialized countries, according to Mohamud, Mohamud, and Mohamed (2015). However, few research in poor nations have attempted strategic management and organizational performance in Mogadishu, Somalia. Strategic management and organizational performance have a good and significant association, according to the findings.

A Study done by Haimanot S., (2017) determines the impact of strategy execution on Bank of Abyssinia's performance (BOA). The findings of the administered surveys revealed a high level of agreement regarding the characteristics of the numerous aspects that link plan implementation and bank performance. This investigation revealed, however, that not all employees were aware of the frameworks in place for bottom-up information flow. This study also revealed that the bank's leadership strategy is ambiguous, with the majority of employees questioning the effectiveness of the leadership method at Bank of Abyssinia. The researcher suggests that all of the numerous dimensions' aspects be put into proper context in order to assist the bank's general workforce in comprehending them.

Mosiah (2008) looked at the strategic management methods of small businesses in emerging markets, with a focus on the health biochemistry industry. He connects these activities to those that have been documented in the past. The study relied on qualitative data from a non-probability sample of two industry firms. The data was collected from the senior executives of these two companies utilizing case study methods and in-depth interviews. According to the findings, developing industries should adopt formal strategic management approaches.

The strategic management practices of EIC were described in a study by Amelework (2015) titled Assessment of Strategic Management Practices in the Case of Ethiopian Insurance Corporation(EIC). The research examines these behaviours in relation to generally held theoretical conceptions in the field. Both qualitative and quantitative data were used in the study. On the basis of questionnaires issued to management and staff, quantitative data was gathered. Secondary data sources, such as strategy plans and budgeting rules, were also employed.

Dinberu (2016) published a paper that outlined Nib International Bank's strategy planning, formulation, and implementation, as well as monitoring and assessment practices. The information gathered was analysed using a descriptive statistic. The analysis discovered that NIB's practice of disseminating the strategic plan was weak, and that stakeholder participation was not accomplished. Furthermore, the bank's application of SWOT analysis results was found to be lacking, as was the misalignment or connectivity of strategic plans with work units and individual duties. In addition, the strategic plan lacks detailed performance measurements and is unrelated to strategic management.

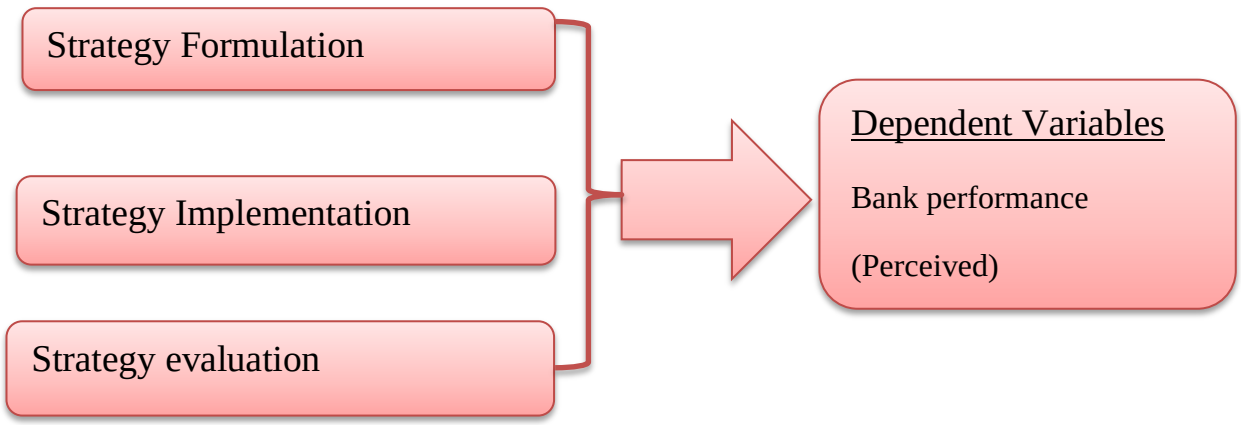
A study done by Thomes G., (2018) to investigate the impact of strategic management methods on Ethiopian Airlines' organizational performance. Ethiopian Airlines'

organizational performance had a substantial and favorable association with strategic management approaches, according to the analysis. Furthermore, strategic decisions have a positive and statistically significant impact on Ethiopian Airlines' organizational performance. Strategic management practices (practices of strategy creation, strategy execution, and strategy evaluation) were found to be a good predictor of Ethiopian Airlines' organizational performance in the study. Conclusions were generated based on a summary of significant data results in relation to the study's objectives, and relevant recommendations, as well as suggestions for future research, were submitted.

2.8. Conceptual Framework

The researcher modified the strategic management practices of organizational performance, namely Strategy formulation, strategy implementation, and strategy evaluation as independent variables, and organizational performance as a dependent variable, based on the different practices of strategic management and measurement of organizational performance. The model is framed and depicted as follows.

Figure 2.1 Conceptual Framework



CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. Research Design

A research design is a methodical approach to investigating a scientific subject. It defines as categories of inquiry that provide precise direction for procedures in a study design" in qualitative, quantitative, and mixed methodologies approaches (Kothari, 2004).

To achieve the objective of the study explanatory research design was used. The rational for this design is the researcher aims to explain the strategy formulation, implementation and evaluation of the bank.

3.2. Research Approach

In research, there are quantitative and qualitative methodologies. The quantitative approach entails gathering quantitative data and subjecting it to rigorous quantitative analysis in a formal and rigid manner, whereas the qualitative approach entails subjective evaluation of opinions, behaviour, factors, and attitudes. Quantitative research is the study of quantitative qualities and occurrences, as well as their relationships, in a methodical and scientific manner (Kothari, 2004).

The researcher applied hybrid strategy, employing both qualitative and quantitative methods.

3.3. Study Population

A population is a well-defined group of people, services, elements, and events, or a collection of items or houses under investigation. The sampling frame is a physical representation of the target population that includes all units that could be sampled (Kothari, 2004).

The target population of this study are employees of Hibert bank who work in Addis Ababa. The bank has 2,478 employees only in Addis Ababa region. Therefore those employees were taken as population of the study.

3.4. Sample Size Determination

By using the Yamane (1967) formula the sample size was determined as follows.

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

$$n = \frac{2478}{1+2478(0.05)^2} \quad \text{344 employees}$$

3.5. Data Collection Instruments

The data collection instruments that are used to collect the necessary information regarding the assessment of the practice of the strategic managment and organizational performace in case of Hibret bank share company are questionnaires , interviews and secondary data.

3.5.1. Questionnaires

Questionnaire is a fairly reliable tool for gathering data from large diverse varied and scattered social group. The questionnaire was in the form of Likert scale and open ended parts, prepared in English language which contained 35 by Likert scale (SDA=strongly disagree,D=disagree,M=modest,A=agree and SA=strongly agree) method and 4 open ended questions. The questions were adopted from different researches which specialized on the area under the study.

3.5.2. Interview

To obtain detailed information on the practice of strategic management and organizational performance of Hibret bank an interview was held with the concerned manager who works in strategy department of the bank. The interview was conducted through phone call due to the absence of the manager in office majorly focusing on the strategy formulation, implementation, evaluation and the bank's performance.

3.5.3. Secondary Data

Regarding the secondary data the researcher used annual plan documents,annual reports of different years,internal documents, procedure mannuals,financial statements,training manulas of the strategy and internal policy documents of the study area.

3.6. Sampling Techniques

Systematic sampling is simpler and more straightforward than random sampling. It can also be more conducive to covering a wide study area. The researcher applied systematic sampling from selected ten Hibert bank branches by taking their size and years of operation in to consideration , all head office departments whose contribution is considered very important for the study and four district offices from Addis Ababa region for data collection.

The researcher purposely considered 30 branches based on their years of operation and size and divided the total number of branches by 10 and obtained 3, finally considered 3 as a base for selection of branches for the study, systematicllay ordered them in their years operation and then taken the third opened branch as the first for the study then by adding three on that 6^{th} ,9^{th} etc.until the researcher gets 10 branches for the study followed the same way and a total of 158 questionnery was distributed to all employees of branches assuming that those employees equally contribution for the strategy.

From the district offices of the bank the researcher purposely distributed questionnery to 31 employees who are directly related to the day to day operation of the bank by assuming they also contribute to the strategy of implementation of the bank by following the same assumption from the headquarter 155 employees working in 16 departments were selected for the study.

3.7. Methods of Data Analysis

According to Kothari (2004) data analysis is defined as a process of cleaning, transforming, and modelling data to discover useful information for business decision-making. The purpose of data analysis is to extract useful information from data and taking the decision based upon the data analysis.

Methods of data analysis which used in this research include both descriptive statistics and multiple linear regression analysis. Explanatory design was used to explain the analysis of the collected data.

3.8. Descriptive Analysis

Descriptive statistics such as mean, which explains the strategy implementation and its effect on organizational performance in the case of Hibret bank, was used.

Multiple linear regression analyses were employed to test some specific objectives. Since one of the specific objectives of this research is to examine the extent to which the project was delayed and its effect and to find out the correlation between the causes and effects of delay in this project.

3.9. Model Specification

The dependent variable is organizational performance while strategy formualtion, implementation and evaluation are independent variables

$Op= \beta_1 SF+\beta_2 SI+\beta_3 SE+ei$

Op=Organizational Performance

SF=Strategy Formulation

SI= Strategy Implementation

SE=Strategy Evaluation

ei= uncontrolled variables

β_1, β_2, β_3, all is coefficients of each variables.

3.10. Ethical Consideration

The researcher obeys ethical rules. Participants of the study were informed about the objectives of the study emphasizing that the data will be used only for the intended academic purpose. Careful attention was given, regarding respecting the rights, needs and values of the study subjects, and maintaining confidentiality of the data and acknowledging sources of information.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

The demographic characteristics of the respondents, as well as the measuring instrument's reliability and validity, are discussed in this chapter. Using frequency and percentage, the data obtained from various sources is also presented, analysed, and evaluated.

In addition to this, the analysis and interpretation of the various data acquired through the use of data collecting tools in accordance with the study's objectives are covered in this chapter. The study's major goal was assessment of the practice strategic managment and organizational performance in the case of Hibret Bank. The bank's workers provided primary data via a questionnaire, while secondary data was gathered by studying journals, papers, books, and the bank's strategic department policy, procedures and annual management reports.

Furthermore, this chapter is divided into three sections. The demographic section, descriptive analysis section, and inferential analysis section, which includes correlation and regression, in three sections.

With the help of SPSS, version 26, the acquired data were described and analyzed according to the chapter's theme utilizing statistical tools such as descriptive and inferential statistics, as well as linear regressions.

There were 344 questionnaires given, and 331 of them were returned, representing a 96.2% response rate. In this section of the study, the total number of questions were 36, which are the sum of questionnaires for each variable plus four open ended questions.

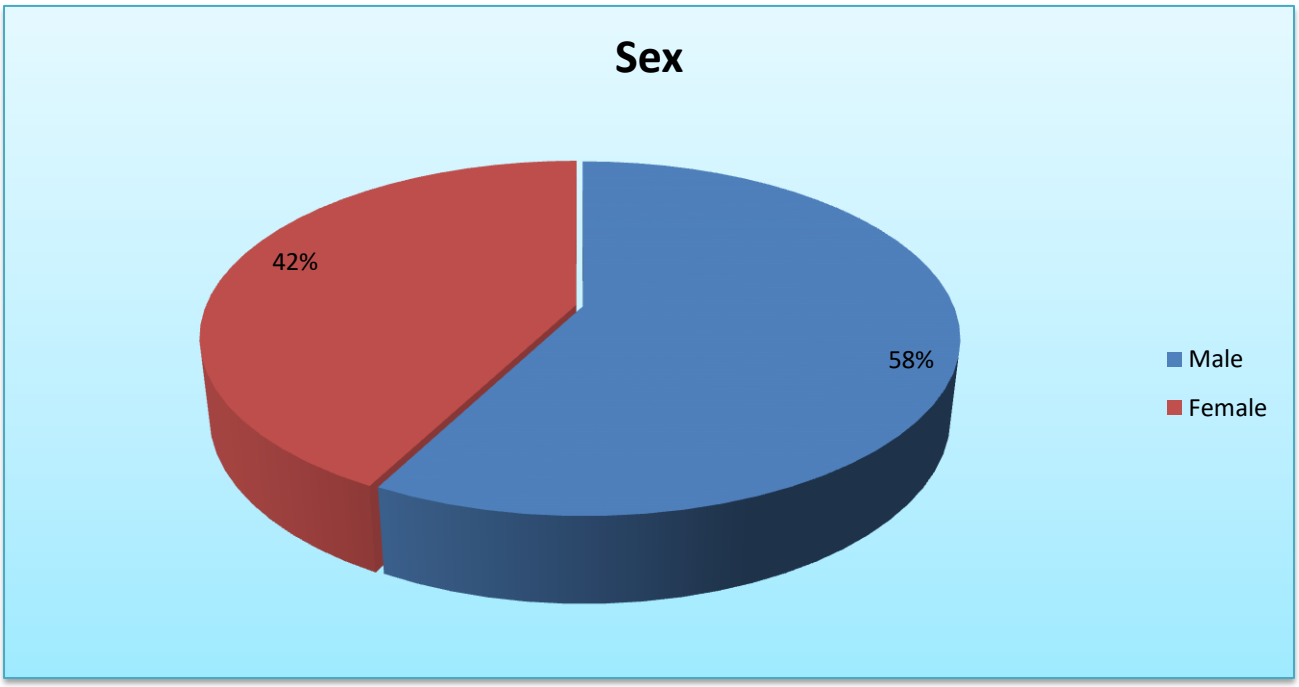
4.2 Demographic Analysis

As we all know demographic analysis is a tool for assessing the census's quality. For this study, demographic estimations were calculated based on sex, age, Educational Qualification, Current Position in the bank and years of experience in the bank.

4.2.1 Sex Distribution

The sex distribution of respondents was studied in order to answer the questionnaires. Male and female participants are depicted in Figure 4.1. 191 (58 %) of the 344 respondents were men, while 140 (42%) were women. This suggests that Hibret Bank workers are fairly balanced in terms of gender. As a result, both male and female populations of Hibret Bank have the opportunity to be represented in all matters.

Fig 4.1 Genders Distribution of Respondents

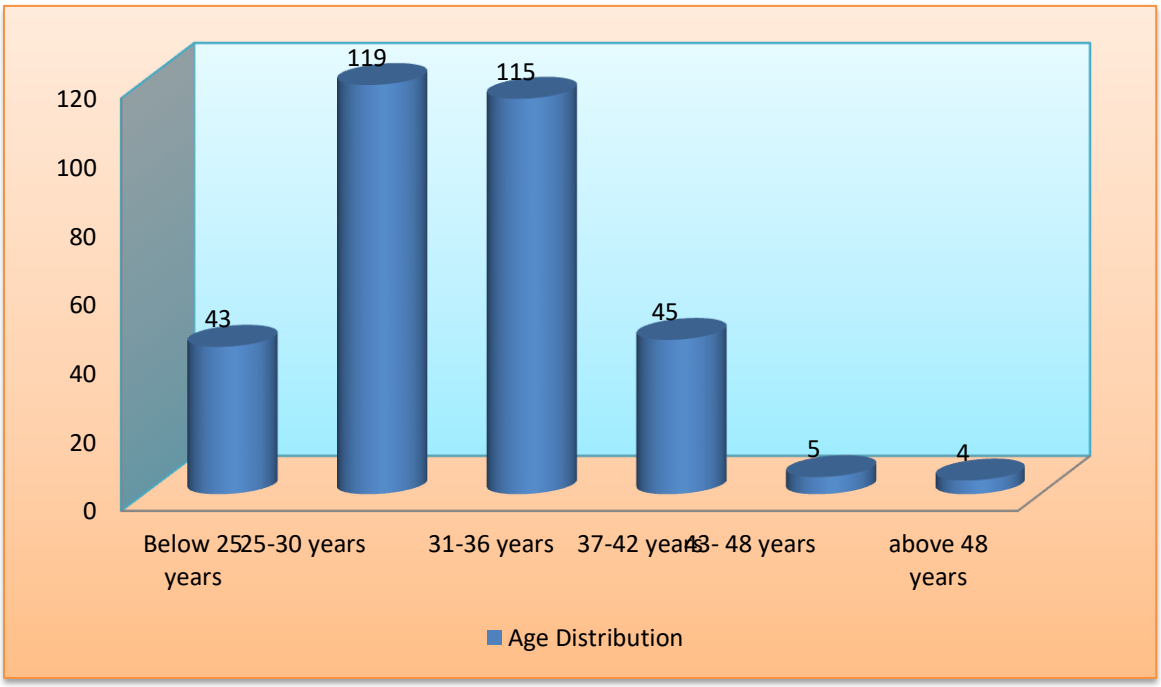


Source: Survey Result, 2022

4.2.2 Respondents' Age Distribution

In addition to the demographic variables mentioned above, the research area's age distribution was observed. When we look at the age range of respondents, we find that the majority of employees are between the ages of 25 and 30, accounting for 119 respondents, or 36 % of the total. 31-36 years old is the second largest age group, accounting for 34.7% of all respondents. The remaining 45 respondents 13.6% of the population is between the ages of 37 and 42. From this we can undersand that the majority of Hibret bank s.c employees are in the productive age group.

Fig 4.2 Age Distribution of Respondents

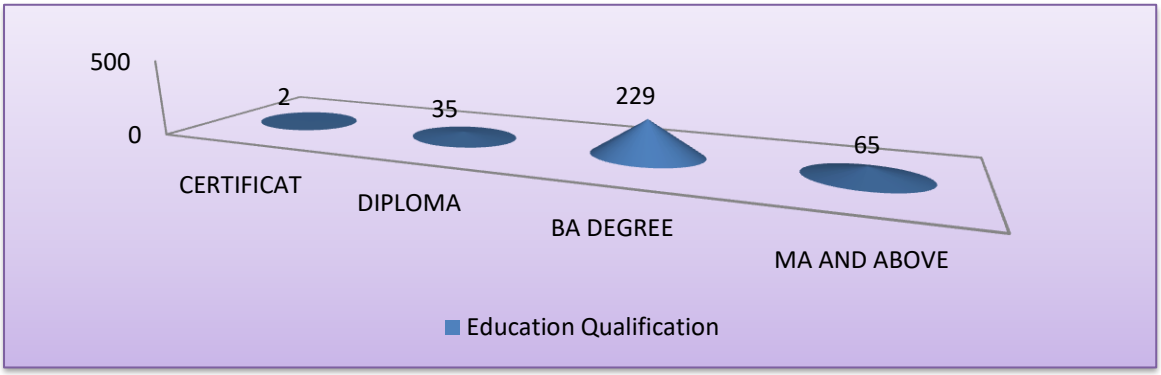


Source: Survey Results, 2022

4.2.3 Educational Qualification of Respondents

This study looks into the participants' educational qualifications in addition to their gender and age. The following facts about educational qualifications are presented. They held a BA/BSc degree 69.1% of the employesses and diploma 10.5 percent of employess. MA/MSC above holders make up the remaining 19.6 percent. Overall 99 percent of the workers are well qualified, implying that the bank's entire banking procedure is simple to comprehend and implement, additionally we can understand that employees can easily understand the overall strategy formulation, implimenation and evaluation activity.

Fig 4.3 Educational Background of Respondents



Source: Survey Result, 2022

Employees at Hibret Bank s.c. in the Addis Ababa area were told that they were not allowed to upgrade their careers through formal schooling sponsored by the bank or any other methods, but that they might utilize their free time to do so. Employees were unable to attend formal schooling despite the bank providing comprehensive training organized by the human capital management department. It was also discovered that employees' educational levels were causing discrepancies in their comprehension of the concept of strategic management and technology, Senior personnel were easier to understand the strategic management idea than junior employees in the bank as well as management members do have more training opportunity than others furthermore as per the assessment made by the researcher strategic management tranining was provided only to strategy department officials , management and board directors only this may create confusion about the strategy since most employees of the bank are officers in their position.

4.2.4 Years of Experience

The following diagram depicts that most participants were served the bank from 6 up to 10 years and the second largest group served the bank from 11 up to 15 years. Generally the participants have sufficient experience to understand the study subject matter. The following figure showed the distribution of experience in Hibret bank.

Here under is the experience of employees in the bank.

Figure 4.4 Years of Experience

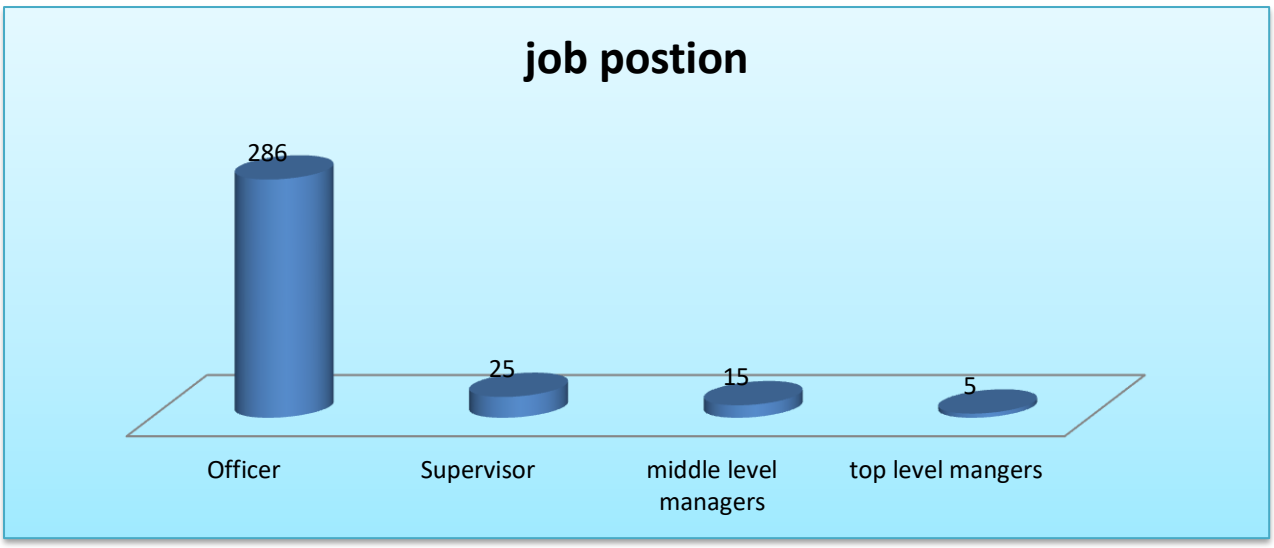


Sources: Survey Result, 2022

4.2.5 Current Position

The position of the participants was explored in the study. As the diagram showed that most participants were officers who work at different departments,district offices and branches and the second largest group were supervisors and middle level managers respectively. But the study also includes top level managers. From this we can understand that

Figure 4.5 Job Position



Source: Survey Result, 2022

4.3 Descriptive Analysis

Strategic planning has become one of the most important factors in banking's development. The major goal of this section is to examine the logic of the strategic management and formulation process in Hibret bank.

The acquired data was input and reported using SPSS version 26 in this section. Each strategy process mean value and standard deviation are examined and displayed. The mean of a data set is the total of the values divided by the number of values, which is the central value of a discrete set of numbers.

The standard deviation is a number that describes how far observations for a group differ from the average (mean) or expected value. A low standard deviation indicates that the majority of the data points are close to the mean. A high standard deviation indicates that the data is more dispersed. The mean and standard deviation of strategy implementation was reported in this section.

4.3.1 Strategy Formulation

Table 4.1 Mean Standard Deviation of Strategy Formulation

	N		Mean	Std. Deviation
	Valid	Missing		
Hibret Bank has a well-articulated vision and mission.	331	0	3.9970	1.01354
The vision of the bank is relevant to its performance.	331	0	2.5347	1.25088
Hibret Bank's strategy formulation process is effective.	331	0	2.3384	1.14164
Hibret Bank tries to communicate the strategy formulated to all employees.	331	0	2.9063	1.21368
Hibret Bank tries to Periodically gather and analyze data about market and other external factors which affect the business.	331	0	2.8308	1.13954
The organizational culture is aligned to the bank's strategy.	331	0	2.8369	1.28769
The bank's organizational structure support effective strategy formulation.	331	0	2.9668	1.29876
The bank identifies key threats & opportunities during market analysis.	331	0	2.9849	1.03708
grand mean			2.9245	1.17285

Source: Survey Result, 2022

The above table showed the mean and stand deviation of strategy formulation in the Hibret Bank is 2.9 with standard deviation 1.1. This modest mean indicted the following facts in the bank.

The bank has well-articulated vision because the mean value is 3.9. This indicted that employees of the bank were aware of the vision and the mission of the bank.

In the open ended question participants revealed that the vision and mission statements describe the bank purpose and provide employees a sense of belonging and identity. This encourages employees to put in more effort in order to succeed. It insists the proper mind-set for the bank growth. The mission statement establishes the banks course, whereas the vision statement establishes the goal or destination to be achieved by pursuing that course. It aids in the right alignment of a bank resources in order to achieve a prosperous future. The mission statement serves as a clear and effective guide for the bank in making decisions, while the vision statement guarantees that all actions are in line with the organization's goals. But in the interview the interviewed revealed that all employees were not aware about the mission and vision of the bank, due to this the vision of the bank were not found relevant to its performance.

The above table also revealed that Hibret Bank's strategy formulation process is ineffective because the bank do not tries to communicate the strategy formulated to all employees by using the available communication channel supported by information technology like portal, internal outlook , group mail etc. and this tells us they were not aware of the big picture of the company rather they perform the task that was given in there job description.

In addition to this, Hibret Bank was not trying to Periodically gather and analyse data about market and other external factors which affect the business rather the bank prepares its annual plan by taking the portion from its hidden strategy document, even the organizational culture was not aligned to the bank's strategy and the bank's organizational structure support ineffective strategy formulation. Generally the bank did not identified key threats & opportunities during market analysis according to the research.Simply the consultant identifies the SWOT analysis.

A study done by Wubshet (2018) pointed out that Strategic goals are frequently huge and complex objectives that nearly always necessitate a large number of resources spread across multiple departments and locations to achieve. More clarity on objectives and duties will

arise from establishing clear goals across teams. Even with adequate goal-setting, teams and individuals may face challenges due to a lack of alignment, which can result in prioritizing concerns and cooperation conflict, delaying day-to-day work toward the strategic goal. The non-strategic labour that individuals are accustomed to completing is the leading cause of strategic misalignment. Non-strategic goals are frequently prioritized since they are routine and typically the easiest to achieve.

In the open ended question participants responded that the problems of strategy formulation in Hibret Bank Specifically they pointed that the bank still uses spread sheets to keep track of its goals. Although this can work between a boss and an employee, these approaches make it difficult to aggregate outcomes or provide transparency to all employees. Due to this supervisors, and middle level managers were get worse to use strategic goals in real time. Furthermore, participants revealed that bank's strategic goals are not simple to understand, in other word the bank did not linked professional goals with personal interests, the best approach to connect people to strategy is to bring them closer to it. Generally in Hibret bank the strategy is hidden to most employees and they are unaware of it. Even means of measuring the strategic goals were not visible. In other word there is no Setted quantifiable objectives to track and manage them.

4.3.2 Strategy Implementation

According to Oduol, S. M. (2015) explanation the process of putting plans into action in order to achieve a goal is known as strategy implementation. It's the art of getting things done, in a nutshell. Every organization's ability to make choices and carry out crucial procedures in a timely, effective, and consistent manner is critical to its success.

Here under is the practice of strategy implementation in Hibret bank.

Table 4.2 Mean and Standard Deviation of Strategy Implementation

	N		Mean	Std. Deviation
	Valid	Missing		
The vision, mission and core values of Hibert bank support strategy implementation.	331	0	3.8912	.96308
Hibret bank make strategic decisions (implementation , action plans) based upon the strategic plan.	331	0	3.6888	.97071

	N		Mean	Std. Deviation
	Valid	Missing		
Making strategic decisions (implementation action plans) based upon the strategic plan improves organizational performance.	331	0	3.4894	1.13446
The bank clearly assigned lead responsibility for action plan implementation to a person/ team.	331	0	3.6949	1.02126
Clearly assigning lead responsibility for action plan implementation to a person / team improves organizational performance.	331	0	3.8912	.96308
Bank's strategy implementation process is effective.	331	0	4.2991	.82276
Having a monitoring and evaluation system for tracking performance improves bank performance.	331	0	4.1903	.78046
Allocation of resources for strategy implementation improves organizational performance.	331	0	4.2356	.65045
Hibret bank employees have a clear understanding about the strategy of the bank.	331	0	4.1480	.89060
The bank's organizational structure support effective strategy implementation.	331	0	4.0906	.91001
The bank set clearly defined key performance indicators for each planed performance.	331	0	3.8882	1.00433
grand mean			3.9552	.91920

Source: Survey Result, 2022

The mean score of strategy implementation is 3.9 with standard deviation 0.9. This high mean indicted that the bank was tried to follow its strategy. More specifically the vision, mission and core values of Hibert bank support strategy implementation and Hibret bank makes strategic decisions (implementation , action plans) based upon the strategic plan. In addition to this in Hibret bank employees generally agreed that making strategic decisions (implementation action plans) based upon the strategic plan improves organizational performance. The bank clearly assigned lead responsibility for action plan implementation to a person or team.

Form the open ended question participants revealed that the first challenge in strategy formulation is formulating the right strategy. No setted clear goals and define key variables in the bank, no determine roles, responsibilities, and relationships with different variables and departments, no delegation of work to employees that is in line with their duty and resposiblity and even inconsistency was observed different branches. In addition to this during execution there were no continued support and take corrective action like adjust or revise. Furthermore participant were revealed the presence of poor goal setting, lack of alignment, inability to track progress, people were not connected to the strategy and no measurements or leading indicators.

A study done by Thomas G., (2018) point out those rapid dynamisms on both the internal and external fronts characterize many operational business environments in today's world. As a result, businesses must devise dynamic and effective methods to adapt appropriately in order to stay afloat. The formuation of strategy is a crucial part of the strategic management process. As a result, it entails meticulously organizing one's ideas and thoughts and documenting the logically formed and thought-out methods. It is the most basic level of the strategic management process, in which companies use a variety of resources to achieve the strategy's objectives and the company's overall goals. It's worth mentioning that the capacity to successfully come up with, create, and document strategies is important.

In Hibert bank there are practices of having a monitoring and evaluation system for tracking performance but employees were not a part of such practice. At the top management level there is allocation of resources for strategy implementation which aims to improve organizational performance but employees of the bank have no a clear understanding about the strategy of the bank. Even the bank’s organizational structure was not that much support effective strategy implementation participants of the research told to the researcher some operational activites like credit management and import and export found in branch and district offices are as whole shifted to head office centerally to be performed this become a challenge to closely follow their branch customers more over they do not have any idea wheather this centerlization is part of the strategy implementation or not .Though the bank set clearly defined key performance indicators for each planed performance that the top management knows it but employees were not aware of it.

A study done by Nguyen (2016) remarked that The process of formulating a vision and mission, analysing an organization's environment, establishing objectives, producing

alternative strategies, and selecting specific methods to pursue accomplishment is all part of strategy formulation. According to the findings, successful strategy execution can assist a company in gaining a competitive advantage, defining the organization's business, and reaching the proper path. Senior managers, middle level managers and all other employees were found to be active in the strategy implementation process in the organization, according to the study. Communication was also discovered to be a critical success component in the execution of strategies.

4.3.3 Strategy Evaluation

According to Ngairah, L. M. (2018) Strategy evaluation is just as important as strategy design since it reveals the comprehensive plans' efficiency and effectiveness in reaching the targeted outcomes. Managers can also evaluate the existing strategy's suitability in today's changing world of socioeconomic, political, and technical changes. The final element of strategic management is strategic evaluation. The importance of strategy evaluation resides in its ability to coordinate tasks performed by managers, groups, departments, and others through performance control. Strategic evaluation is important for a variety of reasons, including producing inputs for future strategic planning, the desire for feedback, appraisal, and reward, the development of the strategic management process, and determining the validity of strategic decisions.

Here under is the practice of strategy evaluation Hibert bank.

Table 4.3 Mean and Standard Deviation of Strategy Evaluation

			Mean	Std. Deviation
	Valid	Missing		
Hibret bank strategy is evaluated periodically.	331	0	2.9063	1.21368
The bank strategy is evaluated by its stakeholders regularly.	331	0	2.8308	1.13954
The bank strategy is evaluated by employees of the bank	331	0	4.0906	.91001
The bank strategy is audited by external auditors.	331	0	3.8882	1.00433
The bank activity is audited as per the strategy of the bank.	331	0	3.8912	.96308
The bank short and medium term strategy is evaluated as per the long term strategy of the bank.	331	0	4.2991	.82276
There is continuous and regular strategy evaluation in the bank	331	0	3.5317	1.03047
grand mean			3.6340	1.01198

Source: Survey Result, 2022

The mean score of strategy evaluation is 3.6 with standard deviation is 1.0 this relatively high mean indicted that Hibret bank strategy is evaluated periodically but only few middle and top level managers were a part of the evaluation. The bank strategy is evaluated by its stakeholders regularly but were not active participants of the evaluation process . The bank strategy is audited by external auditors and the bank activity is audited as per the strategy of the bank. In addition to this, the bank short and medium term strategy is evaluated as per the long term strategy of the bank by top managers and sometimes, there is continuous and regular strategy evaluation in the bank still by top managers but the finding was not properly communicated all employees of the bank.

Lack of Fixed performance benchmarks in the bank, poor monitoring performance, and lack of taking corrective action were among the open-ended responses. Maintaining objectivity in analysing and measuring the effectiveness of strategic goals is a big difficulty in Hibret bank. Although financial statements, questionnaires, and interviews are used by strategists of the bank other notions, such as manager opinions or contributions, are difficult to quantify.

A study done by Aosa, E. (2012) a plan may fail to provide the expected results for a variety of reasons. External elements could be out of sync with the strategy. Competitors may occasionally surprise you with unexpected movements that leave huge gaps in your approach. After investing time, effort, and money into developing strategies, it is not advisable to leave strategy execution to chance. Managers must constantly monitor everything, set checks and balances, and make mid-course modifications early in the strategy implementation process.He also point out that Limits of control, measurement difficulties, and motivational issues are three types of evaluation hurdles. Control's boundaries: It is difficult for strategists to determine the boundaries of control. Too much control discourages managers from taking initiative, experimenting with new ideas, and profiting from measured risks. When there is minimal control, on the other hand, employees tend to run off the rails, waste resources without fear of penalty, and operate at cross purposes, putting the firm's very survival in jeopardy. Mea surement difficulties: Valid and trustworthy measurement techniques are difficult to come by. Validity refers to how well an instrument measures what it claims to measure.

4.4 Correlation and Regression Analysis

4.4.1 Correlation Analysis

In research, correlation analysis is a statistical approach for calculating the link between two variables and measuring the strength of the linear relationship between them. Simply defined, correlation analysis determines how much one variable changes as a result of the change in the other.

The Spearman's rank-order correlation is the nonparametric version of the Pearson product-moment correlation. Spearman's correlation coefficient, measures the strength and direction of association between two ranked variables.

Here under is the of the study, In Correlation analysis Spearman's Correlation Analysis is useful way of exploiting relation (association) among variables in a study. The value of the coefficient ranges from -1 up to +1.

The value of coefficient of correlation r indicates both the strength and direction of the relationship. If r = -1 there is perfectly negative correlation between the variable. If r = 0 there is no relationship between the variable and if r = +1 there is perfectly positive relationship between the variables.

For values of r, different scholars have proposed different interpretation with slight difference. For this study decision rule given by Bartz (1999) was used to describe the strength of association among the variables as follows.

Table 4.4 correlation coefficient

Measure of Association	Descriptive Adjectives
>0.00 to 0.20; <-0.00 to -0.20	Very weak or very low
>0.20 to 0.40; <-0.20 to -0.40	Weak or low
>0.40 to 0.60; <-0.40 to -0.60	Moderate
>0.60 to 0.80; <-0.60 to -0.80	Strong or High
>0.80 to 1.0; <-0.80 to -1.0	**Very high or Very Strong**

Source: Bartz (1999)

Table 4.5 Correlation Result

Correlations					
		Strategy Formulation	Strategy Implementation	Strategy Evaluation	Organizational Performance
Strategy Formulation	Pearson Correlation	1	-.143**	.538**	.181**
	Sig. (2-tailed)		.009	.000	.001
	N	331	331	331	331
Strategy Implementation	Pearson Correlation	-.143**	1	.429**	.219**
	Sig. (2-tailed)	.009		.000	.000
	N	331	331	331	331
Strategy Evaluation	Pearson Correlation	.538**	.429**	1	.120*
	Sig. (2-tailed)	.000	.000		.029
	N	331	331	331	331
Organizational Performance	Pearson Correlation	.181**	.219**	.120*	1
	Sig. (2-tailed)	.001	.000	.029	
	N	331	331	331	331
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					

Source: Survey Result, 2022

The table showed that all independent variables, such as strategy formulation, strategy implementation and strategy evaluation were positively correlated with organizational performance.

More specifically Strategy Implementation (r=.219**), strategy formulation,(r=.181**) and strategy evaluation (r=.120*). Though all variables do have weak correlation with organizational performance, strategy implementation, has relatively strong correlation with bank performance.

A study done by Onserio Kerubo Donna(2018) point out that The data demonstrated that strategic leadership did not have as much of an impact on bank performance as the other components. It is suggested that bank executives use the findings to allocate resources to the

institution's main operations, not just those that are directly relevant to achieving educational goals, but also infrastructure. Institutions should develop new communication mechanisms, such as online feedback platforms, to ensure that all stakeholders are aware of the plans in place and can provide feedback on how they might be improved.

4.5 Regression Analysis

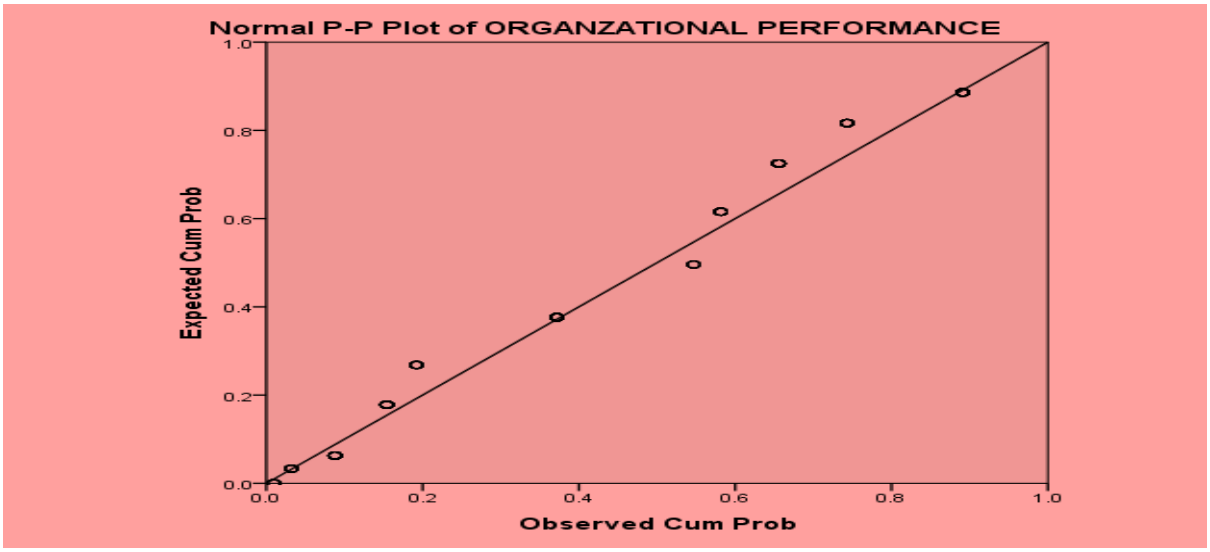
A set of statistical procedures for estimating relationships between a dependent variable and one or more independent variables is known as regression analysis. It can be used to determine the strength of a relationship between variables and to predict how they will interact in the future.

Inferential analysis allows you to make inferences or conclusions from data. This usually entails drawing inferences about a population based on data from a sample. Statistical inference employs probability and sample information to derive conclusions ("inferences") about a population or the likelihood that a result was acquired by random.

4.5.1 Linearity Test

The relationship between the independent and dependent variables must be linear for linear regression to work. Because linear regression is susceptible to outlier effects, it's also important to look for them. Scatter plots are the best way to verify the linearity assumption; the accompanying diagram shows there is a linear relationship between the dependent and independent varibales.

Fig 4.6 Linearity Test Result



Source: survey result, 2022

4.5.2 Testing the Skewness and Kurtosis of the Data

Skewness is a measure of symmetry, or more accurately, the lack of symmetry, according to Kothari (2004). If a distribution, or data collection, looks the same to the left and right of the center point, it is said to be symmetric. Kurtosis is a measure of how heavy-tailed or light-tailed the data are in comparison to a normal distribution. Data sets having a high kurtosis are more likely to contain heavy tails, or outliers. Light tails or lacks of outliers are common in data sets with low kurtosis. The most extreme instance would be a uniform distribution.

Table 4.6 Skewness and Kurtosis

Statistics				
		Strategy Implementation	Strategy Evaluation	Strategy Formulation
N	Valid	331	331	331
	Missing	0	0	0
Skewness		.172	.185	-.011
Std. Error of Skewness		.134	.134	.134
Kurtosis		-.718	.063	-.963
Std. Error of Kurtosis		.267	.267	.267

Source: Survey Result, 2022

According to Hair (2010) the values within the range of +1.96 and -1.96 are said to be

acceptable. Beyond these limits can be called skewed data but others argued that data is considered to be normal if Skewness is between -2 to +2 and Kurtosis is between -7 to +7. From rule of the thumb the researcher's data is normally distributed.

4.5.3 Multi collinearity Test

According to Kothari, (2004) explanation Multi collinearity means a state of very high inter-correlation or inter-associations among the independent variables. It is therefore a type of disturbance in the data, and if presented in the data the statistical inferences made about the data may not be reliable. He also point out that Multi collinearity generally occurs when there are high correlations between two or more predictor variables. In other words, one predictor variable can be used to predict the other and this creates redundant information.

Strong relationship between explanatory variables is a problem of multi collinearity and not acceptable for ordinary list square regression analyses.

Table 4.7 Multi collinearity Test

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Strategy Implementation	.619	1.615
	Strategy Evaluation	.449	2.225
	Strategy Formulation	.540	1.853
a. Dependent Variable: Organizational Performance			

Source: Survey Result, 2022

According to (Keith, 2006) Variance-inflation factor has also been checked and values are found smaller, which supports that multi collinearity is not a problem. In this study all VIF were less than 10 got acceptances.

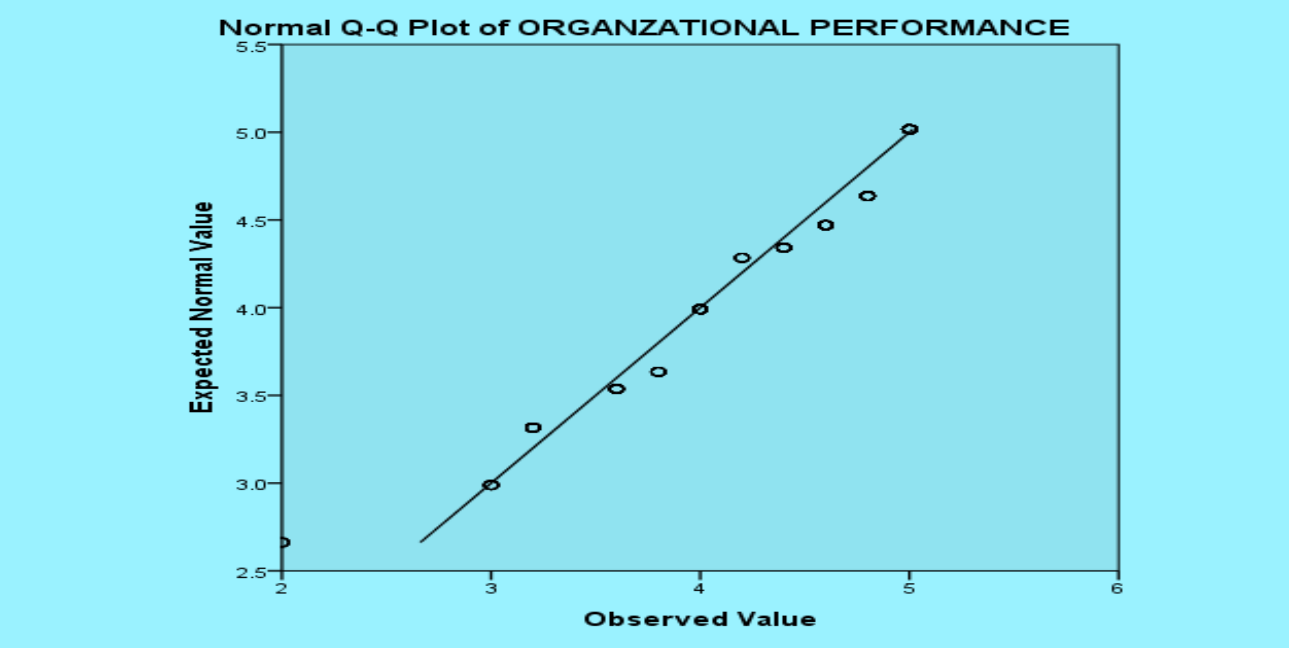
According to (Keith, 2006) tolerance statistics in regression analysis helps to detect co-linearity problem. Tolerance value runs from 0 to 1 and values closer to 1 indicates no multi collinearity problem. In this study all the tolerances are above 0.4 and, therefore, the amount of variation in that construct is not explained by other predictors. Both Tolerance and VIF tests indicated that there is no multi collinearity problem of the data.

4.5.4 Homoscedasticity Test

Homoscedasticity, or homogeneity of variances, is an assumption of equal or similar variances in different groups being compared. This is an important assumption of parametric statistical tests because they are sensitive to any dissimilarities. Uneven variances in samples result in biased and skewed test results.

This assumption necessitates an even distribution of residual terms or error term homogeneity across the data. Visual examination of a plot of the standardized residuals by the regression standardized predicted value can be used to verify for homoscedasticity (Osborn & Waters, 2002). The problem is not damaging to analysis if the erroneous terms are scattered randomly with no discernible pattern. The following Figures shows that the standardized residuals in this research are distributed evenly indicating heteroscedasticity are not a serious problem for this data.

Fig 4.7 Homoscedasticity Result



Source: survey result, 2022

4.4.5 Autocorrelation Test

Autocorrelation is a mathematical representation of the degree of similarity between a given time series and a lagged version of itself over successive time intervals. It is the same as calculating the correlation between two different time series, except autocorrelation uses the same time series twice: once in its original form and once lagged one or more time periods (Kothari, 2004).

Table 4.8 Autocorrelation

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.319[a]	.102	.094	.62631	1.220
A. Predictors: (Constant), Strategy Formulation, Strategy Implementation, Strategy Evaluation					
B. Dependent Variable: Organizational Performance					

Source: survey result, 2022

According to Stevens, (2009) explanation autocorrelation or independence of errors refers to the assumption that errors are independent of one another, implying that subjects are responding independently. Durbin- Watson statistic can be used to test the assumption that our residuals are independent (or uncorrelated). This statistic can vary from 0 to 4. For this assumption to be met, the DW value needs to be close to 2. Values below 1 and above 3 are problematic and causes for concern.

Here under the regression analysis of the data collected for strategy implementation processes.

Table 4.9 Model Summery

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.319[a]	.102	.094	.62631
a. Predictors: (Constant), strategy formulation, strategy implementation, strategy evaluation				

Source: Survey Result, 2022

Organizational perfomance and the independent variable were studied using multiple regression analysis to see if there was a statistically significant relationship. It also aided in the creation of a formula that demonstrates the relationship between the dependent variable (organizational performance) and the independent variables strategy evaluation, strategy formulation, and strategy implementation.

As indicated in the model summery table the linear combination of the independent variable was significantly related to the dependent variable, R=.319a, R square= . 102 adjusted R square=.094

R value tells that the overall independent variables strategy formulation, strategy implementation, strategy evaluation have strong effect on the dependent variable.

R-square value .102 indicates that 10% of variation on dependent variable (organizational performance) is explained by the above strategy process.

Table 4.10 ANOVA Table

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.554	3	4.851	12.368	.000[b]
	Residual	128.271	327	.392		
	Total	142.825	330			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), strategy formulation, strategy implementation, strategy evaluation						

Source: Survey Result, 2022

The above ANOVA table indicates the statistical significance of the regression model that was run. Here, p is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data).

The regression model considers Organizational Performance as dependent variable strategy formulation, strategy implementation, strategy evaluation as independent variables. The regression coefficients explain the average amount of change in the dependent variable due to a unit change in the independent variable holding other explanatory variables constant.

Table 4.11 Regression Coefficient

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.124	.336		9.289	.000
	strategy implementation	.066	.072	.061	.911	.363
	strategy evaluation	.443	.132	.263	3.365	.001
	strategy formulation	.269	.061	.314	-4.403	.000
a. Dependent Variable: Organizational Performance						

Source: Survey Result, 2022

As we can see in the above coefficient table strategy implementation has a beta value .061 ($p<0.05$), strategy evaluation beta value .263 $p<00$, strategy formulation beta value. 314, $P<0.01$. This indicted that strategy evaluation and strategy formulation has strong effect on the performance of bank.

From the regression table the beta value suggests that

- A unit increment in strategy formulation in the bank creates 31.4 percent increment in organizational performance at Hibret bank.
- A unit in strategy evaluation creates 26.3 percent increment in bank performance in Hibret bank.
- A unit change in strategy implementation creates 6.1 percent improvement in organizational performance in Hibret bank.

A study done by Haymanot(2018) revealed a high level of agreement regarding the characteristics of the numerous aspects that link plan implementation and bank performance. This investigation revealed, however, that not all employees were aware of the frameworks in place for bottom-up information flow. This study also revealed that the bank's leadership strategy is ambiguous, with the majority of employees questioning the effectiveness of the leadership method at Bank of Abyssinia.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 Conclusion

The mean and standard deviation of strategy formulation in the Hibret Bank is 2.9 with standard deviation 1.1. This modest mean indicted that the bank has well-articulated vision because the mean value is 3.9 and employees of the bank were aware of the vision and the mission of the bank. The mission statement establishes the banks course but all employees were not aware about the mission and vision of the bank, due to this the vision of the bank were not found relevant to its performance. Hibret Bank's strategy formulation process is ineffective because the Bank do not tries to communicate the strategy formulated to all employees and all employees were not aware of the big picture of the company rather they perform the task that was given in there job description. Hibret Bank was not trying to Periodically gather and analyze data about market and other external factors which affect the business rather the bank prepares annual plan from its strategy by taking the portion from its hidden document, even the organizational culture was not aligned to the bank's strategy.

The mean score of strategy implementation is 3.9 with standard deviation 0.9. This high mean indicted that the bank was tried to follow its strategy. The first challenge in strategy formulation is formulating the right strategy. The bank did not set clear goals and define key variables in the bank, no determined roles, responsibilities, and relationships with different variables and departments, no delegation of work to employees and even in different branches. In addition to this during execution there were no continued support and take corrective action like adjust or revise. Furthermore participants were revealed the presence of poor goal setting, lack of alignment, inability to track progress, people not connected to the strategy and no measurements or leading indicators.

The mean score of strategy evaluation is 3.6 with standard deviation is 1.0 this relatively high mean indicted that Hibret bank strategy is evaluated periodically but only few middle and top level managers were a part of the evaluation. The bank strategy is not evaluated by all its stakeholders regularly including employees of the bank. The bank short and medium term strategy is evaluated as per the long term strategy of the bank by top managers and sometimes, there is continuous and regular strategy evaluation in the bank by top managers.

Lack of Fixed performance benchmarks in the bank, poor monitoring performance, and lack of taking corrective action were among the open-ended responses. Maintaining objectivity in analyzing and measuring the effectiveness of strategic goals is a big difficulty in Hibret bank. Although financial statements, questionnaires, and interviews are used by strategists of the bank other options, such as manager opinions or contributions, are difficult to quantify.

Form inferential analysis all independent variables, such as strategy formulation, strategy implementation and strategy evaluation were positively correlated with organizational performance More specifically Strategy Implementation (r=.219**), strategy formulation,(r=.181**) and strategy evaluation (r=.120*). The linear combination of the independent variable was significantly related to the dependent variable, R=.319a, R square= . 102 adjusted R square=.094. Strategy implementation has a beta value .061 ($p<0.05$), strategy evaluation beta value .263 p<00, strategy formulation beta value. 314, $P<0.01$.

5.2 Recommendation

Based on the analysis discussed, the following recommendations are made so as to help the bank to enhance its performance.

- The Hibret Bank should clearly set the strategy formulation process by determining the objectives that the new strategy should achieve. Setting goals that are impossible to achieve is a common mistake when it comes to personal development, professional development, or company. Keep in mind that objectives should be attainable. Setting unrealistic goals can leave bank team feeling overwhelmed, uninspired, demoralized, and even burn out. Review the outcomes and performances both the successes and failures of previous change projects to decide what's realistic given timetable and resources to prevent unwittingly triggering low morale.
- Hibret bank should list all of the available resources at strategy implementation and evaluation process, including the employees, teams, and departments that will be involved. Create a clear image of what each resource is responsible for, and create a communication method that everyone should follow.
- All factors of various dimensions should be put into the right perspective, so as to help the general workforce of the bank to understand the main objectives and the strategic implementation in place to achieve the objectives of the bank per each fiscal year of Hibret bank. This will enlighten the employees of the bank to jeer towards

delivering services to enhance the general strategy of the bank and to raise its performance.

- Hibret bank should continue to exert unreserved efforts to enhance the skill and commitment of the Bank's staff in recognition of the fact that human capital is the most valuable asset of the company.
- Again, communicating changes helps the company to easily cope up with it. Therefore by using this trend as a benchmarks change in strategies, roles and responsibility should be redefined, well communicated to staff and corrected where mistakes are committed so as to bring it back on board to achieve organizational objectives. Moreover, factors relative to leadership should be well articulated to management and staff of the bank. Coordination of activities, streamlining of processes, aligning the organizational structure, and keeping employees motivated and committed to strategy implementation are key responsibilities of the leadership. This will help the employees to know and understand the style of leadership adopted for the operations and governance of the bank to keep them focus in working towards achieving the objectives of the bank.
- It is also recommended that lines of communication between managerial and non-managerial staff should be improved in order to encourage and support the flow of information and feedback mechanisms.

- Generally the bank should review the strategy document before 2030 and make some corrective measures in strategy formulation,implementation and evaluation tools so as to become competitive in the industry.

5.4. Research Limitation and Areas of Further Research

5.4.1 Limitations of the study

As any research has limitation this study has also a time limitation since it has to be submitted with the given time table to the school it may not consider all the strategy areas of the study and also the research only considers the employees of the bank found in Addis Ababa and its surroundings. The bank branches found in regional states and district offices found in other parts of the country were not included in the study so this may limit the outcomes the study.

5.4.2 Suggestion for further study

- The researcher recommend further study in this area by identifying other variables.
- The researcher suggest such researches in strategic management and organizational performance area across industry wide since there are new entrants in the pipeline they can take lesson.
- In addition to this it is also recommended that studies should be done on each variables to have a big picture of the strategy and organizational performance .

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- Hibret bank S.C Annual Report of 2019/20 ,July 2020
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Appendixes

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF BAIS

Dear Respondents!

Thank you for agreeing to participate in this study, my name is Wondwosen Tadesse Nega, student of Master's degree in Business Leadership at Addis Ababa University, School of Commerce.

The main objective of this questionnaire is to gather your opinion regarding **Assessment Of Strategic managment and Organizational Performance In Hibret Bank S.C.** The data and opinion gathered will be used for partial fulfillment of the requirement for Master's degree in Business Leadership at Addis Ababa University, School of Commerce, Department of BAIS. Your faithful and quick response will make the research fruitful. The information you provide will be kept confidential. Thank you in advance for your collaboration. If you have problems in completing this form, please do not hesitate to contact with the following address.

Regards:

Wondowosen Tadesse

Mobile phone +251- 91 1-03 6-671

E-mail wondee3@gmail.com

Part I: General Information of Respondents

Note

- ✓ No Need of Writing Your Name
- ✓ Circle your answer

1) Gender: A. Male B. Female

2) Age: A. Below 25 years B.25-30 years C.31-36 years

D.37-42 years E.43- 48 years F. above 48 years

3) Educational Qualification:

A. Certificate B. Diploma

C. B.A Degree D. M.A and above

4) Years of experience in the bank:

A. 1-5 years B. 6-10 years

C. 11-15 years D. above 15 years

5) Current Position in the bank:

A .Officer B. Supervisor

C. Middle level manager D. Top level manager

PART II: Specific Questions about the assessment of Strategy Implementation and organizational Performance of Hibret Bank

Note:

- ✓ Questions are designed to ask your level of agreement on the raised point. You are expected to choose from the given alternatives where the acronyms are explained below.

- SDA =strongly disagree
- DA = disagree
- M= Modest
- A = Agree
- SA = Strongly Agree

	Description of items	SDA	DA	M	A	SA
	Strategy formulation					
1	Hibret Bank has a well-articulated vision and mission.					
2	The vision of the bank is relevant to its performance.					
3	Hibret Bank's strategy formulation process is effective.					
4	Hibret Bank tries to communicate the strategy formulated to all employees.					
5	Hibret Bank tries to Periodically gather and analyze data about market and other external factors which affect the business.					
6	The organizational culture is aligned to the bank's strategy.					
7	The bank's organizational structure support effective strategy formulation.					
8	The bank identifies key threats & opportunities during market analysis.					
	Strategy implimetation					
1	The vision, mission and core values of Hibert bank support strategy implementation.					
2	Hibret bank make strategic decisions (implementation , action plans) based upon the strategic plan					
3	Making strategic decisions (implementation action plans) based upon the strategic plan improves organizational performance.					
4	The bank clearly assigned lead responsibility for action plan implementation to a person/ team.					

5	Clearly assigning lead responsibility for action plan implementation to a person / team improves organizational performance.					
6	Bank's strategy implementation process is effective.					
7	Having a monitoring and evaluation system for tracking performance improves bank performance.					
8	Allocation of resources for strategy implementation improves organizational performance.					
9	Hibret bank employees have a clear understanding about the strategy of the bank.					
10	The bank's organizational structure support effective strategy implementation.					
11	The bank set clearly defined key performance indicators for each planed performance.					
	Strategy evaluation					
1	Hibret bank strategy is evaluated periodically.					
2	The bank strategy is evaluated by its stakeholders regularly.					
3	The bank strategy is evaluated by employees of the bank					
4	The bank strategy is audited by external auditors.					
5	The bank activity is audited as per the strategy of the bank.					
6	The bank short and medium term strategy is evaluated as per the long term strategy of the bank.					
7	There is continuous and regular strategy evaluation in the bank					
	Organizational performance					
1	Hibret bank set key performance indicator to track success of strategic implementation.					
2	The bank set quantifiable or measureable goal.					
3	The bank goal include quality of service to customer satisfaction.					
4	The bank information system provides relatively easy access to information					
5	The bank strategy improves its performance.					

Part Three: Open Ended Questions

1. How do you evaluate the strategy formulation of the bank? Is it participatory?

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2. How do you evaluate the strategy implementation of the bank? Is it clear to the employees?

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3. How do you see the overall strategy formulation, implementation and evaluation process in the bank?

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4. Any other comment that you have on the strategy and the performance of the bank.
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Thank You in Advances!