ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE

Assessing the Effects of Selected Factors on the Alignment of Projects with Corporate Strategy in the Ethiopian Banks: The Case of Commercial Bank of Ethiopia, Awash Bank and Dashen Bank

A Project Work Submitted To Addis Ababa University School of Commerce for the Fulfilment of the Requirements for the Master of Arts Degree in Project Management

By

Sentayehu Tesfaye

Advisor: Mengistu Bogale (PhD)

March 2021

Addis Ababa, Ethiopia

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DECLARATION

I, the undersigned, certify that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma at AAU or other higher learning institution.

Sentayehu Tesfaye

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March 2021

This is to certify that the above declaration made by the candidate is correct to the best of my knowledge.

Advisor Name:- Medngistu Bogale (PhD)

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March 2021

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE GRADUATE PROGRAMS

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Approved by Board of Examiners

Internal Examiner	Signature	Date
Wubshet Bekalu (PhD)	________________________	_______________
External Examiner	**Signature**	**Date**
Dereje T. (PhD)	________________________	_______________
Advisor	**Signature**	**Date**
Mengistu Bogale (PhD)	________________________	_______________

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"…with man this is impossible, but with God all things are possible".

Matthew 19:26

Abstract

Alignment of projects with corporate strategy is a norm for most organizations in order to prioritize, implement projects and successfully complete projects, and achieve the corporate strategic objectives. The aim of this study was to examine the Effect of Selected Factors on the Successful Alignment of Projects with the Corporate Strategy in the Ethiopian Banks, tasking the case of CBE, AB and DB. The study pursued to identify if Top Management Support, Organizational Structure, Team Building, Communication System, and Monitoring and Evaluation have effect on the successful alignment of projects with the corporate strategy in the selected banks. The researcher adopted both primary and secondary sources of data. The primary data were collected through questionnaires and interview. The researcher then implemented both qualitative and quantitative (mixed) research approach. The questionnaire data were analysed using descriptive statistics, correlations, and multiple linear regression analysis and the data from interview were triangulated with the descriptive part of analysis. The Pearson correlation result has shown that the independent variables of Top Management Support, Organizational Structure, Team Building, Communication System and Monitoring and Evaluation have strong positive association with the dependent variable of Successful Alignment of Projects with the Corporate Strategy in CBE, AB and DB with values of 0.618, 0.501, 0.545, 0.518 and 0.590 respectively. The results of multiple regressions revealed that Top Management Support, Organizational Structure, Team Building, Communication System and Monitoring and Evaluation have positive and significant effect on the successful alignment of projects with the corporate strategy in the selected three Banks. Finally, the researcher provides possible recommendations that were associated with the study findings and suggests further study on the area.

Key Words: Project Management, Corporate Strategy, Banking Industry, Alignment of Projects with Corporate Strategy

Acronyms

AAPM	American Academy of Project Management
APM	Association for Project Management
AB	Awash Bank
BSC	Balanced Scorecard
CBE	Commercial Bank of Ethiopia
DB	Dashen Bank
DV	Dependent Variable
GTP	Growth and Transformation Plan
IVs	Independent Variables
NBE	National Bank of Ethiopia

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CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Strategies and projects have been a central activity in most organizations, especially in the banking industry, due to the dynamic market and high competition of the industry. Hence, banks develop and implement both strategies and projects with the objectives to accomplish their vision and goals and maintain sustainable competitive advantage.

Corporate strategy is developed as a means of considering and articulating how an organization's corporate goals and objectives will be pursued and achieved. The strategy typically cascaded to the strategic business units, and then ends up being represented as collections—or portfolios—of programs or projects, which becomes the vehicle for implementing the approved strategy (Peter and Ashley, 2004).

Kaplan and Norton (2001) stated that organizations execute their strategies through the creation of strategic initiatives, comprising portfolios of programs and projects. Corporate strategy identifies the goals of an organization and defines ways of achieving those goals. Project management takes one of the goals and manages costs, schedules and resources to give the desired result, which implies the alignment of the projects with corporate strategy.

As corporate strategy flows through an organization, it crosses a number of functional boundaries, such as business management, strategy management, and project management. While formulating and implementing an organization's strategy, researchers have emphasized the importance of alignment of projects with a strategy. Because, alignment of projects with corporate strategy has been an important concern for organizations as it not only help them to realize the potential benefits from their projects, but also enhances organizational performance and ensure achievement of corporate strategic objectives. However, the alignment of projects with a strategy requires a shared understanding of organizational goals and objectives. According to a study conducted by Project Management Institute (PMI) in 2008, aligning projects with corporate strategy can produce tangible and intangible benefits to organizations.

The traditional approach to project management considers projects as independent units and its success or failure is based on metrics usually associated with financial ratios. With the new proposed approach, aligning projects with business strategy, projects are no longer independent units and will enable benefits, either tangible or intangible, to the organization. Some of the benefits are saved money and resources, increased profitability, retained customers, increased market share, attained strategic goals, and improved corporate culture.

Though organizations want to align their projects with their corporate strategy to get the best strategy implementation and realize the stated tangible and intangible benefits, they face challenges when it comes to aligning projects with corporate strategy. As Lanka and Martin (2007) and Atkins (2019) state misalignment of projects with corporate strategy significantly contributes for projects failure in addition to an obstacle for realizing sustainable competitive advantage.

Different researchers (Brown & Magill, 1994; Dmaithan and Zulkhairi, 2011) have conducted studies to identify the factors that influence the alignment of projects with corporate strategy in an organization. However, the recent scholars (Chan and Reich, 2007; Johnson and Lederer, 2010; Raymond and Croteau, 2009) have continuously called for further study to examine the factors that affect project-strategy alignment.

Having noted this, the study assessed the existence of alignment between projects and corporate strategy in the Ethiopian banking industry, specifically focusing on Commercial Bank of Ethiopia, Awash Bank and Dashen Bank. Besides, the study selected the factors that influence the successful alignment of projects with the corporate strategy in the Ethiopian banks taking the case of the stated banks. These banks were selected having more than 25 years of banking services in the country and corporate strategy that is currently operational, implementing various projects with the objective to achieve their corporate strategic objectives, and registering successive achievement in their operational and strategic goals in the past years. In addition, the banks have the departments that are responsible to strategy and projects planning, implementing, monitoring and evaluating under their organizational structure.

1.2. Background of the Organizations

Currently, there are one government owned and 16 privately owned commercial banks in Ethiopia that are providing banking services to the general public. From these commercial banks, Commercial Bank of Ethiopia is the oldest and strongest bank, which was established in 1942. The Bank was established not only for profit making purpose but also to play key role in the national development endeavour through financing various mega projects, enhancing saving culture and financial inclusion, expanding banking services accessibility, creating cashless society, etc. As a government bank, its vision is derived from the country's policy and strategies. Consequently, in accordance with the implementation of the first five-year Growth and Transformation Plan (GTP I) in 2010, the Bank developed and implemented the first five-year corporate strategy (2010/11–2014/15) with a vision of "**Becoming a world-class commercial bank by 2025**".

The Bank then revised the first corporate strategy and implemented the second five year corporate strategy in 2015 (2015/16-2019/20) following the GTP II. Both strategies were developed in alignment with the GTP, because the plans have various implications for the Ethiopian banking system in general and CBE in particular. Currently, the Bank is developing the third corporate strategy with the objectives to align its strategy with the external and internal environments, and address the changing needs of its customers and stakeholders. As at June 2020, the Bank's branches reached 1,650, and its total assets and capital reached Birr 813.8 billion and Birr 49.8 billion respectively (CBE 2019/20 Annual Report).

Whereas, it took more than 50 years for the establishment of private commercial bank in the country following the NBE's Proclamation No. 84/1994 that licenses and supervises the commercial banking business. Accordingly, Awash Bank (AB) became the first private commercial bank in Ethiopia by starting its operations on February 13, 1995 by 486 founding shareholders with a paid-up capital of Birr 24.2 million. As of June 2020, the number of shareholders and its paid-up capital increased to over 4,369 and Birr 5.87 billion, respectively. Likewise, its total assets and profit before tax reached Birr 95.6 billion and Birr 3.6 billion respectively with over 466 branches found across the country (AB 2019/20 Annual Report).

The Bank has thrived over 25 years in a rapidly evolving market and economy with a vision "**To be the First Choice World Class Bank**". The Bank's mission is "To provide Innovative, Competitive and Diversified banking services accessible to the society with qualified and committed staff in a profitable and socially responsible manner". Accessibility, Wisdom, Accountability, Socially Responsible and Honesty are the Bank's core values.

Dashen Bank (DB), which is the second private commercial bank in Ethiopia, obtained its license from the NBE in September 1995 and started its normal banking operations on the first of January 1996 with a capital of Birr 50 million. As at June 2020, the Bank has total assets and capital of Birr 68.3 billion and Birr 8.3 billion respectively with 423 area banks (branches) within and outside of Addis Ababa (DB 2019/20 Annual Report).

Following the development of its five year corporate strategy (2018/19-2022/23) in 2018, the Bank designed its vision of "**To be the Best-in-Class Bank in Africa**" and mission statement of "To provide efficient customer-centric banking service using the expertise of inspired professionals and cutting-edge technology, while creating sustainable value for our stakeholders". The Bank's core values are Customer Centricity, Diversity, Professionalism, Teamwork, Integrity and Social Responsibility.

Moreover, based on the 2019/20 NBE's data, the performance of the three banks reviewed taking into account selected key performance indicators (KPIs) to substantiate how they could be representative of the banking industry for this particular study. CBE has more than 45% of share, on average, from the industry in all the considered KPIs. Similarly, AB and DB in aggregate have, on average, around one-fourth of the private bank's share while taking in to account the indicated KPIs.

KPI	Industry	CBE	CBE Share	Private Banks	AB	AB Share	DB	DB Share	AB + DB Share
Branch Number	5,945	1,604	27%	4,341	481	11%	436	10%	21%
Deposit (Bln. Br.)	1,041.4	596.7	57%	444.7	74.3	17%	53.5	12%	29%
Asset (Bln. Br.)	1,379.0	814.0	59%	565.0	89.3	16%	68.3	12%	28%
Capital (Bln. Br.)	105.2	49.6	47%	55.6	12.0	22%	5.5	10%	32%
Profit (Bln. Birr)	34.8	14.0	40%	20.8	3.6	17%	1.8	9%	26%

Source: NBE Annual Report 2019/20

1.3. Problem Statement

According to Romano (2014), organizations develop corporate strategy to define how their vision and strategic goals will be achieved. In developing the strategy, identification of strategic objectives and strategic initiatives are the core issues to be achieved in the strategic period. Specifically, strategic initiatives are portfolios of projects designed to achieve the strategy and used as a means to translate goals and vision into practice to stay ahead of the competition.

With this view, banks in Ethiopia have been developing their corporates strategies to win the stiff competitive banking environment in the country. For instance, CBE has designed and implemented two successive five-year corporate strategies starting from 2010, and is in the finalization of the third five-year strategy. Similarly, AB and DB developed their five-year corporate strategies with the objective to achieve their visions and corporate strategic objectives. While assessing the three banks' performances, they have been achieving success in most of their operations and strategic goals. Similarly, they have been implementing various projects with the objectives to realize their visions, enhance their services provision quality, become more competitive, and satisfy their customers and stakeholders.

Despite this fact, no evidence was found on how the banks were successful in aligning their projects with the corporate strategies. In most cases, ensuring alignment of projects with corporate strategy is difficult for organizations, which was also proved by the 2016 PMI's Global Project Management Survey. The survey found that less than half of the surveyed organizations align projects to the strategy, and fewer of their projects (an average of 48% of projects) were strategic initiatives. Similarly, Alsudiri et al. (2013) state organizations with poor alignment of strategy and project management have less successful projects, and around 30% of projects failure occurred due to misalignment between strategy and projects.

Moreover, alignment of projects with corporate strategy is about satisfying the factors that will make the projects successful and the strategic goals achieved. Hence, understanding the key success factors for the alignment of projects with corporate strategy is fundamental. The critical success factors are the elements that can influence the successful alignment of projects with the corporate strategy, which are independent variables that makes success of alignment more likely. Success factors are those inputs to the management system that lead directly or indirectly to the success of the project or business (Sumesh and Sudhakar, 2015).

Various researches (Jenifer, 2008; Al-Karaghouli et al., 2012, Muhammad, 2015, Garcia, 2017, etc.) supported that portfolios of projects need to be typically aligned with organizational strategy to establish a balanced and operational plan that will help the organization to achieve its strategic goals and in executing projects and other operational activities. Similarly, Al-Karaghouli et al. (2012) investigate the factors that led to the misalignment between project management and corporate strategy by investigating four case studies in the telecommunications industry in Saudi Arabia. They indicate that the internal factors such as communication, competence and leadership of the project manager, involvement of project manager in the strategy development and the executive's commitment, and the external factors like vendors, contractors, government agencies, and a dynamic market determine the alignment between project management and business strategy. Moreover, Beruk (2017) study the practice of Hope Enterprise in linking strategic management with project management, and the impact of linking on the enterprise's project success and achievement of strategic goals. He finds the linkage between the enterprises strategic management and project management, and projects were derived from the strategy, which helped the enterprise to ensure project success and achieve strategic goals. A study conducted by Dmaithan and Zulkhairi (2011) on the factors influencing IT-business strategic alignment in a Jordanian public shareholding firms find that leadership support, values and belief, IT managerial resources, service quality, and IT implementation successes significantly impact IT-business strategic alignment.

This indicates that previous studies regarding the alignment of project management with corporate strategy did not emphasis on factors influencing the successful alignment of projects with corporate strategy in Ethiopia. There is also lack of literature that studies the effect of selected factors on the successful alignment of projects with the corporate strategy in the Ethiopian banks. In addition, Chan and Reich (2007; Raymond and Croteau (2009); Srivannaboon (2009); Johnson and Lederer (2010) and Al-Karaghouli (2012) suggest the alignment of project management to corporate strategy should be further investigated. Accordingly, this study is motivated to focus on the factors influencing the alignment of projects with the corporate strategy in the Ethiopian banks.

1.4. Research Questions

The following questions were raised by the study to address the problem statement:

- How do the selected factors affect the successful alignment of projects with corporate strategy in the Ethiopian banks?

- What is the level of each selected factors effect on the successful alignment of projects with corporate strategy in the Ethiopian banks?
- Does the successful alignment of projects with the corporate strategy in the Ethiopian banks contribute to the successful completion of projects?
- Does the successful alignment of projects with the corporate strategy in the Ethiopian banks contribute to the realization of corporate strategic objectives?

1.5. Objectives of the Study

The general objective of the study is to identify the selected factors influence on the successful alignment of projects with corporate strategy in the Ethiopian banks. In addition, the study aimed to achieve the following specific objectives:

- Assess the level of effect of each selected factors on the successful alignment of projects with the corporate strategy in the Ethiopian banks;
- Assess the practice of alignment of projects with the corporate strategy in the Ethiopian banks;
- Assess the impact of aligning projects with corporate strategy on the successful completion of the banks' projects and corporate strategic objectives; and
- Propose possible recommendations that help to ensure the successful alignment of projects with corporate strategy in the Ethiopian banks.

1.6. Hypothesis

In the study, the following hypotheses were formulated to assess the alignment of project management with corporate strategy in the Ethiopian banks:

H1 - Top Management Support has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

H2 - Organizational Structure has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

H3 - Team Building has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

H4 - Communication System has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

H5 - Monitoring and Evaluation has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

1.7. Significance of the Study

The number of banks in Ethiopia is expected to increase in the coming years following the possible entrance of new banks in the banking industry that will bring stiff competition in the industry. As a result, implementing well-formulated strategies, mainly corporate strategy, and projects will be one of the areas that will help the banks to successfully win the expected stiff competition in the industry. Ensuring the successful alignment of projects with corporate strategies will also be another internal strength for banks to successfully realize their strategic objectives and vision.

In recognizing the facts, this study provides suggestions for banks on how to successfully align their projects with their corporate strategy that will help them to ensure the successful completion of the projects and realization of strategic objectives and vision. Moreover, the study will arose the banks' awareness on the importance of giving emphasis to the factors that contribute to the successful alignment of projects with corporate strategy to achieve projects and corporate strategic objectives. Finally, it helps to advance understanding of the project-corporate strategy alignment issue, and used as a reference to undertake further study on the area.

1.8. Scope of the Study

The study was restricted to assess the practice of aligning projects with corporate strategy in the Ethiopian banks by taking a sample of three banks. The study was also restricted to assess the critical factors influence on the successful alignment of projects with corporate strategy in the Ethiopian banks. In this regard, the target respondents were directors, managers and officers from the selected three banks' Strategy Planning, Monitoring and Evaluation, and Project Management departments.

1.9. Limitation of the Study

Since the study assessed the alignment of projects with corporate strategy in the Ethiopian banks, and the influence of the factors on the successful alignment of projects with corporate strategy by taking a sample of three banks, it was difficult to get literature and data in the area from our country‘s banking industry perspective.

1.10. Organization of the Study

Generally, the paper will be organized into five parts. The first part will consist background of the study that discusses briefly literature related to the study; i.e., statement of the problem that defines the problem, basic research questions, objective of the study, scope of the study, significance of the study and organization of the paper. Part two will review relevant literatures about the study that helps to understand the whole research study. Part three will discuss issues about the type and design of the research, population of the study, sampling technique and size, source of data, method of data collection and method of data analysis used briefly. The fourth part will handle data presentation, analysis and interpretation. Last but not the least, Part five will comprise summary of major findings, conclusion and recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1. Theoretical Review

2.1.1. Brief Overview about Project Management

Different researchers and institutions define project management in different ways. For instance, Sabin (2006) defined project management as a specialized method of management just similar to any other functional strategies that is used to achieve continues business goals, objectives and tasks within a planned schedule and budget. Whereas, the American Academy of Project Management (AAPM) defined project management as a management that supports the execution of an organization's competitive strategy to deliver a desired outcome.

According to the Association for Project Management (APM), project management is the application of processes, methods, skills, knowledge and experience to achieve specific project objectives according to the project acceptance criteria within agreed parameters. Project management has final deliverables that are constrained to a finite timescale and budget. In a similar way, the Project Management Body of Knowledge (PMBOK) defined project management as the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements. Project management is accomplished through the appropriate application and integration of the logically grouped project management processes, which are categorized into five Process Groups of Initiating, Planning, Executing, Monitoring and Controlling, and Closing (PMBOK Guide, 2013).

Kerzner (2009) states that project management is about planning, organizing, directing, and controlling of company resources for a relatively short-term objective that has been established to complete specific goals and objectives and is about achieving time, cost and quality targets, within the context of overall strategic and tactical client requirements. He also states that successful project management can then be defined as having achieved the project objectives within time and cost, at the desired performance/technology level, while utilizing the assigned resources effectively and efficiently, and accepted by the customer.

Since project management plays important role in accomplishing strategic goals and desired outcomes, it becomes very important and serves as a core function in many organizations. As a result, most organizations are moving toward project management environment as a "way of working" rather than a procedure or unified tool (Richard et al., 2007), and are linking their projects with business strategies to achieve the strategic goals and objectives. In general, Duque and Pelissari (2010) claim that project management has been presented as a set of processes able to lead to efficient and effective implementation of organizational strategies.

2.1.2. Corporate Strategy realization through Balanced Scorecard

The Balanced Scorecard (BSC) is the most favoured strategic planning and management system that is used by organizations to align projects with the strategy of an organization (Muhammad, 2015). In 1996, Kaplan and Norton developed the BSC as an effective mechanism to support organizational strategy, and translate an organization's vision and strategy into a coherent set of performance measures.

Figure 1: Using BSC as a Strategic Management System (Source: Kaplan & Norton, 1996)

The BSC is a strategic planning and management system that is used in wide-ranging industries including the banking industry to better align projects with the strategy. It helps to measure organizational performance against financial strategic objectives and non-financial performance measures like learning and growth, internal business process and customer/stakeholder perspective so that organizations can have a more 'balanced' view of their performance (BSC Institute, 2014).

Implementation of BSC can provide an organization with an effective means for bringing strategy into action. These tools helps the organization in translating its strategy into measurable and achievable goals, and to better monitor their progress with respect to pre-set goals and provides with a feedback mechanism for keeping project progress on track. Hence, the BSC system is a continual improvement process for strategic performance (ibid.).

According to BSC Institute (2014), implementation of BSC has a number of benefits that are summarized below as:

- ♣ Improved emphasis on strategy implementation by the means of project management and its outcomes;
- ♣ Improvement in over-all organizational performance by measuring what matters;
- ♣ Alignment of business strategy with the day-to-day activities of a project;
- ♣ Improved visibility of organization's vision and strategy even to an operational level;
- ♣ Increased focus on the metrics that make room for continual improvement; and
- ♣ Better prioritization of projects and organizational resources.

2.1.3. Aligning Projects with Corporate Strategy

Strategic alignment of projects with corporate strategy is a fundamental business concept that determines the competitiveness of an organisation through increasing its growth and profitability even in the toughest markets and economic climates. Several scholars suggest that the success of an organization could be considered in the context of the achievement of the strategic goals through the alignment of their projects with their corporate strategy (Dietrich and Lehtonen, 2005; and Kenny, 2006). Craddock (2015) states the alignment of projects with the organizational strategy serves two purposes. First, it gives rigor to the project selection process that favours projects in which expected results will contribute the most to achieving the strategy at the best cost. It also enables the periodic evaluation of on-going projects to determine how well they continue to support the strategic objectives.

Hence, aligning projects with corporate strategy bring benefits for organizations. Funds are spent to directly impact the organization's overall performance, thereby increasing profitability and reducing unnecessary expenses. By aligning projects with strategy, organizations can invest only in those initiatives which enable them to accomplish their objectives. Alignment can also help improve project success rates. According to PMI, projects that are aligned to corporate strategy are 57% more likely to achieve their business goal, 50% more likely to finish on time, and 45% more likely to finish on budget. Research has shown a significant increase in the organization's ability to address customer needs and expectations and financial performance and project success rates when projects aligned with corporate strategy (Grundy, 1995).

Similarly, when looking at an organization, important elements such as humans, departments, strategies, business processes appear. It is argued that successful organizations are organizations that achieve a proper alignment between these elements. Success depends on the degree of obtaining alignment which underlies the business strategy. When alignment is strong, the top management's support increases, the project management team obtains focus and encouragement, energy runs high, and team efficiency increases. But, when alignment is weak, the project team focuses less on the main goal and objectives of the company and actions become less effective.

Researchers, however, believe that achieving alignment between projects and corporate strategy is an evolutionary process which requires strong support from top management, good working relationships, strong leadership, appropriate prioritisation, trust, effective communication (Luftman, 2000; Williams and Samset, 2010; Alsudiri et al., 2013). Such requirements, therefore, lead many organizations into unsuccessful alignment between their projects and strategies (Dietrich and Lehtonen, 2005).

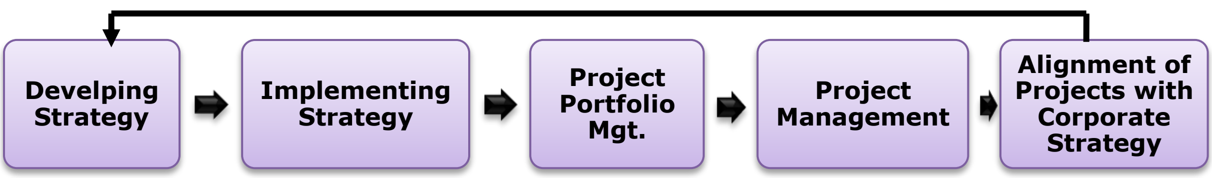


Figure 2: **Framework Main Process (Source: Ansari, Shakeri and Raddadi, 2014)**

According to Alsudiri et al. (2013), alignment of projects to corporate strategy in normal business operations is accomplished through elements of project selection, project portfolio management (PPM), and the Project Management Office (PMO). Whereas, for establishing and maintaining alignment of project management and corporate strategy, Milošević and Srivannaboon (2007) proposed the use of strategic planning and project portfolio management at the strategic level to interpret the business strategy in the context of project management. In addition, Ansari, Shakeri and Raddadi (2014) identified five main processes of the framework: i) strategy formulation, which manages the development of a sound strategy; ii) strategy implementation, which provides the sub processes needed to achieve organizational goals, including in the areas of operations and logistics; iii) project portfolio management, which provides sound composition of projects; iv) project management, which deals with the completion of operations needed to achieve goals; and v) alignment evaluation between project management and organizational strategies.

2.2. Empirical Review of the Literature

2.2.1. Factors Influencing the Alignment of Project Management with Corporate Strategy

According to Center for Management and Organization Effectiveness (CMOE), strategic alignment is the process of working with managements, business units, departments, teams, and individuals to connect their strategic efforts to the organization's overarching strategic goals, objectives, and actions, which can be considered as the factors that influence the alignment of projects with corporate strategy. From a project management perspective, critical success factors (CSFs) are characteristics, conditions, or variables that can have a significant impact on the success of the project when properly sustained, maintained, or managed (Milosevic and Patanakul, 2005). CSFs allowed an organization to implement successful alignment of project management with corporate strategy to improve the organization and project performance. CSFs thus are, for any organization, the limited number of areas in which result, if they are satisfactory, will ensure competitive performance of the organization (Rockart, 1982).

Pinto and Slevin (1987) identified a list of ten CSFs that are project mission, top management support, schedule and plans, client consultation, personnel, technical tasks, client acceptance, monitoring and feedback, communication, troubleshooting. These factors were also acknowledged by Müller and Turner, 2005 as important. Davis (2014) adopted a set of nine themes in order to describe success factors of projects, which include cooperation and communication, timing, identifying objectives, stakeholder satisfaction, acceptance and use of final products, cost/ budget aspects, competencies of the project manager, strategic benefits of the project and top management support.

Whereas, Luftman (2000) stated that alignment of projects with corporate strategy is not a onetime task but it is achieved through progression, which demands the success factors of dominant leadership, top management support, efficient communication, collaborative work environment, trust, proper prioritization, technological setup and comprehensive knowledge about the operations of the business.

Regarding this study, five critical factors were assumed to be the most important influential factors in successfully aligning project management with corporate strategy. These factors are top management support, team building, organizational structure, communication system, and monitoring and evaluation.

i. Top Management Support as a Success Factor

Top management support and commitment has been consistently identified as the most important and crucial success factor in the successful alignment of project management with corporate strategy. Alignment begins when senior executives share or cascade the strategy throughout the organization and engage functional leaders, team leaders, and individuals to identify and develop the organization’s goals, plans, and actions. Moreover, top management has significant responsibility in aligning projects and strategies with the organization's goals. Hence, top management is of central importance for the success of projects and plays important role in the successful alignment of project management and corporate strategies.

According to Green (1995), top management includes the CEO and the direct subordinates who are responsible for corporate policy. Pinto and Slevin (1998) suggest that the presence of support from management especially top management is the most important among all other factors for the successful alignment of project management with corporate strategy.

Different researchers states that top management need to constantly monitor the formulation of a strategy, alignment of a project management with corporate strategy, progress of the project and provide direction to the implementation teams (Bingi et. al., 1999; Sabina, Harriet and Jesse, 2015). Hacker and Doolen (2007) studied the role of top management in the perspectives of vision of the project and alignment of the scope with business strategy and project sponsorship and its impact on the triple constraint of the project; i.e., cost, performance and schedule. Luftman (2000) argues that achieving successful alignment of project management with corporate strategy is an evolutionary process which requires strong support from senior management. Claude and Hanley (2007) argue that strategy implementation efforts suffer as a result of a lack of commitment from executives, a lack of committed resources or ineffective project management.

ii. Team Building as a Success Factor

Effective team building can be a determinant factor for the successful alignment of project management and corporate strategy, and also project success. Team building is the process of taking a collection of individuals with different needs, backgrounds and expertise and transforming them by various methods into an integrated, effective work unit. In this transformation process, the goals and energies of individual contributors merge and support the objectives of the team (Wilemon & Thamhain, 1983).

In a traditional approach, the project manager and team is involved only at the strategy execution level and cannot influence the strategy in any manner. Whereas, in a strategic approach, project manager and team can contribute to the strategy formulation process (Muhammad, 2015). Involving project manager and team in the strategy development is one of the factors that may align the project to the strategy. Supporting this argument, Artto and Dietrich (2004) believe that encouraging project manager and team to plays a role in formulating strategies is one of the important managerial challenges of the project management and strategy alignment. However, Crawford (2005) finds that senior managers believe that project manager and team should not be involved in strategy formulation.

When a skilful project manager and team involve in the formulation of a strategy, this will reflect and enhance the successful alignment of projects with the strategy and business performance. Morris and Jamieson (2005) state that corporate strategy is not translated into project strategy by process alone. Moving strategy through such processes and practices requires a wide range of personal skills and a clear definition of roles and responsibilities.

iii. Organizational Structure as a Success Factor

Organizational structure is the hierarchical relationship of various entities within an organization that collaborate with each other for the achievement of strategic goals. In organizational structure, a number of principles will be considered, in which alignment is the major one. Organizational structure that does not align with the environment or series of internal systems will be much less effective. Marnewick (2018) suggests that many organizations could not derive projects from business objectives because they lack structured processes to ensure the alignment of projects with the strategy. According to Tammy (2000), misaligned organizations are like bodies in which the muscles have been attached to the skeleton in random fashion—producing unnecessary tension and counter-effort where none is needed. Similarly, Patanakul & Shenhar (2012) and Srivastava (2017) state that though many employees of an organization recognize the importance of their projects to their organization's strategic success, the organization lacks a formal organizational structure (framework) that hinders alignment of projects with the corporate strategy.

Literatures clearly demonstrate that the alignment of the PMO to the goals of an organization is key to driving strategy implementation. Organizations particularly large ones make use of a PMO for management of projects and strategic alignment of project management with corporate strategy. Creating value from the PMO requires aligning projects to the organization's strategy (Muhammad, 2015).

PMI's 2014 research reveals that organizations with high alignment of projects to strategy of the organization are significantly more likely to be highly agile. Furthermore, organizations with high organizational agility report not only more successful projects, but also more successful strategic initiatives (69% compared with 45% among organizations with low organizational agility).

iv. Communication System as a Success Factor

Communication is mentioned by researchers as a major factor which reinforces the alignment of project management with corporate strategy. Claude and Hanley (2007) claim that, due to communication problem, implementing strategy receives less attention than formulating strategy and translating strategy into action; i.e., aligning projects with strategy. Supporting the above argument, Guffey and Nienhaus (2002) find that only 56% of employees are able to identify the strategy even after management's efforts to communicate it.

Cabanis-Brewin (2000) reported that nine out of ten corporate strategies devised on the executive level never come to fruition. One reason for this is found in a survey conducted by the Society for Human Resource Management and the BSC Collaborative: 73% of polled organizations said they had a clearly articulated strategic direction, but only 44% of them communicated that strategy well to the employees who must implement it.

In a study of the telecommunications industry, participants stated that effective communication is one of the top attributes of project and strategy alignment (Alsudiri et al., 2013). Similarly, as per the research conducted by Hasan and Alhashimi (2019) in the oil and gas industry using four companies, proper communication channels, especially with top management is a key success factor for the successful alignment of projects with the corporate strategy.

However, lack of proper communication can increase the effect of risk on a project (Cole, 2017). Effective methods of communication such as continuous meetings, reports, and two-way communication would increase the concentration of employees toward the strategy in all levels (Luftman, 2000). Companies should focus on aligning their strategy with the project management in order to have a successful overall direction of both strategy and projects. Such alignment is challenging due to the objectives of strategy not being clear or well communicated between the strategy and the project management or consistent with the project management actions.

According to Grundy (2001), two major reasons contribute to the loose alignment between projects and strategy. The first is that corporate strategy is not known to those who are at the project level, since top management hides it for commercial sensitivity and want to maintain their power. In addition, project managers still don't consider it important for them to know the detailed strategy. The second reason is that the strategy itself is not clearly communicated to the implementers, and its ideas are not integrated into the project. In general, many researchers find that communication is a major driver in understanding project and strategy alignment (Cole, 2017; King, 2012; Muszyńska, 2018; PMBOK Guide, 2017; Parker et al., 2017; Stefanovic, 2008).

v. Monitoring and Evaluation as a Success Factor

Monitoring can be defined as on-going process by which stakeholders obtain regular feedback on the progress towards achieving their goals and objectives. It is the routine collection and analysis of information to track progress against set plans and check compliance to established standards, and helps identify trends and patterns, adapt strategies and inform decisions for project management. Whereas, evaluation is a rigorous and independent assessment of completed and/or on-going activities to determine the extent to which they are achieving stated objectives (UNDP, 2009).

Shenhr et al. (2007) states that carefully monitoring and evaluating project accomplishment is a significant strategic management concept that can help in aligning the project efforts with the organizations' short- and long-term goals. According to Hamdan and Jaafar (2014), alignment of project management with corporate strategy should be done at the start of the evaluation and selection process of projects. And, the monitoring process should be handled from the start of the project to its completion. Through this process, the organization ensures the successful completion of its projects and achieves its strategic goals. Stephen and Daniel (2016) revealed, in their research over Kenyan NGO projects, the existence of a strong positive correlation between monitoring and evaluation and project success.

2.3. Impact of Misalignment of Project Management with Corporate Strategy

Project management and strategy misalignment is a problem that exists within projects in most organizations and this misalignment can cause them to miss tangible goals and objectives (Alsudiri et al., 2013). According to Milosevic and Srivannaboon (2006), if there is no alignment between a project management and organizational strategy, the organization might continue to execute projects that don´t either meet its vision or contribute to its mission, wasting important resources.

The 2014 PMI's research states that projects and programs that are aligned to an organization's strategy are completed successfully more often than projects that is misaligned (48% versus 71%). But, on average, organizations report that three of five projects are not aligned to strategy. This lack of alignment of projects to organizational strategy most likely contributes to the surprising result that nearly one half of strategic initiatives (44%) are reported as unsuccessful (PMI, 2014).

Similarly, organizations throughout the world are losing billions of dollars in wasted project spending as a result of lack of alignment of projects with corporate strategy. As Stanleigh (2010) stated that many organizations suffer from project failures, reaching up to billions of dollars in losses, because of the misalignment of projects with corporate strategy. A study done by Calleam Consulting Ltd. (2014) on more than 70 failed large projects, such as "787 Dreamliner" Boeing Project in 2013 that had a cost increase of USD 18 billion above the original USD 5 billion, and the "The Promise" projects for Avon in 2014 that had a cost increase from USD 100 million to USD 125 million, also revealed that one of the major mistakes causing their failure was the misalignment the projects with strategy. Another survey done by PricewaterhouseCoopers in 2004 that included 10,640 projects from 30 countries with a total value of USD 7.2 billion showed that only 2.5% of projects achieve 100% success due to their right alignment of projects with strategy.

The lack of project success is not surprising given the newest research findings from Business Improvement Architects' research with more than 750 organizations worldwide. A major reason for project failure is that most organizations do not ensure that all projects they implement align with their organization's core strategies. In fact, 80% of organizations in the research study had no formal business case for the development of their Project Management Offices (PMOs) and 73% of organizations identified "lack of executive sponsorship" as being the primary reason for failure of their PMO (Michael, no date).

2.4. Conceptual Framework

Since this study focuses on assessing the selected factors effect on the successful alignment of projects with corporate strategy in the Ethiopian banks, a conceptual framework that shows the relationship between the dependent variable (DV) and the independent variables (IVs), and also the impact of the DV on the successful achievement of projects and corporate strategic objectives, as depicted below.

The diagram illustrates the DV that is the successful alignment of projects with corporate strategies in the Ethiopian banking industry, and the IVs which are top management support, team building, organizational structure, communication system, and monitoring and evaluation. The diagram also illustrates the impact of the DV on the successful achievement of projects and corporate strategic objectives.

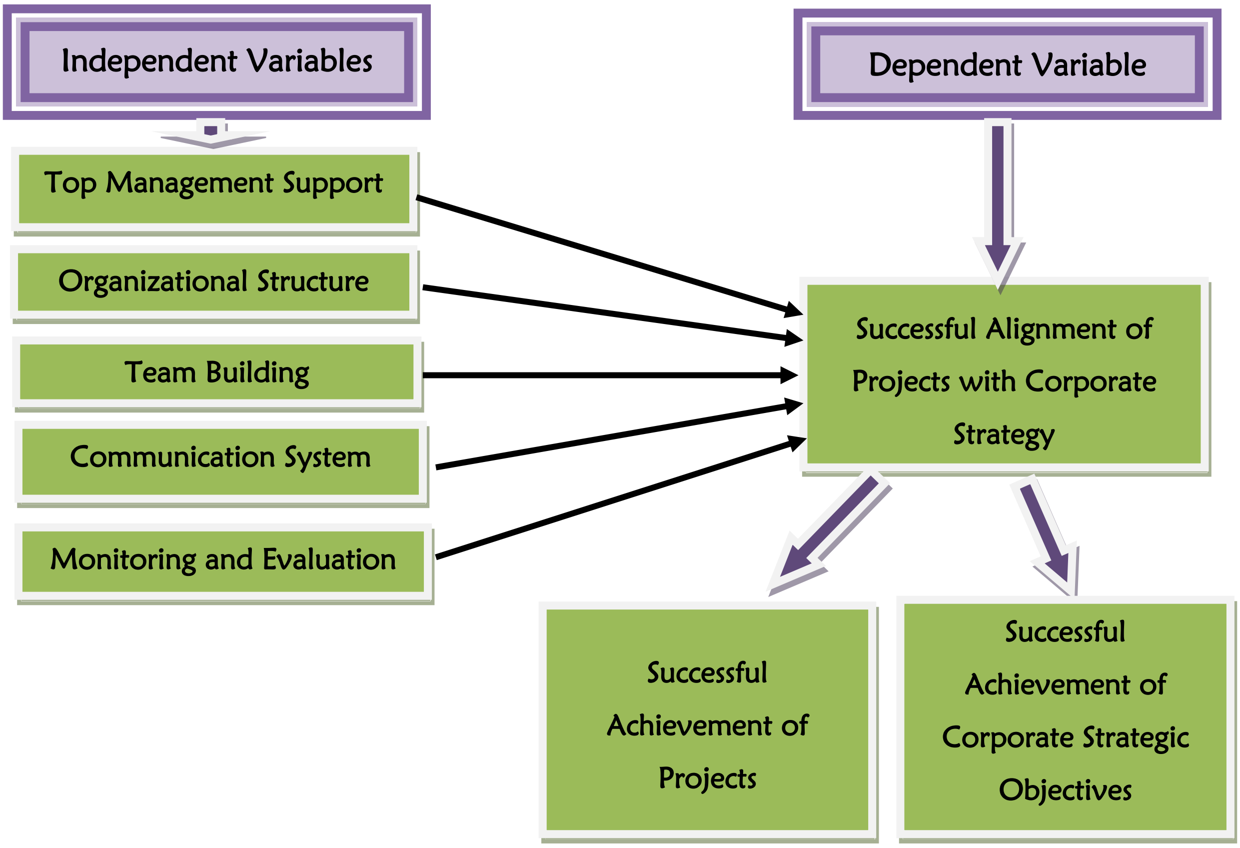


Figure 3: Conceptual Framework (Source: Developed by the researcher, 2021)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research Design

Saunders et al. (2000) categorize research approach as descriptive, explanatory (causal) and exploratory. Descriptive research design allows the researcher to describe, analyse and report conditions that exists or existed; whereas, explanatory research is conducted for a problem that was not well researched before. Exploratory research is a research approach which has a primary objective to insight into and understanding of the problem situation tackling the research and descriptive research approach as a type of research that has a purpose to describe something.

In conducting this study, the researcher employed descriptive research design to describe and explain the effect of the selected factors on the alignment of projects with corporate strategy in the Ethiopian banks.

3.2. Research Approach

The quantitative approach and qualitative approach are the two approaches that are basically used to conduct a research. The qualitative approach is concerned with the subjective assessment of attitudes, opinions and behaviour. The quantitative approach is used to answer questions about relationships among measured variables with the purpose of explaining, predicting, and controlling phenomena (Kothari, 2004).

In order to achieve the objectives of the study, both qualitative and quantitative data and ways of data presentation (or a mixed approach) was used. The use of mixed approach provides higher understanding of the research problem through gathering data that could not be obtained by adopting a single method, so that the findings with a single approach could be substantiated with others wherever possible.

3.3. Type and Source of Data

Both primary and secondary types of data sources were used to accomplish this study. The primary data was collected through structured questionnaire and interview. Survey questionnaire was distributed to managers and officers of CBE, AB and DB, who were assumed to be knowledgeable about the study area. The interview was also conducted with directors under the three banks. Whereas, the secondary data was collected from literatures, previous researches, the bank’s documents, websites, etc.

3.4. Research Population and the Sample Size

3.4.1. Target population

The target population of the study included the three banks' departments that have a direct role and responsibility in the planning, executing, monitoring and evaluating of the banks' strategies (both corporate and functional strategies) and projects.

Table 1: Targeted Departments of the Banks for Questionnaire & Interview

Bank's Name	Departments
CBE	Director – Strategy Planning, Monitoring & Evaluation
	Director – Business & Economic Research
	Director – Business Analysis & PMO
AB	Director – Strategy Implementation & Monitoring
	Director – IT Strategy & Innovation
DB	Director – Strategy & Innovation
	Director – Infrastructure

Source: The Bank's Organizational Structure

Based on the data obtained during interview with directors of the respective banks' departments, there were around 95 employees that were directly involved in the planning, executing, monitoring and evaluating of strategies and projects of the banks. As a result, these employees were taken as the target population of study.

3.4.2. Sample Size

In most cases, the population size and the time allotted to undertake the study can be taken as factors in deciding the size of the sample. For this study, however, the total number of (target) population was taken as the sample size to conduct the survey through questionnaire. This means, 95 questionnaires were distributed to the three banks' respondents.

Regarding the sample size for the interview purpose, 7 interviewees were selected from the three banks' divisions, who have a director position in the Strategy Planning, Monitoring, Evaluation and Project Management departments. According to the researcher's belief, reliable information was obtained from these respondents, since they have better knowledge or information on the subject matter.

3.5. Sampling Technique

To study a relatively small number of units in place of the target population, and to obtain data that are representative of the whole target population, Sarandakos (1997) proposes sampling techniques as a solution. The sampling design that is proposed to be employed for this study is a non-probability sampling. A non-probability sampling provides with an information-rich case study in which it enables to explore the research question and gain theoretical insight (Saunders et al., 2009).

The sampling technique that was applied for this study is purposive sampling, in which the respondents are chosen based on their convenience and knowledge about the subject matter. Thus, for this study, samples were selected who were convenient and knowledgeable about the subject matter of the study. The samples of the study were selected from individuals concerned with the strategy planning, monitoring and evaluation, and project management activities for the banks through purposive sampling. Hence, in this study, data will be collected from directors, managers, team leaders and senior officers in Strategy Planning, Monitoring and Evaluation, and Project Management departments of the respective banks.

3.6. Data Analysis

The data that was collected using the primary data sources was checked and edited to detect errors that might be committed by the respondents. After checking and editing, the data was coded and entered in to IBM SPSS Statistics 20 software and analysed through descriptive statistics, Correlation and Multiple Linear Regression.

Besides, correlation analysis was made to establish whether there is an association between the independent variables and the dependent variable and multiple regression analysis was conducted to establish whether the independent variables had impact on the dependent variable.

3.7. Validity of the Study

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2004). Validity of the study can be assessed by checking how well the results correspond to the established theories and other measures of the same concept. Hence, to check the validity of this study, the target population were carefully identified, structured questionnaire was used to collect the data and finally the Likert scale was used as a survey instrument.

3.8. Reliability of the Study

Since reliability test has to do with the accuracy and precision of a measurement procedure, a pilot study was carried out to determine the reliability of the questionnaires. According to Bhattacherjee (2012), reliability is the degree to which the measure of a construct is consistent or dependable. Cronbach's alpha was used to measure the reliability (internal consistency) of the study.

According to Sekaran (2003), reliabilities less than 0.6 are considered to be poor, those in the 0.7 range to be acceptable and good, and those over 0.8 are very good. However, values higher than 0.95 are not necessarily good, since they might be an indication of redundancy (Hulin, Netemeyer, and Cudeck, 2001).

Cronbach’s alpha coefficient and the reliability measure calculated for the study by using SPSS version 20. As a result, all the six variables were reliable as their reliability values exceeded the prescribed threshold of 0.7.

Table 2: Reliability Test Results

Variables	Cronbach's Alpha	No. of Items	Level of Reliability
Top Management Support	0.879	5	Very good reliability
Organizational Structure	0.820	3	Very good reliability
Team Building	0.810	4	Very good reliability
Communication System	0.824	4	Very good reliability
Monitoring and Evaluation	0.864	3	Very good reliability
Alignment of Projects with Corporate Strategy	0.814	3	Very good reliability

Source: Own calculation

3.9. Ethical Consideration

Before undertaking the survey, the researcher obtained permission from the sampled banks to distribute the questionnaire and conduct the interview with the respective targeted departments of the banks. Moreover, protection of the research participants’ privacy and adequate level of confidentiality of the research data were ensured.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1. Introduction

This chapter deals with analysis and discussions of the data gathered through questionnaire and interview. To analyse the data, the study employed a descriptive analysis (mean and frequency distribution approach) to observe the feature of variables. Then, correlation analysis used to measure the correlations of variables (Independent Variables and Dependent Variable). Finally, the regression analysis conducted to measure the impacts of the IVs on the DV.

Furthermore, the interview part triangulated with the descriptive part of analysis. Based on the analysis, the study entailed final decisions of the result of the discussion by taking 3 as a hypothetical average for the sake of descriptive analysis, and a mean result above 3 considered as satisfactory; whereas below 3 regarded as unsatisfactory. The study adopted Pearson Correlation analysis to check the association between the IVs and the DV and significance test judgment by taking P-value, i.e., P-value ≤ 0.01 taken as significance correlation; whereas, P-value >0.01 reminded as insignificance correlation and this implied the correlation between the IVs and DV. This purported to judge the objectives of the study. In addition to this, multiple regression analysis judged similar to correlation analysis by taking P-value decision criteria.

4.2. Response Rate

Though a total of 95 questionnaires were distributed to employees of CBE, AB and DB, the actual questionnaire collected were 87, making a response rate of 91%. Of the collected questionnaires, 37 were collected from CBE respondents, 28 from AB and the remaining 22 from DB respondents.

Table 3: Distributed Questionnaire and Response Rate by Banks

No.	Name of Bank	No. of Questionnaire Distributed	No. of Questionnaire Responded	Response Rate
1	**CBE**	40	37	92%
2	**Awash Bank**	30	28	93%
3	**Dashen Bank**	25	22	88%
	Total Questionnaire	**95**	**87**	**91%**

Source: Own survey, 2021

4.3. Demographic Profile

The demographic profile explained about the gender, age, job title, educational qualification and work experience of respondents of the banks that were included in the survey. Accordingly, in terms of gender, 70% were male respondents, whereas 30% were female respondents. Regarding the age composition of respondents, majority of them fall within the range of 31 and 40 years (52%), while 33% were in the age category of 41 to 50 years. The rest of respondents (15%) fall between the age of 20 and 30 years. Overall, 67% of the respondents were aged below 40 year.

Table 4: Gender and Age of Respondents with respect to the Banks

Name of Bank	Demographic Profile		Frequency	Percent	Cumulative
CBE	**Gender**	Male	27	73	73
		Female	10	27	100
		Total	**37**	**100**	
AB		Male	18	64	64
		Female	10	36	100
		Total	**28**	**100**	
DB		Male	16	73	73
		Female	6	27	100
		Total	**22**	**100**	
Total		Male	61	70	70
		Female	26	30	100
		Total	**87**	**100**	
CBE	**Age**	20 - 30 Years	5	14	14
		31 - 40 Years	18	48	62
		41 - 50 Years	14	38	100
		Total	**37**	**100**	
AB		20 - 30 Years	2	7	7
		31 - 40 Years	16	57	64
		41 - 50 Years	10	36	100
		Total	**28**	**100**	
DB		20 - 30 Years	6	27	27
		31 - 40 Years	11	50	77
		41 - 50 Years	5	23	100
		Total	**22**	**100**	
Total		**20 - 30 Years**	**13**	**15**	**15**
		31 - 40 Years	**45**	**52**	**67**
		41 - 50 Years	**29**	**33**	**100**
		Total	**87**	**100**	

Source: Own survey, 2021

Profile of the total respondents by their job title reveals that, majority of them (68%) were officers, followed by team leaders (18%) and managers (14%).

Table 5: Job Title of the Respondents with respect to the Banks

Name of Bank	Demographic Profile		Frequency	Percent	Cumulative
CBE	Job Title	Manager	6	16.2	16.2
		Team Leader	11	29.7	45.9
		Officer	20	54.1	100
		Total	**37**	**100**	
AB		Manager	3	10.7	10.7
		Team Leader	2	7.1	17.9
		Officer	23	82.1	100
		Total	**28**	**100**	
DB		Manager	3	13.6	13.6
		Team Leader	3	13.6	27.3
		Officer	16	72.7	100
		Total	**22**	**100**	
Total		**Manager**	**12**	**14**	**14**
		Team Leader	**16**	**18**	**32**
		Officer	**59**	**68**	**100**
		Total	**87**	**100**	

Source: Own survey, 2021

A closer scrutiny of the education level of respondents reveals that about 84% of the total respondents were holders of second degree (Master's Degree). The rest of respondents (16%) were first degree graduates.

Table 6: Educational Qualification of the Respondents with respect to the Banks

Name of Bank	Demographic Profile		Frequency	Percent	Cumulative
CBE	Educational Qualification	Master's Degree	30	81.1	81.1
		First Degree	7	18.9	100.0
		Total	**37**	**100**	
AB		Master's Degree	25	89.3	89.3
		First Degree	3	10.7	100
		Total	**28**	**100**	
DB		Master's Degree	18	81.8	81.8
		First Degree	4	18.2	100
		Total	**22**	**100**	
Total		Master's Degree	73	83.9	84
		First Degree	14	16.1	100
		Total	**87**	**100**	

Source: Own survey, 2021

In terms of respondents' work experience in the banks, the survey reveals that the largest proportion (45%) have 11 to 15 years of work experience, followed by 6 to 10 years (26%) and above 15 years (21%) work experiences. Only 8% of the respondents have less than 5 years of work experience in the banks.

Table 7: Work Experience of the Respondents with respect to the Banks

Name of Bank	Demographic Profile		Frequency	Percent	Cumulative
CBE	**Work Experience**	0 - 5 Years	2	5.4	5.4
		6 - 10 Years	6	16.2	21.6
		11 - 15 Years	17	45.9	67.6
		Above 15 Years	12	32.4	100
		Total	**37**	**100**	
AB		0 - 5 Years	2	7.1	7.1
		6 - 10 Years	11	39.3	46.4
		11 - 15 Years	13	46.4	92.9
		Above 15 Years	2	7.1	100
		Total	**28**	**100**	
DB		0 - 5 Years	3	13.6	13.6
		6 - 10 Years	6	27.3	40.9
		11 - 15 Years	9	40.9	81.8
		Above 15 Years	4	18.2	100
		Total	**22**	**100**	
Total		0 - 5 Years	7	8.0	8.0
		6 - 10 Years	23	26.4	34.5
		11 - 15 Years	39	44.8	79.3
		Above 15 Years	18	20.7	100
		Total	**87**	**100**	

Source: Own survey, 2021

4.4. Descriptive Statistics of Dependent and Independent Variables

The data that was collected from the respondents analysed and described below using the mean, which is the measure of the central tendency, and the standard deviation, minimum and maximum variables, which are a measure of variability.

4.4.1. Top Management Support

In any organization, the top management is expected to provide consistent support to the subordinates with the aim to ensure the alignment of projects with the corporate strategy, proper implementation of projects and realization of strategic gaols of the organization. Moreover, to support the definition of strategic goals and objectives, the alignment of projects with the strategy of an organization should be determined by the top management (Moeckel, 2009). As a result, the top management support has been consistently identified as the most important and crucial success factor.

In this regard, the respondents were asked to indicate their level of agreement with the statement of "Top Management support on the successful alignment of project with the corporate strategies in their banks", and the response summarized in Table 7.

Table 8: Descriptive Statistics on Responses to Top Management Support

Item	Name of the Bank	No.	Mean	Std. Deviation	Min.	Max.
Top management actively ensures the alignment of projects with the corporate strategy of the Bank	CBE	37	3.57	0.893	2	5
	AB	28	3.89	0.987	2	5
	DB	22	3.91	0.994	2	5
	Average Mean		**3.79**			
Top management tries to encourage project planners to align their projects with the corporate strategy of the Bank	CBE	37	3.70	0.661	2	4
	AB	28	3.93	0.766	2	5
	DB	22	3.82	0.733	2	5
	Average Mean		**3.82**			
Top management is concerned with the successful alignment of projects with the corporate strategy	CBE	37	3.78	0.843	2	4
	AB	28	3.93	0.879	2	5
	DB	22	3.86	0.902	2	5
	Average Mean		**3.86**			
Top management tries to take part in prioritizing project execution activities from the corporate strategy of the Bank	CBE	37	3.68	0.981	2	5
	AB	28	3.71	0.976	2	5
	DB	22	3.95	0.984	2	5
	Average Mean		**3.78**			
Top management supports the successful alignment of projects with corporate strategy of the Bank	CBE	37	3.78	0.841	2	5
	AB	28	3.92	0.878	2	5
	DB	22	3.86	0.901	2	5
	Average Mean		**3.85**			
Overall Average Mean			**3.82**			

Source: Own survey, 2021

According to the finding, the respondents from CBE, AB and DB agreed that the banks' top management ensures the alignment of projects with the corporate strategy with an average mean of 3.79. Similarly, the respondents agreed with an average mean of 3.82 and 3.86 that the top managements try to encourage project planners to align projects with the corporate strategy of the Bank, and take part in prioritizing project execution activities from the corporate strategy of the Bank, respectively. Moreover, the respondents agreed that the tope managements are concerned with and support the successful alignment of projects with the corporate strategy with an average mean of 3.86 and 3.85 respectively.

Finally, the overall average mean for top management support is 3.82, which implies the existence of effective supports from the banks' top management to ensure the successful alignment of project with the corporate strategies. This was also validated from interview questions that were forwarded to the directors. The directors explained that the banks' top management support ensured in different ways, including at the time of approving the developed corporate strategies, the top management will cascade the identified initiatives to the responsible divisions of the banks to execute the projects in aligning with the corporate strategies, regularly monitors and evaluates the projects performance, builds strategy developing and projects executing teams from different divisions, communicates the approved corporate strategy to the banks' employees, etc. In general, the interviewed respondents posited that the top managements' support plays a significant role in the successful alignment of projects with the corporate strategy in the banks.

4.4.2. Organizational Structure

Since a well-established organizational structure in an organization helps to ensure the smooth and effective hierarchical relationships of various divisions within the organization, it is considered as one of the critical success factor that ensures the successful alignment of projects with corporate strategy.

With the objective to justify this argument in the case of commercial banks in Ethiopia, respondents from CBE, AB and DB were asked to indicate their level of agreement with the statement "Organizational structure of the bank ensures the successful alignment of projects with the corporate strategy". The responses summarized and presented in the table below.

Table 9: Descriptive Statistics on Respondents to Organizational Structure

Item	Name of the Bank	No.	Mean	Std. Deviation	Min.	Max.
There is established organizational structure in the Bank that helps to ensure the alignment of projects with corporate strategy	CBE	37	3.73	0.693	2	4
	AB	28	3.79	0.63	2	4
	DB	22	3.82	0.758	2	4
	Average Mean		**3.78**			
There is clear procedure in the Bank that helps to ensure the alignment of projects with corporate strategy	CBE	37	3.81	0.776	2	5
	AB	28	3.89	0.737	2	5
	DB	22	3.95	0.722	2	5
	Average Mean		**3.88**			
In the strategy development process, relevant departments of the Bank represented to ensure the alignment of projects with corporate strategy	CBE	37	3.78	0.947	2	5
	AB	28	3.96	0.922	2	5
	DB	22	3.86	0.834	2	5
	Average Mean		**3.87**			
Overall Average Mean			**3.84**			

Source: Own survey, 2021

Based on the findings, the respondents from the three banks agreed with an average mean of 3.78 and 3.88 that there were appropriate organizational structures and clear procedures in the Banks that help to ensure the alignment of projects with the corporate strategies of the Banks, respectively. Similarly, the respondents agreed with an average mean of 3.87 that in the strategy development process, relevant departments of the Banks represented to ensure the alignment of projects with corporate strategies of the banks.

The overall average mean for organizational structure is 3.83, which imply there were appropriate and effective organizational structures in the banks that ensure the successful alignment of projects with the corporate strategies of the banks. The interviewed directors state that the established Strategy Planning, Monitoring and Evaluation, and PMO departments in the banks play significant role in the successful alignment of projects with the corporate strategies, monitoring and evaluating the projects implementation process, and ensuring the successful completion of projects and realization of the strategic goals of the banks. Menezes (2012) says that organizational structure is very significant in promoting the alignment between project portfolio management and organizational strategy through benefits that can be perceived by the organization, such as knowledge, vision, organizational changes and growth.

4.4.3. Team Building

From the different critical success factors for the successful alignment of projects with the corporate strategy, effective team building is essential through comprising a number of team members from various departments of an organization in the development of strategies and project planning. With respect to this, the respondents from CBE, AB and DB were asked to indicate their level of agreement on various statements in relation to team building and the results are shown in the table below.

From the findings, the respondents agreed with an average mean of 4.04 that making project managers and project teams' part of a corporate strategy formulation team ensures the successful alignment of projects with corporate strategy. While interviewing the directors about the trend of including employees in the corporate strategy formulation team, directors from the CBE confirmed that directors from the Strategy Planning, Monitoring and Evaluation, and Economic Research departments included in the corporate strategy developing team, but not from the Project Management department. Interviewees from AB and DB said that their banks' corporate strategies were developed by external consultants. So they did not involve in the corporate strategy development process. But, they were providing the required data, conducting focus group discussion with the consultants, and reviewing the documents on regular basis. All in all, there were gap in the process of developing the corporate strategies by not effectively forming the strategy developing team, which hinder the successful alignment of projects with the corporate strategy.

Table 10: Descriptive Statistics on Respondents to Team Building

Item	Name of the Bank	No.	Mean	Std. Deviation	Min.	Max.
Making project managers and project teams part of a corporate strategy formulation team ensures the successful alignment of projects with corporate strategy	CBE	37	3.95	0.887	2	5
	AB	28	4.25	0.928	2	5
	DB	22	3.91	0.905	2	5
	Average Mean		**4.04**			
Effective team building enables the team to communicate more effectively and enhances collaboration among team members	CBE	37	3.78	0.856	2	5
	AB	28	3.89	0.884	2	5
	DB	22	3.95	0.916	2	5
	Average Mean		**3.87**			
Existence of experience sharing and/or support among the strategy developing and project planning team members to realize the alignment of projects with corporate strategy in the Bank	CBE	37	3.68	0.973	2	5
	AB	28	3.79	0.917	2	5
	DB	22	3.82	0.958	2	5
	Average Mean		**3.76**			
Effective team building has positive effect on the successful alignment of projects with corporate strategy	CBE	37	3.70	0.948	2	5
	AB	28	3.86	0.932	2	5
	DB	22	3.91	0.921	2	5
	Average Mean		**3.82**			
Overall Average Mean			**3.87**			

Source: Own survey, 2021

Similarly, the respondents were agreed that effective team building enables the team to communicate more effectively and enhances collaboration among team members, and the existence of experience sharing and/or support among the strategy developing and project planning team members ensures the successful alignment of projects with corporate strategy in the Bank with an average mean of 3.87 and 3.76 respectively. The respondents were also agreed that effective team building has positive effect on the successful alignment of projects with the corporate strategy in the Banks with an average mean of 3.82.

The overall mean for effective team building is 3.87 that imply there was effective and efficient team during in the Banks that ensures the successful alignment of projects with corporate strategies. The interviewed directors also supported the importance of forming the strategy developing and project planning teams from the Banks' different departments including senior and experienced staff before commencing the development of strategy and planning projects.

4.4.4. Communication System

Effective communication lies at the heart of strategic alignment of projects with the corporate strategy of an organization. An organization's communication system is said to be successful when every employee, every team, and every business unit clearly knows the organization's strategy, which in turn supports the alignment of projects with the strategy. Regarding this, respondents from the CBE, AB and DB were asked to indicate their level of agreement whether effective communication system ensures the alignment of projects with corporate strategy in the bank.

Table 11: Descriptive Statistics on Respondents to Communication System

Item	Name of the Bank	No.	Mean	Std. Deviation	Min.	Max.
The Bank's corporate strategy clearly communicated to employees to ensure the alignment of projects with the corporate strategy	CBE	37	3.41	0.685	2	5
	AB	28	3.64	0.726	2	5
	DB	22	3.68	0.771	2	5
	Average Mean		**3.58**			
The Bank's corporate strategy timely communicated to employees to ensure the alignment of projects with the corporate strategy	CBE	37	4.08	0.862	2	5
	AB	28	4.21	0.787	2	5
	DB	22	4.18	0.853	2	5
	Average Mean		**4.16**			
There has been a trend in the Bank to cascade the identified initiatives in the corporate strategy to the respective divisions to ensure the alignment of projects with the corporate strategy of the Bank	CBE	37	3.78	0.933	2	5
	AB	28	3.75	0.867	2	5
	DB	22	3.91	0.921	2	5
	Average Mean		**3.81**			
There exists a proper communication system in the Bank that ensures the alignment of projects with corporate strategy	CBE	37	3.38	0.882	2	5
	AB	28	3.57	0.869	2	5
	DB	22	3.50	0.902	2	5
	Average Mean		**3.48**			
Overall Average Mean			**3.78**			

Source: Own survey, 2021

Findings presented in the above table shows that respondents were agreed with an average mean of 3.58 and 4.16 that their Bank's corporate strategies clearly and timely communicated to the employees with the objective to ensure the alignment of projects with the corporate strategies. Moreover, respondents were agreed in the existence of a trend in their Banks to cascade the identified initiatives in the corporate strategy to the respective divisions to ensure the alignment of projects with the corporate strategy of the Bank with an average mean of 3.81. The respondents were also agreed in the existence of proper communication system in their Banks that ensure the alignment of projects with corporate strategy.

The overall average mean for communication system ensures the successful alignment of projects with the corporate strategy is 3.78, which imply the respondent agreed that there was appropriate communication system. In addition, the interviewed respondents state that the developed corporate strategy were communicated to the banks' different departments' directors through awareness creation sessions and despatching the approved corporate strategy document for their further reference. And then, the directors were communicated the corporate strategy to the employees under their domain. In general, the interviewed directors believed the successful alignment of projects with the corporate strategy ensured through implementing effective communication system in the banks.

4.4.5. Monitoring and Evaluation

Monitoring and evaluation is a systematic process of collecting and analysing information to track the efficiency and effectiveness of an organization in the achievement of its strategic objectives in general, and alignment of projects with the corporate strategy in particular. The three banks' respondents were asked to indicate their level of agreement with monitoring and evaluation process in relation to the alignment of projects with corporate strategy, and the results are shown below.

From the findings presented in Table 12 below, the respondents were agreed with an average mean of 3.68 and 3.49 that the alignment of projects with corporate strategy monitored in the Banks before project implementation, and there exist proper evaluation mechanism in the Banks that ensure the successful alignment of projects with the corporate strategy respectively. The respondents also agreed with an average mean of 3.83 on the existence of adequate monitoring and evaluation efforts in the Banks towards the alignment of projects with the corporate strategy. In general, there have been effort in the Banks to update their projects plans based on the monitoring and evaluation reports of the alignment of projects with the corporate strategy, as per the respondents' agreement level with an average mean of 3.49.

Table 12: Descriptive Statistics on Respondents to Monitoring and Evaluation

Item	Name of the Bank	No.	Mean	Std. Deviation	Min.	Max.
Effective alignment of projects with corporate strategy monitored before the project implementation	CBE	37	3.68	0.944	2	5
	AB	28	3.64	0.911	2	5
	DB	22	3.73	0.883	2	5
	Average Mean		**3.68**			
There is proper evaluation mechanism in the Bank to ensure the successful alignment of projects with corporate strategy	CBE	37	3.38	0.963	2	5
	AB	28	3.61	0.974	2	5
	DB	22	3.55	0.955	2	5
	Average Mean		**3.49**			
There has been adequate monitoring and evaluation efforts towards the alignment of projects with corporate strategy	CBE	37	3.70	0.851	2	5
	AB	28	3.89	0.876	2	5
	DB	22	3.91	0.927	2	5
	Average Mean		**3.83**			
There has been efforts to update project plans in the Bank based on the monitoring and evaluation reports of the alignment of projects with corporate strategy	CBE	37	3.41	0.866	2	5
	AB	28	3.46	0.907	2	5
	DB	22	3.68	0.915	2	5
	Average Mean		**3.49**			
Overall Average Mean			**3.62**			

Source: Own survey, 2021

The overall average mean for the monitoring and evaluation is 3.62, which imply that there were effective monitoring and evaluation process in the banks to ensure the successful alignment of projects with the corporate strategies.

4.4.6. Alignment of Projects with Corporate Strategy

Buys and Stander (2010) argue that one in three initiatives fails because of not aligning projects with the strategy of organizations. Milosevic and Srivannaboon (2006) and Walsh et al. (2013) pointed that projects should be aligned to the strategy of organizations, because of the organizations' competitiveness, performance and strategic objectives realization.

In view of this, the three banks' respondents were asked to express their level of agreement whether the alignment of projects with the corporate strategy contributes to the successful completion of projects within the given time, budget and quality, and achievement of the Banks' corporate strategic objectives. Based on the findings presented in the table below, the respondents agreed with an average mean of 4.10 and 4.09 that aligning projects with the corporate strategy contributes to the successful completion of projects and the achievement of the Banks' corporate strategic objectives, respectively.

Finally, the respondents were asked whether their Banks ensured the alignment of their projects with the corporate strategies, and the respondents were agreed the alignment of projects with the corporate strategy in the banks with an average mean of 3.90. This was also supported by the interviewed respondents, in which the alignment of projects with the corporate strategies ensured in their Banks. They also said the alignment of projects with the corporate strategy significantly contributes to the successful completion of projects within the given schedule, budget and quality, and achievement of corporate strategic objectives.

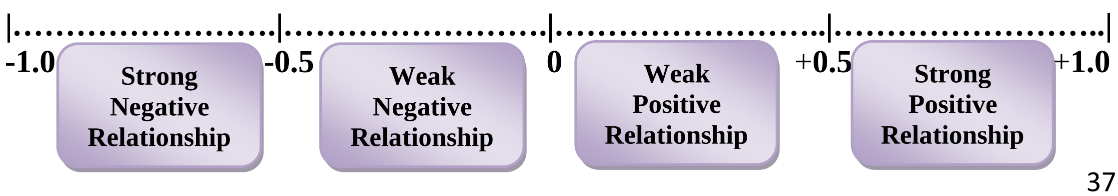
Table 13: Descriptive Statistics on Respondents to Alignment of Projects with Corporate Strategy

Item	Name of the Bank	No.	Mean	Std. Deviation	Min.	Max.
Alignment of projects with corporate strategy contributes to the successful completion of projects within the given time, budget and quality	CBE	37	4.03	0.6	3	5
	AB	28	4.14	0.651	3	5
	DB	22	4.18	0.664	3	5
	Average Mean		**4.10**			
Alignment of projects with corporate strategy contributes to the achievement of the Bank's corporate strategic objectives	CBE	37	4.08	0.277	4	5
	AB	28	4.11	0.315	4	5
	DB	22	4.09	0.294	4	5
	Average Mean		**4.09**			
The Bank ensured the alignment of projects with the corporate strategy	CBE	37	3.78	0.584	3	5
	AB	28	3.96	0.693	3	5
	DB	22	3.95	0.653	3	5
	Average Mean		**3.90**			

Source: Own survey, 2021

4.5. Correlation Analysis

In order to examine whether there is association between the DV and the IVs, this study used the Pearson Correlation analysis. The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation (means changes in the independent item will result in an identical change in the dependent item, but the change will be in the opposite direction), +1 indicating a perfect positive correlation (means changes in the independent item will result in an identical change in the dependent item), and 0 indicating no correlation at all (means there is no relationship between the two items and that a change in the independent item will have no effect in the dependent item). This study is based on the following assumption.



The correlation analysis of the DV of successful alignment of projects with the corporate strategy with the IVs of Top Management Support, Organizational Structure, Team Building, Communication System and Monitoring and Evaluation presented in the table below based on the observed 87 cases. In establishing the relationship between the DV of successful alignment of projects with the corporate strategy with the IVs of Top Management Support, Organizational Structure, Team Building, Communication System and Monitoring and Evaluation; the significance level of $p<0.01$ is used.

Table 14: Correlation Analysis

Independent Variables	Dependent Variable: Successful Alignment of Projects with Corporate Communication		
	Pearson Correlation	P Value	Significance
Top Management Support	0.618	0.000	Significant
Organizational Structure	0.501	0.000	Significant
Team Building	0.545	0.000	Significant
Communication System	0.518	0.000	Significant
Monitoring and Evaluation	0.590	0.000	Significant
** Correlation is significant at the 0.01 level (2-tailed).			

Source: Own survey, 2021

As a result, the Pearson Correlation (0.618, 0.501, 0.545, 0.518 and 0.590) indicated the existence of strong positive association between the DV of successful alignment of projects with the corporate strategy and the IVs of Top Management Support, Organizational Structure, Team Building, Communication System and Monitoring and Evaluation.

4.6. Regression Analysis and Hypothesis Test Results

The regression analysis is used when we want to predict the value of a variable based on the value of two or more other variables. The variable we want to predict is called the DV (or sometimes, the outcome, target or criterion variable). The variables we are using to predict the value of the dependent variable are called the IVs.

In this study, the regression analysis was conducted to understand whether successful alignment of projects with the corporate strategy can be predicted based on Top Management Support, Organizational Structure, Team Building, Communication System and Monitoring and Evaluation. Moreover, the study employed prominent assumption tests of Multicollinearity Statistics Test, Autocorrelation Test, Linearity Test and Normality Test for the regression analysis and the research model in order to minimize any error to inferences the results based on the samples for the whole population (see the assumption tests in Annex 3).

4.6.1. Multiple Regression Analysis

In order to understand whether there is any relationship between the DV and IVs, multiple regression analysis was done in the study using SPSS 20. The model summary presented in the table below provides the *R*, R^2, adjusted R^2, and the standard error of the estimate, which can be used to determine how well a regression model fits the data. In addition, the coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between the DV and IVs.

Table 15: Model Summary

Model Summary[b]				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.808[a]	.652	.631	.438

a. Predictors: (Constant), ME, CS, TMS, OS, TB
b. Dependent Variable: Successful alignment of projects with the corporate strategy

Source: Own survey, 2021

The R^2 is the indicator of coefficient determination, also known as the goodness of fits that describes how well the model fits a set of observation, was employed to measure the degree of relationship existing among the variables. In addition, the R^2 value is giving details about the IVs that were used in this study are explained in what degree of the DV. As per the result shown in Table 14 above, the R^2 is 0.652, which indicates that the IVs that were used in this study explain 65.2% of the DV. The remaining 34.8% is influenced by other factors that are not used in this study. This means that other factors not studied in this study affect 34.8% of the successful alignment of projects with the corporate strategy in the Ethiopian banking industry. This, in turn, gives a room for further research to investigate the other factors that influence the successful alignment of projects with the corporate strategy in the Ethiopian banking industry. Hence, this area is indicated as a scope for future research.

The values of the unstandardized Beta Coefficients (β) indicate the effects of each IV on the DV. It also indicates which IV makes the strongest contribution to explain the

DV, when the variance explained by all other IVs in the model is controlled. The t value and the sig (p) value indicate whether the IV is significantly contributing to the prediction of the DV. Therefore, the study's hypothesis testing was made based on β, t, and P values. As a result, the proposed hypotheses for this study were tested and discussed below using those coefficient results. The regression coefficient, constant and the P-Value or significance test of the analysis is presented in Table 15. Based on this, the hypothesis analysis is presented below.

Table 16: Regression Analysis of Independent Variables

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.402	.303		1.329	.188
	Top Management Support	.238	.061	.302	3.896	.000
	Organizational Structure	.191	.072	.218	2.642	.010
	Team Building	.160	.075	.180	2.141	.035
	Communication System	.148	.056	.198	2.626	.010
	Monitoring & Evaluation	.174	.068	.206	2.570	.012

a. Dependent Variable: Successful alignment of projects with corporate strategy

Source: Own survey, 2021

Hypothesis 1: Top Management Support has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

The result of the multiple regression in Table 15 above indicated that top management support had statistically significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks with ($\beta = 0.238$, $t = 3.896$ and $p = 0.000$). This implies that, holding all the other IVs constant, every one percent change (increase or decrease) in top management support has a resultant change of 2.38% on the successful alignment of projects with corporate strategy in the Ethiopian banks in the same direction. Thus, the proposed hypothesis accepted.

Hypothesis 2: Organizational Structure has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

The result of multiple regression presented in Table 15 above revealed organizational structure had statistically significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks with ($\beta = 0.191$, $t = 2.642$ and $p = 0.010$). Holding all the other IVs constant, a unit change (increase or decrease) in organizational structure has a resultant change of 1.91% on the successful alignment of projects with corporate strategy in the Ethiopian banks in the same direction. Thus, the proposed hypothesis accepted.

Hypothesis 3: Team Building has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

The results of multiple regressions that is presented in the above table indicated that team building had statistically significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks with ($\beta = 0.160$, $t = 2.141$ and $p = 0.035$). Holding all the other IVs constant, a resultant change (increase or decrease) in team building has a resultant change of 1.60% on the successful alignment of projects with corporate strategy in the Ethiopian banks in the same direction. Thus, the proposed hypothesis accepted.

Hypothesis 4: Communication System has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

The results of multiple regressions, which is presented in the above table, revealed that communication system had statistically significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks with ($\beta = 0.148$, $t = 2.626$ and $p = 0.010$). Holding all the other IVs constant, a unit change (increase or decrease) in communication system has a resultant change of 1.48% on the successful alignment of projects with corporate strategy in the Ethiopian banks in the same direction. Thus, the proposed hypothesis accepted.

Hypothesis 5: Monitoring and Evaluation has significant effect on the successful alignment of projects with corporate strategy in the Ethiopian banks.

The results of multiple regressions presented in Table 15 above revealed that monitoring and evaluation had statistically significant effect on the successful alignment of projects with corporate strategy in the Ethiopian Banks with ($\beta = 0.174$, $t = 2.570$ and $p = 0.012$). This implies that every one percent change (increase or decrease) in monitoring and evaluation has a resultant change of 1.74% on the successful alignment of projects with corporate strategy in the Ethiopian banks in the same direction, holding all the other IVs constant. Thus, the proposed hypothesis accepted.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of the major findings, conclusion and recommendations are dealt in this section. The summarized results of the study hence presented based on the discussion made on the analysis part; whereas, the conclusions were derived on the basis of the research objectives and hypothesis. The recommendation part, which is the last part of this section, was drawn from the literature and theoretical concepts.

5.1. Summary of Major Findings

With the aim to meet the objectives of the study, a mixed research approach was employed. The research design had the following major features of self-administered questionnaires that were distributed to 95 employees and semi structured interviewees that were conducted with directors of the three Banks of CBE, AB and DB. The respondents were believed to have better knowledge about the study areas.

Then, the collected data analysed using descriptive statistics, frequency distribution, Pearson Correlation and multiple linear Regression analysis. The discussion attempted to accomplish the objectives of the study, answer the research questions and test the hypotheses. Accordingly, the following findings were identified:

- The result of the survey indicated that 100% of the respondents were holders of first degree and above, and 66% of them have more than 10 years of work experience in the Banks;
- The correlation analysis of the study revealed that Top Management Support, Organizational Structure, Team Building, Communication System, and Monitoring and Evaluation have a strong positive association with the successful alignment of projects with the corporate strategy in the Ethiopian Banks with a Pearson Correlation of 0.618, 0.501, 0.545, 0.518 and 0.590 respectively;
- The results of the multiple regressions revealed that Top Management Support, Organizational Structure, Team Building, Communication System, and Monitoring and Evaluation had a positive and significant influence on the

successful alignment of projects with the corporate strategy in the Ethiopian Banks;

- The responses from the directors confirmed that the alignment of projects with the corporate strategy can be ensured by the top management through cascading the identified initiatives/projects in the corporate strategy to the responsible divisions of the Banks at the time of approving the developed strategy;
- Though the respondents agreed that the successful alignment of projects with the corporate strategy ensured through involving employees from different departments part of the strategy developing team. However, some of the Banks did not involve their employees in the strategy developing team since the strategies were developed by external consultants;
- The result of the survey indicated that the alignment of projects with the corporate strategy contributes to the successful completion of the Banks' projects within the given schedule, budget and quality, and also to the achievement of the Banks' corporate strategic objectives; and
- Last but not least, the survey indicated that there is a trend of aligning projects with the corporate strategy in the surveyed Banks with an overall average mean of 3.90.

5.2. Conclusions

Based on the above summarized major findings, the following conclusions thus can be drawn:

- Since all of the respondents were holders of first degree and above, and around two-third of them have long years of work experience in the Banks, they can easily understand and translate their Banks' vision, mission, values and corporate strategy in their day-to-day duties. Moreover, they will have better capacity and experience to formulate, plan, implement, monitor, evaluate and communicate the corporate strategies and projects. This, in turn, helps them to ensure the successful alignment of projects with the corporate strategy.
- For the successful alignment of projects with the corporate strategy in the Banks, the Top Management Support, Organizational Structure, Team

Building, Communication System, and Monitoring and Evaluation have a positive and significant influence.

- At the time of approving the developed strategy, the top management can ensure the alignment of projects with the corporate strategy through cascading the identified initiatives/projects in the corporate strategy to the responsible divisions of the Banks.
- Despite team building has a significant influence on the successful alignment of projects with the corporate strategy, there exists a gap in some banks that their strategies were developed by external consultants, and their employees did not get the opportunity to actively participate in the strategy development process. This, in turn, jeopardizes the successful alignment of projects with the corporate strategy.
- Banks can enhance their projects success rates within the given schedule, budget and quality through ensuring the successful alignment of their projects with the corporate strategy.
- In addition, the successful realization of the Banks' corporate strategic objectives can be ensured through ensuring the successful alignment of their projects with the corporate strategy.

5.3. Recommendations

Based on the major findings and conclusions made in the previous sections, the following recommendations are forwarded with the intention to improve the successful alignment of projects with the corporate strategy by the Banks through applying the recommended points.

- Higher level of education and long years of work experience is supposed to be important in the successful alignment of projects with corporate strategy. Banks should, however, identify their employees competency gaps and provide the required trainings especially to those employees who have a direct role in the strategy and projects formulation, implementation, monitoring and evaluation with the objective to ensure the successful alignment of projects with the corporate strategy;

- Top management support is very crucial in the successful alignment of projects with the corporate strategy in the Ethiopian Banks, and greatly affects the overall success of projects and the corporate strategic objectives of the Banks. Thus, the top management should exert the maximum support to ensure the successful alignment of projects with the corporate strategy through building a strategy developing and project implementing teams from different divisions of the Banks, providing the required resources and resolving issues related to the alignment of projects with the corporate strategy;
- Banks should establish and maintain a proper-functioning organizational structure to ensure the successful alignment of projects with their corporate strategy. This in turn ensure the successful completion of projects as per their schedule, budget and quality, and realize the corporate strategic objectives of the Banks;
- The timely and clearly communication of the corporate strategy should be the prime concern of the Banks in order to ensure the successful alignment of projects with the corporate strategy, and also achieve the projects and strategic objectives. Thus, the Banks should aware their employees about their corporate strategies, and the strategic objectives and strategic initiatives identified in the strategy particularly to those employees and divisions that have a direct responsibility in formulating, planning, implementing, monitoring and evaluating the strategy and projects;
- The Banks should give more emphasis on monitoring and evaluation process of their strategies and projects in order to identify their performance, gaps, and challenges with the objective to ensure whether proper alignment is established between the projects and the corporate strategy;

5.4. Suggestions for Further Research

The study sought to assess the trend of aligning their projects with the corporate strategy, and investigate the factors influencing the successful alignment of projects with the corporate strategy in the Ethiopian Banks taking the case of CBE, AB and DB. While conducting literature reviews, studies have been conducted internationally focussing on the importance of aligning projects with the corporate strategy, and identifying factors that influence the successful alignment of projects with the strategies in general taking the case of different organizations.

However, almost no study has been undertaken to explore the factors influencing the successful alignment of projects with the corporate strategy in the Ethiopian case, particularly the Ethiopian banking industry case. Hence, the researcher calls for further studies to be undertaken in Ethiopia in general and the banking industry in particular. The future studies that will be undertaken by other researches should also consider other factors that could influence the successful alignment of projects with the corporate strategy.

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Appendices

Appendix 1: Questionnaire

Addis Ababa University

School of Commerce

Project Management Postgraduate Program

Survey Questionnaire

Dear Sir/Madam:

I am currently conducting a research on the topic entitled **"Assessing the Alignment of Project Management with Corporate Strategy in the Ethiopian Banks: Comparative Case Study of Commercial Bank of Ethiopia, Awash Bank and Dashen Bank"** as a partial fulfilment of senior essay required for MA in Project Management at Addis Ababa University School of Commerce.

The main purpose of this questionnaire is to collect information regarding factors influencing the successful alignment of projects with corporate strategy in commercial banks in Ethiopia. It is the researcher's belief that you have involvement either in the strategy formulation, or project implementation, or both in your bank. So, you are cordially invited to participate in this survey.

I would like to confirm you that your response will be kept strictly confidential and will be used exclusively for the purpose of this research. Your cooperation is highly appreciated in advance, and looking forward to receive your immediate response.

Yours faithfully,

Sentayehu Tesfaye

Mob. No. 0910-592902

E-mail: sentayehutesfaye@yahoo.com

SECTION ONE: Background of the Respondent

Please respond the following questions either by ticking the appropriate box or by writing your answer in the space provided.

No.	Items	Dimension/Option	Put (√)
1	Gender	Male	
		Female	
2	Age	20 - 30 Years	
		31 - 40 Years	
		41 - 50 Years	
		Above 50 Years	
3	Job Title	Manager	
		Team Leader	
		Officer	
		Other	
4	Educational Qualification	PhD	
		Master's Degree	
		First Degree	
		Diploma	
		Other	
5	Work Experience	0 - 5 Years	
		6 - 10 Years	
		11 - 15 Years	
		Above 15 Years	
6	Name of Bank	CBE	
		Awash Bank	
		Dashen Bank	

7. Place of Assignment (Division/Department/Unit)

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SECTION II: Please Indicate Your Response using the tick mark (√)

Code	Descriptions	Scales				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	**Top Management Support**					
1.1.	Top management actively ensures the alignment of projects with the corporate strategy of the Bank					
1.2.	Top management tries to encourage and/or convince project planners to align their projects with the corporate strategy of the Bank					
1.3.	Top management is concerned with the successful alignment of projects with the corporate strategy					
1.4.	Top management tries to take part in prioritizing project execution activities from the corporate strategy of the Bank					
1.5.	Top management supports the successful alignment of projects with corporate strategy of the Bank					
2	**Organizational Structure**					
2.1.	There is established organizational structure in the Bank that helps to ensure the alignment of projects with corporate strategy					
2.2.	There is clear procedure in the Bank that helps to ensure the alignment of projects with corporate strategy					
2.3.	Relevant departments of the Bank represented in the strategy development process to ensure the alignment of projects with corporate strategy					
3	**Team Building**					
3.1.	Making project managers and project teams part of a corporate strategy formulation team ensures the successful alignment of projects with corporate strategy					
3.2.	Effective team building enables the team to communicate more effectively and enhances collaboration among team members					

Code	Descriptions	Scales				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
3.3.	Existence of experience sharing and/or support among the strategy developing and project planning team members to realize the alignment of projects with corporate strategy in the Bank					
3.4.	Effective team building has positive effect on the successful alignment of projects with corporate strategy					
4	**Communication System**					
4.1.	The Bank's corporate strategy clearly communicated to employees to ensure the alignment of projects with the corporate strategy					
4.2.	The Bank's corporate strategy timely communicated to employees to ensure the alignment of projects with the corporate strategy					
4.3.	There has been a trend in the Bank to cascade the identified initiatives in the corporate strategy to the respective divisions to ensure the alignment of projects with the corporate strategy					
4.4.	There exists a proper communication system in the Bank that ensures the alignment of projects with corporate strategy					
5	**Monitoring and Evaluation**					
5.1.	In the Bank, effective alignment of projects with corporate strategy monitored before the project implementation					
5.2.	There is proper monitoring and controlling mechanism in the Bank to evaluate the successful alignment of projects with corporate strategy					
5.3.	There has been adequate monitoring and evaluation efforts towards the alignment of projects with corporate strategy					
5.4.	There has been efforts to update project plans in the Bank based on the monitoring and evaluation reports of the alignment of projects with corporate strategy					

Code	Descriptions	Scales				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
6	**Alignment of Projects with Corporate Strategy**					
6.1.	Alignment of projects with corporate strategy contributes to the successful completion of projects within the given time, budget and quality					
6.2.	Alignment of projects with corporate strategy contributes to the achievement of the Bank's corporate strategic objectives					
6.3.	The Bank ensured the alignment of projects with the corporate strategy					

Appendix 2: Interview Questions

Dear Respondent,

The objective of this interview is to gather relevant and in-depth information that will provide insights about the Successful Alignment of Project Management with Corporate Strategy in the Ethiopian Banks. This study is undertaken as a partial requirement for the completion of MA in Project Management.

1. Have you ever been part of a corporate strategy formulation team?
2. Have you ever been part of a project implementation team?
3. In your perspective, does the Bank ensure successful alignment of its projects with the corporate strategy?
4. Describe how projects are aligned with the corporate strategy in your Bank?
5. In your perspective, what were the key factors for the successful alignment of projects with corporate strategy in your Bank?
6. Do you think that top management's support ensure the successful alignment of projects with corporate strategy?
7. Do you think that organizational structure supports the successful alignment of projects with corporate strategy?
8. Do you think that effective team building for strategy formulation ensures the successful alignment of projects with corporate strategy?
9. Do you think that implementing effective communication system ensures the successful alignment of projects with corporate strategy?
10. Do you think that effective monitoring and evaluation processes ensure the successful alignment of projects with corporate strategy?
11. Do you think that the Bank's corporate strategic objectives achieved through aligning projects with corporate strategy?
12. Do you have any comment to add?

Thank you for your time and cooperation!!!

Appendix 3: Assumption Tests

The study employed independent variables tests with the purpose to achieve the regression test. The tests include assumption test of multicollinearity, autocorrelation, linearity and normality.

Multicollinearity Statistics Test

Multicollinearity, which refers to the assumption that the independent variables are uncorrelated, occurs when two or more independent variables are highly correlated with one another in a regression model. Hence, when multicollinearity is low, the researcher is able to interpret regression coefficients as the effects of the independent variables on the dependent variable. This means that inferences about the causes and effects of variables reliably can be made.

Therefore, multicollinearity can be tested by looking at the Coefficients table that is presented below. This allows to more formally checking that the predictors (or IVs) are not too highly correlated. Variable Inflation Factors (VIF) and Tolerance statistics can be used to assess this assumption. For the assumption to be met, VIF scores should be well below 10, and tolerance scores should be above 0.2.

As depicted in the table below, there was no problem of multicollinearity since VIF values < 10, and all tolerance > 0.2.

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	**VIF**
1	(Constant)		
	Top Management Support	.683	1.465
	Organizational Structure	.628	1.592
	Team Building	.687	1.456
	Communication System	.765	1.307
	Monitoring and Evaluation	.698	1.434

a. Dependent Variable: Successful alignment of projects with corporate strategy

Own Source, 2021

Autocorrelation Test

Autocorrelation refers to the degree of correlation between the values of the same variables across different observations in the data. The concept of autocorrelation is most often discussed in the context of time series data in which observations occur at different points in time. A common method of testing for autocorrelation is the Durbin-Watson (DW) test.

The Durbin Watson (DW) statistic is a test for autocorrelation in the residuals from a statistical regression analysis. The DW test produces a test statistic that ranges from 0 to 4. Values close to 2 (the middle of the range) suggest less autocorrelation, and values closer to 0 or 4 indicate greater positive or negative autocorrelation respectively. A rule of thumb is that test statistic values in the range of 1.5 to 2.5 are relative normal. Any value outside this range could be a cause for concern.

In this study, the Durbin-Watson statistic is 2.484, which is between 1.5 and 2.5, and therefore the data is not autocorrelated.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.808[a]	.652	.631	.438	2.484

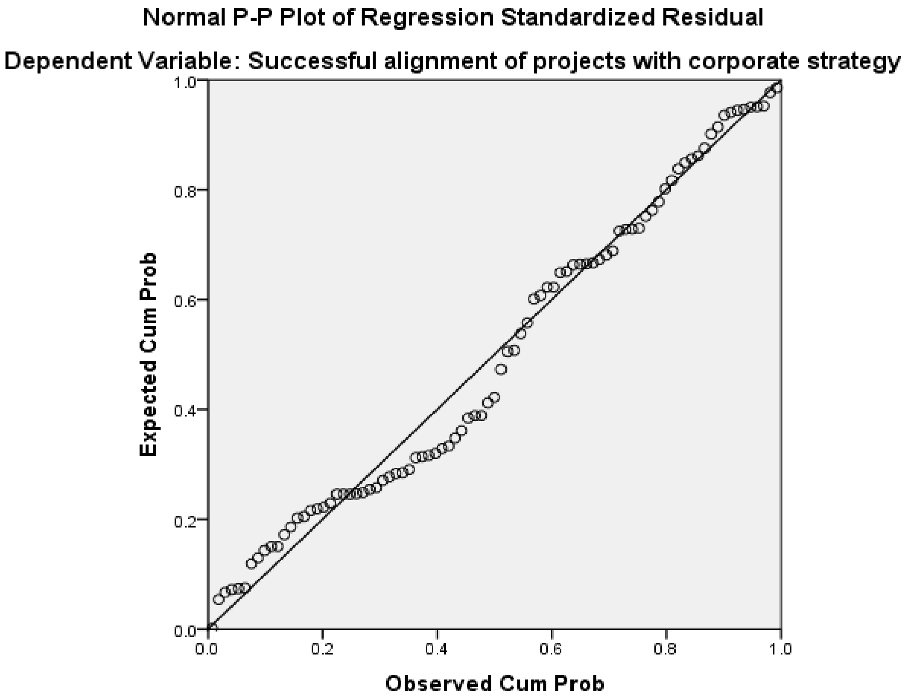
a. Predictors: (Constant), Top Management Support, Organizational Structure, Team Building, Communication System, Monitoring and Evaluation

b. Dependent Variable: Successful alignment of projects with corporate strategy

Own Source, 2021

Linearity Test

Linearity test aims to determine the relationship between independent variables and the dependent variable is linear or not. It defines the dependent variable as a linear function of the predictor (independent) variables. The linearity test is a requirement in the correlation and regression analysis. Multiple regressions can accurately estimate the relationship between dependent and independent variables when the relationship is linear in nature. The figure below shows normal P-plot with normal distribution from the SPSS software.



Normality Test

Multiple regression assumes that variables have normal distributions. This means that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve. The assumption is based on the shape of normal distribution and gives the researcher knowledge about what values to expect. Once the sampling distribution of the mean is known, it is possible to make predictions for a new sample. The figure below shows the histogram with normal distribution from the SPSS software.