



ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**THE CHALLENGES OF IMPLEMENTING STRATEGIC
MANAGEMENT IN COMMERCIAL BANK OF
ETHIOPIA**

BY

MEKEDAS ALEMAYEHU

OCTOBER, 2019

ADDIS ABABA, ETHIOPIA



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SCHOOL OF GRADUATE STUDIES

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF PUBLIC ADMINISTRATION AND

DEVELOPMENT MANAGEMENT

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(MPMP)**

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MANAGEMENT

DECLARATION

I, Mekedas Alemayehu, ID No, *GSE/2236/10* declare that all source of material used for writing of this thesis have been acknowledged. I conform that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

Addis Ababa University, Addis Ababa

Signature

October, 2019

ENDORSEMENT

This thesis has been submitted to **Addis Ababa University**, School of Graduate Studies for examination with my Approval as a University Advisor.

Advisor

Addis Ababa University, Addis Ababa

Signature

October, 2019

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DEPARTMENT OF PUBLIC ADMINISTRATION AND DEVELOPMENT
MANAGEMENT**

Certification

This is to certify that the thesis prepared by Mekedas Alemayehu entitled “The Challenges of Implementing Strategic Management in Commercial Bank of Ethiopia”, which is submitted in partial fulfillment of the requirements for the Degree of Masters in Public Management and Policy (MPMP), complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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LISTS OF ACRONYMS

CBE Commercial Bank of Ethiopia

HR Human Resource

ABSTRACT

This paper demand on assessing the challenges of implementing strategy management of commercial bank of Ethiopia. In the way to answering the basic question of the research, the study applied descriptive research design using mixed research approach. Data was gathered through questionnaires', interviews and document review. To collect representative data a five point likert scale is used and descriptive analysis with frequencies and percentage were applied during data analysis.

The findings of the research show that the implementing of strategy management is mainly concentrated on five major challenges confronted by the organization in the process of implementing strategy management; potentially unachievable strategy, ineffective leadership, having wrong people in leadership position, poor alignment with administrative authority and implementing strategy management tasks were not sufficiently defined. Additionally, the finding of research shows that The major factor affecting implementing strategy management have four core factors Such as the vagueness of the assignment of responsibility, inadequate down the line leadership, uncertainties, unplanned project causes deviation in implementation. And finally it concludes that the majority respondents agreed on the major action taken to reduce the challenges of implementing strategy management that top management commitment, the involvement of subordinate, role of communication, maintain an open strategy implementation process, clarify strategic goals during strategic plan development, providing opportunity for participation, establishing creative working environment to sustain implementing strategy management and also training.

Based on the finding, the study recommended that to have a successful implementation of strategies, Effective leadership, Effective communication, Having the right people in leadership position, Better alignment with administrative authority, the involvement of subordinate, reduce vagueness of the assignment of responsibilities, the top management's commitment. Moreover, Teamwork plays an important role within the process of strategy implementation. Finally, the training is one of the effective way to provide follow up to ensure employees execute new strategic lessons in their daily workflows.

Key words: *strategic management*

CHAPTER ONE

1. INTRODUCTION

1.1. BACKGROUND OF THE STUDY

The concept of implementing strategy management has been embraced worldwide and across various sectors because of its perceived contribution to organizational effectiveness (Thompson & Strickland, 2012). Today, organizations both public and private have taken seriously to the practice of implementing strategy management to guide the performance of those organizations. (Steiner, 2011) noted that the framework for formulating and implementing strategies requires a strong backbone in the formulation process.

Implementing Strategy is a process that puts plans and strategies into action to reach desired goals. It is what integrates strategies. Strategy implementing is a process in which all planning and budgetary activities, policies and procedures follow the defined strategy. It may involve some changes in organizations culture, structure as well as managerial systems. Implementation of strategies is also called practical strategic management. (Andrews, 1971).

Implementing strategy management requires an integrative point of view. Not only the organizational structure, but cultural aspects and the human resources perspective are to be considered as well. An implementation effort is ideally a boundary less set of activities and does not concentrate on implications of only one component, e.g. the organizational structure. It is of great importance to integrate soft facts as well in the reflection of the implementation process. It is the consideration of soft and hard facts together that ascertains that cultural aspects and human resources receive at least the same status as organizational aspects. Altogether, such an integrative interpretation allows an important scope of development for implementation activities (Rapa and Kauffman, 2005).

According to (Ansoff and MacDonnell,1990), Strategy is a set of decision-making rules for guidance of organization behavior. Its formulation typically produces no immediate productive action in an organization. It is an expensive process both in terms of money and managerial time.

According to (Lippitti, 2007), when strategy fails to achieve expected results it is often because the strategy execution was flawed. The failure to execute is a major concern of executives because it limits organizational growth, adaptability, and competitiveness. Executives are not judged by the brilliance of their strategy, but by their ability to implement it.

(Lepsinger, 2006) similarly argues that true leaders have a clear vision and are 100% committed to pursuing it but something often goes wrong as the leaders try to bring their vision to life. He stated that without coherent, aligned implementation, even the most superior strategy is useless. Unfortunately, most strategic planning efforts fail during this crucial phase wasting significant resources already invested.

Strategy process has been characterized as being highly complex, politically laden, affecting large parts of an organization and driven by the upper level managers, (Hamel & Prahalad, 1994). (Lippitti, 2007) argues that in the rush to act on strategy, too little attention is paid to finding the best implementation initiatives. Shortcuts such as repackaging existing projects which appear to support the new strategy, cannot work because while strategic plans can be copied, execution cannot be duplicated. Execution must address the intangibles of cross functional integration, reward systems, and cultures as well as the tangibles captured in most planning documents. For many firms, false starts, delays and confusion characterize implementation.

According to (Pearce and Robinson, 2003), an organizational structure is the division of tasks for efficiency and clarity of purpose, and coordination between interdependent parts of the organization to ensure organizational effectiveness. Structure balances the need for specialization with need for integration. It provides a formal means of decentralizing and centralizing organizational and control needs with the strategy. An organization structure is necessary if strategic purpose is to be accomplished. Thus, organizational structure is a major priority in implementing a carefully formulated strategy. If activities, responsibilities and interrelationships are not organized in a manner that is consistent with the strategy chosen, the structure is left to evolve on its own. If the structure and the strategy are not coordinated, this may result in inefficiencies, misdirection, and fragmented efforts. (Rantakyro, 2000) argues that to implement the chosen strategies, there are many important decisions to make such as how to structure the bank.

The organizational structure has to support the strategies (Johnson, 1998). Structuring the organization involves decisions about how to coordinate activities, relationships, and communication among the internal stakeholders. The organization can be structured by focusing on functionality, products, markets, projects or cooperation.

One of the processes of strategic management is implementing strategy, which is this research focuses on. This study aims to assessing about the challenges of implementing strategy management. Previous researches were focused on the Strategic Planning and Implementation Challenges Faced by Public Entities and the challenges faced in effective implementation of strategic plans in non-governmental organizations in kenya. Therefore, the better study needs to be conducted, on assess the challenges of implementing strategy management.

1.2. BACKGROUND OF THE ORGANIZATION

Commercial bank of Ethiopia (CBE) established in 1942 as the state bank of Ethiopia and legally established as a share company in 1963. In 1974 CBE merged with the privately owned Addis Ababa bank. Since then it has been playing significance roles in the development of the country. And it also pioneers to introduce modern banking to the country.

Currently CBE is the leading African bank with assets of 565.5 billion birr as on June 30rt 2018. And now CBE has more than 1280 branches across the country. And it introduces the first ATM service for local user and as of June 2018 it has 1708 ATM machines and 11,796 POS machines across the country. CBE has reliable and long-standing relationships with many internationally acclaimed banks throughout the world and now working strongly to achieve its vision “to become a world class commercial bank by the year 2025”.and has a mission “we are committed to best realize stakeholders needs through enhanced financial intermediation globally and supporting national development priorities. By developing highly motivated, skilled and disciplined employees as well as state of the art technology. We strongly believe that wining the public confidence is the best of our success”.

1.3. STATEMENT OF THE PROBLEM

Implementing strategy or strategy execution task is easily the most complicated and time consuming part of strategic management. While strategy formulation is primarily an intellectual and creative act involving analysis and synthesis, implementation is a hands-on operation and action oriented human behavioral activity that calls for executive leadership and key managerial skills. In addition, implementing a newly crafted strategy often entails a strategy in corporate direction and frequently requires a focus on effecting strategic strategy, (Schaap, 2006).

The strategic management of an organization entails three ongoing processes; analysis, decisions, and actions. That is strategic management is concerned with the analysis of strategic

goals (vision, mission, and strategic objectives) along with the analysis of internal and external environment of the organization. The essence of strategic management is the study of why some firms outperform others. Thus managers need to determine how a firm is to compete so that it can obtain advantages that are sustainable over a lengthy period of time. (Hill, 2001)

Strategic management is the set of decisions and actions used to formulate and implement strategies that will provide a competitively superior fit between the organization and its environment so as to achieve organizational objective. Planning or designing a strategy involves a great deal of risk and resource assessment, ways to counter the risks, and effective utilization of resources all while trying to achieve a significant purpose. (Daft, 1993)

Strategic management allows an organization to be more proactive than reactive in shaping its own future; it allows an organization to initiate and influence (rather than just respond to) activities and thus to exert control over its own destiny (improved understanding of rapidly changing environment) and it helps the organizations formulate better strategies through the use of a more systematic, logical, and rational approach to strategic choice (sharper focus on what is strategically important/matching resources to the demands of the environment). (Byars, L. 1984),

Those researches' mentioned below which are relevant to this study is about the Implementation of strategy management, Such as:

Strategic Planning and Implementation Challenges Faced by Public Entities; the challenges of faced by entities can assist strategy managers and practitioners in assessing the existence and extent of these challenges within their organizations. Realistic interventions to counter the challenges, such as the development of systems, processes and skills, can then improve the possibilities of successful implementation of identified strategies. Therefore, identification of challenges could assist entities in allocating their resources to address the limitations to successful strategy implementation. Strategy consultants can anticipate these challenges in public entities and hence acquire relevant competencies as well as design possible interventions upfront. This study can improve the design and implementation of strategic planning in the public sector. Government and other external stakeholders can also be informed about the manner in which their authority affects the daily functioning of public entities. Public entities can then construct relevant programmes that could be aligned to these interest groups. (MalehoNkomo, 2009)

The challenges faced in effective implementation of strategic plans in non-governmental organizations in kenya ; This study sought to investigate the challenges faced in implementation of strategic plans. In general, strategy implementation in non-profit organizations has not received the same attention as the other components of strategic management. In view of the fact that strategy implementation is a key component of strategic management process of non-profit organizations, increased research in this area to unveil problems associated with implementation of organizational strategies was important. This study therefore sought to explore the strategy implementation and its challenges in non-profit organizations. (Irene N. Mutunga, 2017)

In general, those studies are tried to assess about Strategic Planning and Implementation Challenges Faced by Public Entities and challenges faced in effective implementation of strategic plans in non-governmental organizations. But they did not examine the major factors in the link on strategic management Implementation and the action should be taken in commercial bank of Ethiopia. This represented one aspect of challenges that affect implementation leaving a gap to be pursued i.e.my study gap implies different view on challenges of implementation strategic management commercial bank of Ethiopia. This research is expected to contribute to a better understanding of implementing strategy management in commercial bank of Ethiopia. And also enable organizations better understand that an organization's clear policy execution must address the intangibles of cross functional integration, reward systems, and cultures as well as the tangibles captured in most strategic planning documents.

1.4. RESEARCH QUESTIONS

- ❖ What are the challenges confronted by Commercial Bank of Ethiopia in the process of implementing strategy management?
- ❖ What are the major factors affecting implementing strategy management?
- ❖ What are the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management?

1.5.OBJECTIVES OF THE STUDY

1.5.1 GENERAL OBJECTIVE

The main objective of the study is to assess the challenges of implementing strategy management in the case of COMMERCIAL BANK OF ETHIOPIA at head office. In addition to the main objective, the research tries to investigate the following specific objectives

1.5.2 SPECIFIC OBJECTIVES

- ❖ To find out the challenges confronted by Commercial Bank of Ethiopia in the process of implementing strategy management?
- ❖ To find out the major factors affecting implementing strategy management?
- ❖ To examine the major actions / mechanisms taken by commercial bank of Ethiopia to reduces challenges of implementing strategy management?

1.6. SIGNIFICANCE OF THE STUDY

First and foremost, the findings of the study will be beneficial to the academicians, as well as to the commercial bank of Ethiopia to understand the challenges of implementing strategy management. Because it has examined to what extent the application of strategic management in commercial bank of Ethiopia enables the creation of an efficient strategic management process, with a clear and distinctive strategy that the organization follows, a more effective development and implementation

The result of the study will be of a benefit to future researchers who will make use of the findings to conduct further research work in the area challenges of implementing strategy management. The researcher of this study also wishes to gain significantly overwhelming new insight of the subject matter understudy.

1.7 SCOPE OF THE STUDY

The scope of this study focuses only on clerical employees of head office strategic planning and management department which is the located in Addis Ababa.

In addition, implementing strategy management may be pretentious by other factor variables other than purposefully selected variables on the study (i.e. potentially unachievable strategy, Ineffective leadership, Lack of communication and Poor alignment with administrative authority). Although there are many challenges of implementing strategy management variables, this study limits itself to four major variables namely Potentially unachievable strategy, Ineffective leadership, Lack of communication and Poor alignment with administrative authority.

1.8 ORGANIZATION OF THE STUDY

This Research paper was organized and classified into five chapters. The first chapter deals with introduction part which contains the background, the statement of the problem, research question, objective of the study, significance of the study, Scope of the study, limitation of the study and organization of the paper. The second chapter is dedicated to the theoretical review of literature on the definition of strategic management, theories of strategic management, strategic management process, the concept of strategy implementation, process of strategy implementation, prerequisites of strategy implementation, management theories, the role of manager in strategy implementation Managerial Styles and Strategy Implementation, factors affecting strategic implementation, Challenges of implementing strategy management

Empirical review on previous studies and conceptual framework for the topic under study. The third chapter deals with research design and methodology of the study; it covered the approach used on this study, research design, data source, data collection method, sampling method and method of data analysis. Chapter four is about on estimation and interpretation of the results finally; the last chapter of the paper gives a conclusion for study and recommendation based on the finding of the study. Yale

1.9. LIMITATION OF THE STUDY

The unwillingness of management members of CBE to release information needed to enrich the study so as to establish a strong validity and reliability. It was also with difficulty and a lot of effort in getting back the questionnaire that was **COMMERCIAL BANK OF ETHIOPIA** is always busy and excuses such as “I am busy and I don’t have time” as some of the comment from the respondents. Another area of limitation to this study came from the inability of respondents to complete and submit questionnaire on time for data to be analyzed

CHAPTER TWO

REVIEW RELATED LITERATURE

2.1 INTRODUCTION

This chapter is concerned with the review of relevant literature. It covers both theoretical and empirical literature. Theoretical literature focuses on definition of strategic management, theories of strategic management, strategic management process, and concept of strategy implementation, strategy implementation process, factors affecting strategy implementation and the challenges of strategy implementation. On the other hand, empirical literature lays emphasis on findings of empirical studies on the strategic management. The relevant theories of the research with the conceptual and structural framework are also presented.

2.1.1. STRATEGIC MANAGEMENT

The term strategic management refers to the managerial process of forming a strategic vision, setting objectives, crafting a strategy, implementing and executing the strategy, and then over time initiating whatever corrective adjustment in the vision, objectives, strategy, and execution are deemed appropriate. (Thompson and Strickland, 2003)

Define strategic management as consisting of the analysis, decisions, and actions an organization undertakes in order to create and sustain competitive advantage. (Taylor et al, 2005)

Strategic management is the study of why some firms outperform others. Thus managers need to determine how a firm is to compete so that it can obtain advantages that are sustainable over a lengthy period of time. Defines strategic management as the set of decisions and actions used to formulate and implement strategies that will provide a competitively superior fit between the organization and its environment so as to achieve organizational objective. Strategic management is not limited to strategic planning; it also includes activities related to resources management, implementation, and control and program evaluation. (Daft, 1993)

From those definitions of strategic management, the study used the (Daft, 1993) definition's because the research focuses on implementing of strategy management. According to (Daft, 1993) definition's described more about strategic management and also the implementing strategies.

2.1.2. THEORIES OF STRATEGIC MANAGEMENT

A strategic management theory may be said to be a supposition, proposition or a system of ideas intended to explain the origin, evolution, principles and applications of strategic management. Strategic management theories actually stem mainly from the systems perspective, contingency approach and information technology approach to corporate management. (Scott & Davis, 2007).

Strategic management have seven theories, such as:

2.1.2.1 Contingency theory: is an organizational theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation. A contingent leader effectively applies their own style of leadership to the right situation. When managers of an organization find themselves with a structure that does not match its contingencies (e.g., because these contingencies have changed), their organization's performance suffers, and they endeavor to change its structure to one with a better fit, to improve performance. (Scott & Davis, 2007).

2.1.2.2. Evolutionary theory: organizations need to evolve in order to exist in an ecosystem of continual creative destruction. This evolutionary process has three processes - variation, selection, and retention. Strategy consist of producing the requisite variation from which advantageous positions, patterns, or configurations can be selected, and retained in order to be exploited for the duration of their contribution to advantage. Searches for variation to select from are both *problematic* (see behavioral theory below) and *opportunistic*, enabled by slack resources. (Scott & Davis, 2007).

2.1.2.3 Organizational theory: the organizational approach to strategy maintains that strategies and structures are dependent variables, being consequences of organizational performance (Scott & Davis, 2007).

2.1.2.4 Economic theory: economic theories generally follow from neo-Classical economics, where markets and people are rational agents. (Scott & Davis, 2007). The two dominant realms of economic theory are:

a. Industrial organization economics: this branch of economics focuses on markets, industries, and the position, or possible positions, of organizations

within the industries. Its emphasis is on what is outside the organization and how the organization should position itself to best take advantage of that - the *positional view* of strategy.

- b. Organizational economics:** focuses on the firm itself, rather than the markets and industries. This branch of economics is associated with the *resource-based* theory of strategy that views the primary cause of advantage and sustained advantage to be the resources of the firm, not its position in an industry or market. This approach includes neo-classical microeconomics and evolutionary economics.

2.1.2.5 Behavioral theory: the behavioral theory of the firm accounts for three important ideas absent from the traditional *economic theory* of the firm. (Scott & Davis, 2007,).

First, actors are bounded rational, constrained by limits in their access to information and their ability to process it, which leads them to satisfy rather than maximize, to economize on what they attend to, and to follow standard operating procedures where possible.

Second, organizational practices and structures need not perfectly match their environment and may be slow to change, so understanding how they got to where they are being useful.

Third, participants bring different interests to the organizations, and conflicts among them are frequently unresolved, leading to continuous renegotiation of goals among participants.

2.1.2.6. The survivalbased theory: centres on the concept that organizations need to continuously adapt to its competitive environment in order to survive. This differs from the human resourcebased theory, which emphasizes the importance of the human element in the process of strategy development of organizations.

In addition, the agency theory stresses the underlying important relationship between the shareholders (or company owners) and the agents (or company managers) in ensuring the success of the organizations. (Scott & Davis, 2007).

2.1.2.7.Resource-Based Theory

The resource-based theory is founded on the principle that the source of firm's competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. These resources and capabilities consist of the physical, financial, human and intangible assets. The theory is conditioned on the fact that resources are not homogenous and are limited in mobility. The firm can translate these resources and capabilities into a strategic advantage if they are valuable, rare, and inimitable and the firm is organized to exploit these resources. Therefore, rather than just evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses. The resource based view of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance (Scott & Davis, 2007).

2.1.2.8. Open systems theory

Open systems theory refers simply to the concept that organizations are strongly influenced by their environment. The environment consists of other organizations that exert various forces of an economic, political, or social nature. The environment also provides key resources that sustain the organization and lead to change and survival. Open systems theory was developed after World War II in reaction to earlier theories of organizations, such as the human relations perspective of Elton Mayo and the administrative theories of Henri Fayol, which treated the organization largely as a self contained entity. Virtually all modern theories of organization utilize the open systems perspective. As a result, open systems theories come in many flavors. For example, contingency theorists argue that organizations are organized in ways that best fit the environment in which they are embedded. Institutional theorists see organizations as a means by which the societal values and beliefs are embedded in organizational structure and expressed in organizational change. Resource dependency theorists see the organization as adapting to the environment as dictated by its resource providers. Although there is a great variety in the perspectives provided by open systems theories, they share the perspective that an organization's

survival is dependent upon its relationship with the environment. (Scott & Davis, 2007).

From those theories the study is more relevant to the contingency theory. Because Organizations should then develop appropriate managerial strategy based on the situation and condition they are experiencing. In short, during the process of strategy implementation this main strategic management theory will be applicable to management of organizations as tools to assist them in making strategic and guided managerial decision.

2.1.3. STRATEGIC MANAGEMENT PROCESSES

Strategic management helps an organization see where it currently stands, where it will be in the future staying on the current course, and where it would like to be in the future. Strategic management takes advantage of organizational resources to create a strategy that helps get closer to or reach their goals. (Courtney Osborn, 2018).

The process of strategic management includes goal setting, strategy analysis, strategy formation, strategy implementation, and strategy monitoring. Strategic management is a combination of five main processes which are as follows:

A. Goal Setting

The first part of strategic management is to plan and set goals. Set the short- and long-term goals of the organization and make sure that these are shared with all members of the organization. Explain and share how each member of the team will have an impact on the organization reaching this goal. This will help give each member of the team a sense of purpose and will give their job meaning. (Courtney Osborn, 2018).

B. Analysis

During this stage of the process, it is important to gather as much information and data as possible. This information will be integral to creating your strategy to reach your goals. This step of strategic management entails becoming aware of any issues within the organization and understand all of the needs of the organization. (Courtney Osborn, 2018).

C. Strategy formulation

Performing a situation analysis, self-evaluation and competitor analysis: both internal and external; both micro-environmental and macro-environmental. Concurrent with this assessment, objectives are set. These objectives should be parallel to a timeline; some are in the short-term and others on the long-term. This involves crafting vision statements (long term view of a possible future), mission statements (the role that the organization gives itself in society), overall corporate objectives (both financial and strategic), strategic business unit objectives (both financial and strategic), and tactical objectives. (Courtney Osborn, 2018).

D. Strategy implementation

Allocation and management of sufficient resources (financial, personnel, time, technology support) Establishing a chain of command or some alternative structure (such as cross functional teams). Assigning responsibility of specific tasks or processes to specific individuals or groups and it also involves managing the process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary. When implementing specific programs, this involves acquiring the requisite resources, developing the process, training, process testing, documentation, and integration with (and/or conversion from) legacy processes. (Courtney Osborn, 2018).

E. Strategy evaluation

Measuring the effectiveness of the organizational strategy. It's extremely important to conduct a SWOT analysis to figure out the strengths, weaknesses, opportunities and threats (both internal and external) of the entity in question. This may require to take certain precautionary measures or even to change the entire strategy. (Courtney Osborn, 2018).

F. Strategy Monitoring

During this stage, the strategy will already be in play. At this point, managing, evaluating, and monitoring each part of the strategy, and ensuring that it aligns with the end goal. This is the stage where this will track the progress and have the opportunity to deal with any unexpected shifts in the strategy. (Courtney Osborn, 2018).

From strategic management processes the study has related with strategy implementation because my research focuses on implementing strategy management.

2.1.4. THE CONCEPT OF STRATEGY IMPLEMENTATION

Strategy implementation according to Thompson and Strickland (2008) concerns the managerial exercise of putting a freshly chosen strategy into place, while strategy execution deals with the managerial exercise of supervising the ongoing pursuit of strategy, making it work, improving the competence with which it is executed, and showing measurable progress in achieving the targeted results.

Strategy Implementation refers to the execution of the plans and strategies, so as to accomplish the long-term goals of the organization. It converts the adopted strategy into the moves and actions of the organization to achieve the objectives. Simply put, strategy implementation is the technique through which the firm develops, utilizes and integrates its structure, culture, resources, people and control system to follow the strategies to have the edge over other competitors in the market. (Thompson and Strickland, 2008)

2.1.4.1. PROCESS OF STRATEGY IMPLEMENTATION

Managing the strategy execution process as indicated by Thompson and Strickland (2008) is primarily a hands-on, close-to the scene administrative task that includes the following principal aspects:

1. Building an organization, that possesses the capability to put the strategies into action successfully.
2. Supplying resources, in sufficient quantity, to strategy-essential activities.
3. Developing policies which encourage strategy.
4. Such policies and programs are employed which helps in continuous improvement.
5. Combining the reward structure, for achieving the results.
6. Using strategic leadership.
7. The process of strategy implementation has an important role to play in the company's success.

The process takes place after environmental scanning, SWOT analyses and ascertaining the strategic issues.

2.1.4.2. PREREQUISITES OF STRATEGY IMPLEMENTATION

Thompson and Strickland (2008) claim that prerequisites of Strategic Implementation which are as follows:

- **Institutionalization of Strategy:** First of all the strategy is to be institutionalized, in the sense that the one who framed it should promote or defend it in front of the members, because it may be undermined.
- **Developing proper organizational climate:** Organizational climate implies the components of the internal environment that includes the cooperation, development of personnel, the degree of commitment and determination, efficiency, etc., which converts the purpose into results.
 - **Formulation of operating plans:** Operating plans refers to the action plans, decisions and the programs, that take place regularly, in different parts of the company. If they are framed to indicate the proposed strategic results, they assist in attaining the objectives of the organization by concentrating on the factors which are significant.
 - **Developing proper organizational structure:** Organization structure implies the way in which different parts of the organization are linked together. It highlights the relationships between various designations, positions and roles. To implement a strategy, the structure is to be designed as per the requirements of the strategy.
 - **Periodic Review of Strategy:** Review of the strategy is to be taken at regular intervals so as to identify whether the strategy so implemented is relevant to the purpose of the organization. As the organization operates in a dynamic environment, which may change anytime, so it is essential to take a review, to know if it can fulfil the needs of the organization.

2.1.5. Managerial Styles and Strategy Implementation

Before any strategy can be implemented, it must be clearly understood. Clear understanding of a strategy gives purpose to the activities of each employee and allows them to link whatever task is at hand to the overall organizational direction. Lack of understanding of a strategy is one of the obstacles of strategy implementation. They point out that many organizational members typically recognize strategic issues as important and also understand their context in generic terms. However, problems in understanding arise when it comes to applying the strategic issues in the day-day decision-making. (Aaltonen and Ikavalko, 2011)

Once strategies have been developed, they need to be implemented. Unless they are successfully implemented, the organization will not obtain desired results. (Bryson, 2015) states that the most important outcome that leaders, managers and planners should aim from successful strategy implementation is real value added through goal achievement and increased stakeholders satisfaction. More than ever before, organizations have realized that successful strategy implementation depends on various factors.

Although clear plans and sound organization may set the stage, a manager must also provide leadership if the people in his/her organization are to work together to achieve its goals and mission. Aosa (1992) noted that participating in the implementation of strategic plans varied with some companies exhibiting high participation while others had low participation as dictated upon by their management style. In Kenya, corporate leadership has drawn the attention of various stakeholders and organizations making them notice

In day to day activities, managers are people who work through other people to coordinate their activities in order to accomplish their organizational goals (Robbins & Coulter, 2013) established that management was a key factor in the success of strategic plans. He demonstrated that poor top-down management style or poor vertical communication can be a cause of resistance to strategy implementation. At the same time, he observed that top management is responsible for the provision and allocation of implementation factors such as leadership and organizational culture in facilitating strategy implementation. It may be argued that management of an organization strategy should not be restricted to the top managers but managers at all levels. In fact, various authors appear to have a common theme that implementation failures occur at middle level and lower level management (Argyris, 1989; Floyd & Wooldridge, 1992).

Successful management requires effective use of power in overcoming barriers to change. Power refers to a leader's ability to get things done in a way he or she wants them to be done. It is the ability to influence other people's behavior, to persuade them to do things that they would otherwise not have done and to overcome resistance and opposition to changing direction. Effective exercise of power is essential for successful leadership (Alexander L.D, 1985).

2.1.6. Management Theories

Management theories are central to implementation of plans in any organization. Managers should strive to create an environment in which others are motivated to put in their best. It is incumbent upon the leader to provide direction and purpose for the organization and to carry everyone along

with her/him. The manager must get commitment of his subordinates (employees). (Bennis, W,1987).

For many years, the economic theory has proposed to buy worker cooperation by paying wages to be used by wage earners to buy progress toward the personal goals. However, the provision of a conducive environment to the employees as key in achieving effectiveness and innovation. Essentially management involves accomplishing goals with and through people. As such, a manager must be concerned about tasks and human relationships.

These management concerns seem to be a reflection of two of the earliest schools of thought in organization theory, the 'Scientific Management' movement led by Fredrick W. Taylor in early 1900s and the 'Human Relations' movement led by Elton Mayo and his associates in the 1920s and early 1930s.

According to Cole (2012) the Authoritarian Style of management behavior is often based on the assumption that the power of managers is derived from the position they occupy and that people are innately lazy and unreliable (Theory X). The Democratic Style assumes that the power of managers is granted by the group they are to lead, and that people can be basically self-directed and creative at work if properly motivated (Theory Y).

(McClelland,1961) advanced the psychological paradigm which postulates that people with an inner trait of high need achievement (n-arch) are more likely to be more successful at tasks. They feel the need to excel. This theory further states that people who are highly motivated are likely to take moderate risks, have an internal locus of control, have a strong drive to excel and solve problems. Achievement motivated people can be the backbone of most organizations. As we know, people with a high need for achievement get ahead because as individuals they are producers, they get things done. Managers with n-arch are likely to influence their departments and teams towards effective implementation of strategic plans.

2.1.7. Role of Managers in Strategy Implementation

Many studies indicate the problem of the allocation of time between conceptual and implementation activities in the strategic management process and suggest the existence of a disproportion in relation to the strategy implementation stage. Most organizations devote much effort and time to create plans and analyze the competitive situation, because such activities are relatively more secure. In turn, the implementation is associated with a higher risk. It is primarily a real measure of the activities carried out by managers. (Haimann.T,1978).

(Dobni, 2013) seeks the causes of implementation difficulties also in the dissonance between the perception of the position of the organization and the effectiveness of its operations. It means that the issue of strategy implementation becomes a serious challenge for managers. Considerations associated with the strategy and its implementation in a natural way must concern the role played in this process by the strategists who make decisions based on their experience, personality (including the risk propensity) or core values. This translates into the selection of the organization development concept and the manner of its operationalization.

As indicated critically by (Alvesson and Willmott, 2015), managers are perceived as having superhuman powers that allow them to identify sources of competitive advantage, create the strategy and pursue strategic objectives. The strategy implementation process alone requires extraordinary abilities, as it appears to be a much more difficult task than the strategy formulation. In the face of the circumstances accompanying this process, especially the rate of information exchange and analysis, it would be worth considering a change in the current operational approach.

As suggested by (Rylander and Peppard, 2013), a standard planning approach to the strategy implementation should be replaced by the idea of realization by instilling shared values and beliefs. That could form a basis for the decisions about the effective use of resources. A change in competencies is also a derivative of the changes occurring in the course of the planning process itself, which so far has been relatively easily broken down into smaller, long-term tasks. Currently, it is rather necessary to employ strategic thinking and thus to modify the role of the manager and adopt a bottom-up approach to the decision-making process. This requires a number of skills from the managers, such as creating an appropriate organizational culture and providing an adequate interpretation of the strategy.

According to (Bergeron, 2014), this also incorporates a talent strategy, i.e. the ability to use the Employee skills and competencies that determine the possibility of achieving the objectives. Effective implementation of strategy requires an adequate adjustment of the capabilities of the organization. This applies in particular to fundamental issues such as the collective experience and knowledge of managers and properly functioning decision-making mechanisms.

According to (Forbes & Milliken, 2014), this is also affected by the management style and the ability to process and analyze information, which is also indirectly associated with the type of the implemented strategy itself. Therefore, an emphasis is put on the role of managers, which

includes extensive cooperation, evaluation of emerging opportunities for building a competitive advantage and making the right decisions based on analyses. Thus, managers must assume an active executive role by involving themselves in implementation activities.

As mentioned by Miller, Hickson and Wilson (2013) managers are supposed to have a set of diverse skills and abilities that allow them to make strategic decisions effectively. They should also be able to conduct a wide dialogue aimed not only at specifying the details of the strategy, but also at maintaining the consistency of the activities. Managers, when implementing strategy, it is important to have a set of meta-abilities, which include cognitive skills, self-knowledge, emotional resilience and personal drive.

2.1.7.1. Mid-level Managers

The analysis of the role of managers in the strategy implementation process should also concern the involvement of mid-level managers whose support for the implementation of the development concept is often essential. underline the need to analyze their impact on the actions preceding and following the actual process of making strategic decisions. mid-level managers are often referred to as agents of changes, i.e. the persons who use both internal and external social relations to support strategic changes (Eadie, D (1983)).

As proved also by (Rouleau and Balogun, 2011), their role and importance increase significantly, if an organization decides to implement expansive strategies, including global strategies. This is probably associated with the specific functions connected with the relations inside the company's environment. Due to their tasks, they are closer to customers and other stakeholders than top-level managers. At the same time, they are current participants in internal processes, which results also from the frequency and character of the relations with lower level employees.

(Floyd and Wooldridge, 2014) distinguish three types of tasks performed by mid-level managers:

1. Communicating the tactical objectives and allocating the financial resources necessary for the implementation the strategy,
2. Monitoring the implementation work,
3. Responding to emerging deviations from the objectives.

Their informative function is also indicated they perform the role of a carrier of operational information and draw attention of the management to the most important operational issues. According to Thakur (2013), they often assume the position of a leader (formal or informal) and

provide information support for top-level managers. the role of mid-level managers is therefore unquestionable, while their support may determine the possibility of achieving the desired results, because it builds a strategic consensus. This results from the existence of a relationship between the levels of the involvement in the actions aimed at the strategy implementation in given conditions prevailing in the organization and the range of control powers.

(Ahearne, Lam and Kraus ,2013) claim that particularly those managers who have a large number of subordinates should be characterized by a more open and creative attitude. A participative style of management is much more conducive to the involvement of the persons responsible for the strategy implementation than a directive style. this is true irrespective of the organization size. Due to the position of such managers in the organizational structure, they play a key role in the processes of managing various resources, providing information to decision-makers, providing support to subordinates and, most importantly communicating the strategic intentions agreed by managers at all levels of the organization. decision-makers in many organizations do not take into account the role of mid-level managers. Moreover they underestimate the impact of emotions that are transferred by them to employees which is connected with their involvement. They often lack self-confidence and have neither experience nor the tools that would allow them to perform their functions effectively (Haudan, 2012).

To sum up, it seems important to aimed at diagnosing the influence of the tasks and competencies of managers at different levels of the organizational structure on the effectiveness of the strategy implementation.

2.1.8. FACTORS AFFECTING STRATEGY IMPLEMENTATION

Factors that affect strategy implementation can be categorized as leadership style, information availability and accuracy, organizational structure, organizational culture, human resources, and technology. Although most authors agree that these factors affect strategy implementation, each factor's impact is at a different level and carries a different force. Lorange (1998)

Cater and Pucko (2010) stated that human resources are becoming the key focus of strategy implementation and reiterated that people, not financial resources, are the key strategic resources in strategy implementation. Managers mostly rely on planning and organizing activities when implementing strategies, while the biggest obstacle to strategy implementation and execution is poor leadership. Their results showed that adapting the organizational structure to serve the execution of strategy has a positive influence on performance.

Fulmer (1990) mentioned that human resources management plays an important role in the effective implementation of strategic plans. It is important for both organization departments and employees to be enthusiastic about the strategy implementation. Getting people involved and having a motivating reward system will have a positive influence on the implementation of strategy. In addition, technological advancement in terms of speedy processes and procedures, as well as design, will also make a positive contribution to the successful implementation of strategies.

2.1.8.1 Leadership in Implementation of Strategy

According to Cater and Pucko (2010), while a well-formulated strategy, a strong and effective pool of skills, and human capital are extremely important resources for strategy success, poor leadership is one of the main obstacles in successful strategy implementation. He argued that the chief executive officer (CEO) and top management must emphasize the various interfaces within the organization. One key challenge in successful strategy implementation is ensuring employees' buy-in and directing their capabilities and business understanding toward the new strategy. Therefore, the need for effective leadership outweighs any other factor. Beer and Eisenstat (2000) addressed this issue from a different perspective; they suggested that in the absence of effective

leadership, conflicting priorities will result in poor coordination because employees will suspect that top management prefers to avoid potentially threatening and embarrassing circumstances. Another aspect of leadership involves enhancing communication within the organization.

According to Beer and Eisenstat, (2000), blocked vertical communication has a particularly pernicious effect on a business's ability to implement and refine its strategy. Coordination of activities, streamlining of processes, aligning the organizational structure, and keeping employees motivated and committed to strategy implementation are key responsibilities of the leadership.

Zaribaf and Bayrami, (2010) categorized the leadership's importance into three key roles: managing the strategic process, managing relationships, and managing manager training.

2.1.8.2. Information availability and accuracy in Implementation of Strategy

Information is the same of blood which streams into the organization's vessels and brings it to life. Information systems' function in implementing process is mainly concern with internal circulation of information and appears on environmental uncertainty phenomenon. Information ambiguity is a situation in which problems couldn't empirically and explicitly be understood or analyzed and gathering more data about them is not possible. Another important matter that displays the role of information systems in implementing strategy is managers' need to reciprocal exchange of information. It means a system that transmits information up and downward. Management information system is one of instruments can collect and organize data for managers in order to do their tasks. In every information system, an executive information system has been recognized, which provides a fair possibility for planners and even for formulators. One considerable point in information discussions is the role of applicable factors to promote effectiveness and efficiency of information systems. (Cater and Pucko, 2010)

These factors are as follows:

- I. The quality of information
- II. Time appropriateness of information
- III. Quantity of information

Accuracy is to be ensuring that the information is correct and without any mistake. Information accuracy is important because may the life of people depend in it like the medical information at the hospitals, so the information must be accurate. The quality of information measured by accuracy, timeliness, completeness, relevance and if it is easy to understood by the users, so the accuracy important for quality of information. And the accuracy represents all organization actions. To get accurate information we need the right value. If someone gave inaccurate information, it is difficult to find who made the mistake. There are many reasons for inaccurate information. The most common case is when the user enters wrong value. Also inaccurate information may accrue by typographical mistake. To avoid this mistakes the organization must find who has experience and skills for data entry and it must use the programs which discover the typographical mistake. Inaccurate information with the passage of time it be hard to avoided if no one update it(like the address, phone numbers)and the information going to be more inaccurate. (Cater and Pucko, 2010)

2.1.8.3. Technology in Implementation of Strategy

Technology has had a great impact on human development and civilization expansion all through the history. Technology can be defined as knowledge, products, processes, instruments, procedures and systems which helps producing goods and services. Technology is at the center of systems designed for finding customers' needs and satisfaction. Successful implementing of strategies results from integrating and coordination of technologic innovations, production processes, marketing, financing and personnel. By this means defined goals are achieved. (Mitchell, 1992) emphasizes on the importance of relationship between main goals and operational targets of organization and its technological strategy. There should be a wide consensus of opinion among technical, commercial, and official departments of any organization. Mitchell presents a few questions which both technical and commercial strategic planners should respond:

- 1- How much is the relationship between technology and business?
- 2- Which commercial strategies need technology?
- 3- How it (technology) can be gained?
- 4- Researches should be focused on what kind of technologies?

5- What are our main technologies for business?

6- Which new strategic options designate technologies?

2.1.8.4. Organizational culture in Strategy Implementation

The impact of organizational culture while implementing strategies and concluded that a meaningful relationship exists between organizational culture and strategy implementation. Results of their study showed that all types of organizational cultures have significant relationships with the implementation process, but the extent of the culture's influence varies from the most effective (clan culture) to the least effective (hierarchy culture). how the organizational development program and its application influence a company to change its culture, structure, and operating procedures and concluded that a flexible structure and adaptable employees who are willing to initiate process and procedure changes are necessary to produce high-quality products or services at the lowest possible cost. (Mitchell, 1992)

(Mitchell, 1992) investigated implementation and organizational culture and found that the success of implementation is positively related to organizational culture along the dimensions of learning and development, participative decision making, power sharing, support and collaboration, and tolerance for risk and conflicts, which all form part of an organization's cultural environment.

(Hrebniak, 2006) conducted a study on obstacles to effective strategy implementation and found that poor or inadequate information sharing, unclear responsibility and accountability, and working against the organizational power structure – all part of organizational structure – results in failed implementation processes.

(Carlopio and Harvey, 2012) focused on social-psychological principles and their influence in successful strategy implementation and found that if an organization's structure and culture are not aligned with a proposed strategy and the new behaviors required, the strategy implementation process will certainly be defeated.

2.1.8.5. Organizational Structure in Strategy Implementation

(Bushardt, Glascoff, and Doty, 2011) studied the relationship between organizational culture and organizational reward structure and found that they are positively correlated. The organizational structure provides a visual explanation of two main things: the decision-making process and resource allocation. In contrast, it is more valuable for an organization to apply cross-functional processes to enforce strategy implementation than to change the organizational structure.

(Bimani and Longfield-Smith, 2007) focused their study on how organizational structure influences strategy implementation and found the process of strategy implementation to be structured and formal. They also concluded that during the strategy development process greater emphasis is placed on financial information, but during the implementation phase both financial and non-financial information are emphasized. In an exploratory study involving corporate communication and strategy implementation, they found that the internal communication within a company has an overarching hand not only in making strategy, but also in successfully implementing strategy.

(Markiewicz's, 2011) study also reflected the importance of processes and structures in the successful implementation of strategies and proposed that creativity, innovation, and perception of an organization as processes is very important in implementing strategies. Types of generic strategies and their implementation and concluded that the most influential perspective needed for business success requires a fit between strategy and organizational architecture. Organizational structure and design are important as they entail decisions related to resource allocation for various units and activities within the business ecosystem.

2.1.8.6. Human resource in Implementation of Strategy

The reason that a strategic planning became a traditional one, is converting its process to long-term mechanistic chain of activities. People are pushed to margin in such kind of planning. Now a days programming realities and strategy implementation and so strategic planning duties have changed. Strategic planners should consider such different approaches as below: - taking knowledge as an axis in organization - required interaction between strategic planners and human resource managers - developing networking organizations - changing the nature of strategic

planning In most successful organizations, it is difficult to distinguish between strategic planning and human resource management. These two cooperate as a team. At present time, the role of coordinators of formal strategic programs has been decreased or even dismissed. Instead, a series of new planning have been replaced that affect human resource and project manager's interactions. This new team's job is to help project managers providing essential operating staff (required human resources) at each stage. For implementing strategies successfully, managers should have high interpersonal and human skills. All activities being done for implementation of strategy influence both managers and personnel. Every division of an organization should try to answer such questions: - what we should do for implementing organization's strategies properly. (Lares – Mankki. L, (1994).

Implementation of strategies is also called practical strategic management. The purpose of implementing strategies is that managers and employees collaborate to perform formulated strategic planning. In other words, implementing is the most difficult step in strategic management process and need a kind of self-controlling too. Implementation success depends to motivating employees which is the art of managers. It is wasteful job if formulated strategies could never have been implemented. Managers should notice to skilled employees as the most important strategic resources and the secret of organization's growth. Generally, on the basis of experiences in some big companies, four dimensions should be considered as below: - Finding new ideas among worldwide key managers via overcoming irregular problem against innovation. - using knowledge for inventing new products and empowering organization in competitive environment - using modern technology for distribution channels - changing attitudes towards reducing customers costs through modern technology and value chain consideration This approach is called "growth on the basis of interior potentials" . (Lares - Mankki, L,1994).

2.1.9. Challenges of implementation strategic management

Strategies are a critical element in organizational functioning, but whereas most organizations have good strategies, successful implementation remains a major challenge. The notion of strategy implementation might seem quite straightforward; a strategy is formulated and then implemented. To the contrary, transforming strategies into action is far complex, difficult and a challenging undertaking and therefore not as straight forward as one would assume (Aaltonen and Ikavalko, 2001).

Implementation is defined as the phase in which systems and procedures are put in place to collect and process the data that enable the measurements to be made regularly. Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives. Strategy implementation is one of the components of strategic management and it refers to a set of decisions and actions that result in the formulation and implementation of long term plans designed to achieve organizational objectives. Its purpose is to complete the transition from strategic planning to strategic management by incorporating adopted strategies throughout the relevant system. (Bryson, J.M, 2005).

2.1.9.1 Weak Strategy

The point of a strategy is a new vision. This is an opportunity to create a roadmap with broad buy in and narrowed focus. There should be distinct milestones, clear timelines, and precise roles for employees. If taking on a large, company-wide initiative, it is better to start small to ensure goals are manageable and achievable. From there, resources and objectives can be expanded until the end result is achieved in the set timelines. Don't assign fuzzy responsibilities, get caught up in buzzwords, or overwhelm departments with too much too fast strategic planning the lack of a realistic and honest assessment of the firm will lead to the development of a weak, inappropriate or potentially unachievable strategy. A weak strategy may also result from overly aspirational or unrealistic firm leader or partner who adopt an ill-fitting with respect to the firm's current position of market competition. Without a variable strategy, firms struggle to take actions to effectively implement the plan identified. (Bryson, J.M, 2005).

2.1.9.2. Ineffective leadership

Leading strategy implementation require a balancing act – the ability of work closely with partner in order to build cohesion and support for the bank's strategy. While maintain the objectivity require in order to make difficult decisions. Strategy implementation frequently fails due to weak leadership evidenced by CBE leader unable or unwilling to carry out the difficult agreed upon in the plan. (Bryson, J.M, 2005).

2.1.9.3.Lack of resources

The most common direct costs of executing a new strategy are associated with the consultants or board members brought in to plan, execute, and provide training, as well as the cost of any new associated technology. This can be prohibitive for a company of any size, especially small- to mid-sized companies and non-profits. (Bryson, J.M, 2005).

2.1.9.4. Lack of communication

Communication is key in the execution of any new strategy. An effective communication plan must be initiated from the top down. Transparent, honest communication is not only the quality of an effective organization, but it is a necessary step for any new roll out. Lack of communication results in disjointed teams and widespread uncertainty. It's not uncommon for teams, especially those who have been working together for an extended period of time, to be resistant to change. And nothing torpedoes the effectiveness of a strategic implementation faster than a lack of cooperation among teams. Communication clearly from Day 1 each person's new role, their importance to the end result, and the ultimate benefit to a change to their own current routine. (Bryson, J.M, 2005).

2.1.9.5.Lack of follow through in implementation strategy

Truly, the execution of any new strategy is never over. There should be regularly scheduled formal reviews of the new strategy to review processes, ensure the plan is performing as designed, and make any necessary weakness. As such, training should be included as part of this perpetual process review. Subscription-based training platforms are the perfect tool to ensure long-term consistency and ongoing skills evolution. This style of ongoing training is cost effective, team-oriented, and can revolve around a curriculum that evolves along with the company's strategy. (Bryson, J.M, 2005).

2.2. Empirical framework

Those previous research are relevant to this study is about the Implementation of strategic management Such as:

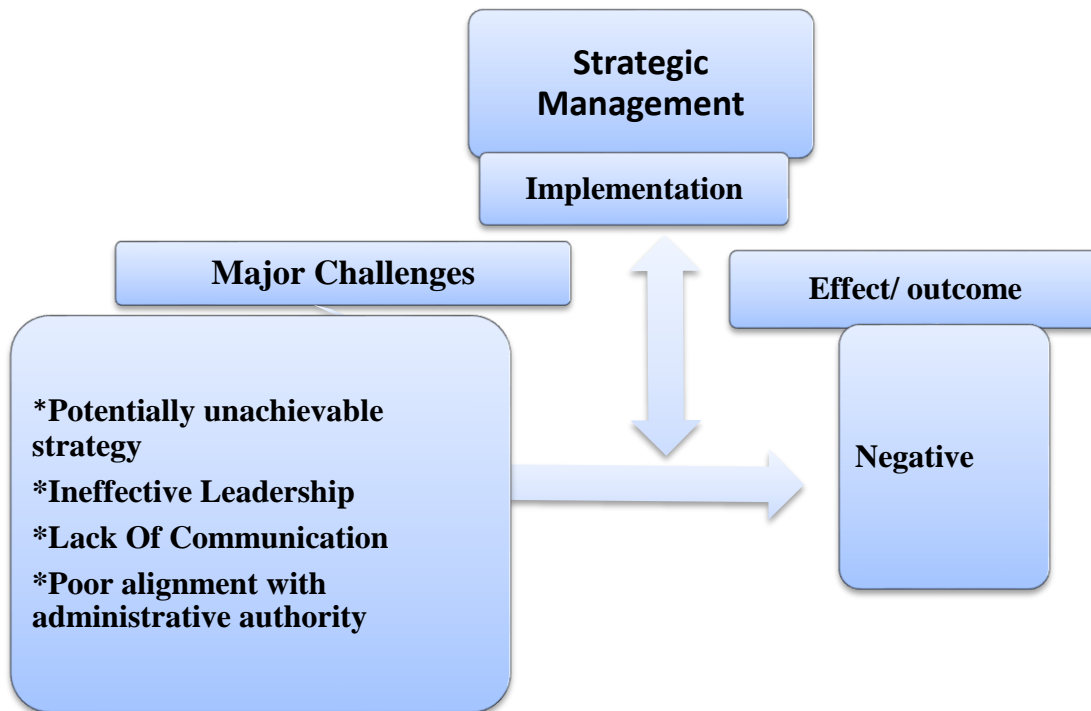
Strategic Planning and Implementation Challenges Faced by Public Entities; this dissertation investigated the challenges experienced by a number of public entities when undergoing strategic planning. The study also explored the techniques employed to overcome these challenges. The outcomes of the research, revealed specific strategic planning challenges and techniques that are relevant to the public sector. A formulated strategy takes into account the external factors that have a significant impact on the organization, analyses the internal strengths and weaknesses of the organization, defines the organization's goals and ways to achieve the set goals, the strategy implementation method, as well as the means for the measurement and evaluation of the implementation of goals. It is very difficult for an organization which does not apply strategic planning to measure a degree of implementation of the goals as well as work efficiency. Such organizations run their business in an unstructured manner, without serious plans and that often leads to high costs and produces very little results. (MalehoNkomo, 2009)

The challenges faced in effective implementation of strategic plans in non-governmental organizations in kenya ; this study produced tests that proved there is a high significance between implementation of strategic plans and management styles and that management styles can pose a major challenge in the implementation of strategic plans in NGOs in Kenya. In order for strategy implementation to occur the strategic plans need to be endorsed by their leaders this act alone makes the followers carry on regardless of what they are required to do. The results revealed that greater obstacles to strategy execution in the forms of inadequate management skills, lack of ownership of a strategy or the steps of execution among key employees and employee's reluctance to share their knowledge have a negative influence on performance. The most managerial problems have physical, psychological, social and economic aspects. The ownership and involvement of the top management extends beyond strategic planning stage and include actual implementation process by which the planned strategies are actualized. This enables the management team's overall ability to work together for a common goal and also to tap into the individual entrepreneurship skills of these team managers. (Irene N. Mutunga, 2017)

2.3. Conceptual Framework for the Topic under Study

This study tried to examine the challenges of implementing strategy management in commercial bank of Ethiopia. It situates the topic under study within prior theoretical and empirical studies and explains key constructs and terms. Referring various theoretical and empirical studies, the following self-developed conceptual framework is constructed. The selection of the variables under each category has been made as per the identified research gaps and according to the research question under study.

Figure 2.1 Conceptual Framework



Source: the researcher's work

Strategic management involves the formulation and implementation of the major goals and initiatives taken by an organization's top management. For the purpose of this study, Strategic management is focused on the challenges of implementing strategymanagement of the organization (CBE).

In order to explain the challenges of Implementing strategy management, four important challenges of Implementing strategy management variables have been taken and this include; potentially unachievable strategy, Ineffective leadership, Lack of communication and Poor alignment with administrative authority

The result of those variables will be no positive effect only negative effect of Implementing strategy management. As a result, a negative challenges of implementing strategy will be expected to the failure in which the organization is adopted.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

This chapter provides information on the research methodology employed in this study. It summarizes information on the research design, data source, data collection method, sampling and the method of data analysis. And other procedures used in this study it also provides an overview of the survey instrument (questionnaire and interview).

3.1 RESEARCH DESIGN

This study was adopted a descriptive research design. This research design allows a researcher to use both qualitative and quantitative data to find out what are the challenges of implementing strategy management. Descriptive research design is also appropriate to collect quantitative information that can be tabulated along a continuum in numerical form and it involves gathering data that describe events and then organizes, depicts, and describes the data collection.

In order to satisfy the objectives of the research under study, both qualitative and quantitative approaches (mixed research approach) is employed. Mixed research approach is best suited to grasp the advantages of both research approaches. Qualitative approach has been found to be suitable of explaining the association or relationship between the challenges and implementing strategy management. On the other hand, quantitative research approaches has been used to gather data in the form of structured questionnaire.

3.2 DATA SOURCE AND COLLECTION METHOD

There are many methods used to gather data, each with its own strengths and weaknesses. Important sources of primary data for this study are collected through survey (questionnaire). In order to get the data necessary for the study, both primary and secondary data source were employed. In order to gather secondary sources of information, CBE (COMMERCIAL BANK OF ETHIOPIA) human resource (HR) management policies and reports, annual reports, CBE working procedure and manuals, magazine, books and journals and previous researches have been used.

3.3 TARGETED POPULATION

Commercial Bank of Ethiopia is the target of this study. The main reason of this bank chosen rather than other company because the respondents and the necessary data are available. According to the data obtained from human resource department of CBE, the total number of employees in strategic planning and management department is 50. For the sake of this study, the target

population is 50 permanent clerical employees at head office strategic planning and management department. This department is chosen due to the relevant to this study. Therefore, it's enough to represent the population. And due to the above reason and availability of relevant data this department is chosen due to long enough to provide adequate analysis and investigation to the study the researcher interested on this population.

3.4 SAMPLE DESIGN

In the process of conducting this study, Simple random sampling was employed to select the study respondents. In simple random sampling is technique n (the sample size) when sampling is so drowning that each and every unit of the sample unit as an equal and in dependent chance of being included in the sample. So the researcher is select this sampling method because of its easiness or simplicity to apply and it gives equal chance being chosen and free from personal bias.

3.5. SAMPLE SIZE

The sample size is the actual respondents representing the total target population. After determining the target population for the study. Thus, the sample size for this particular research study is 50.

3.7 METHOD OF DATA ANALYSIS

In this study the data were analyzed both quantitatively and qualitatively using descriptive procedures that were collected from questionnaire. For analyzing demographic data, descriptive data analysis method was employed. And it's analyzed by using tables that contain respondent's answers frequency of their selected option and percentages. After data was gathered through the employed methods, it was encoded, processed, analyzed and interpreted.

3.8. VALIDITY AND RELIABILITY

Setting the validity and reliability data collecting instrument before providing the actual study subject core to assure the validity of the data (yalew, 1998). To insure the validity of instrument, initially the instrument was prepared by the researcher will guidance from the adviser. The questionnaire was tiled tested at the Challenges of Implementing Strategic Management in Commercial Bank of Ethiopia

3.9 ETHICAL CONSIDERATIONS

Ethical clearance and permission obtained from the institutional review board Faculty of Business and Economics of Addis Ababa University, Ethiopia. Permission is also granted from the CBE through formal letter. Participation in the study is on the voluntary basis and participants are asked for willingness before they are provided the questionnaire. The subjects are also assured that their responses used only for the purpose of the study. An attempt is made first to explain the objectives and significance of the study to the respondents. Name and other identifying information are not used in the study. The researcher safeguarded all information related to the participants. Their privacy, identity and confidentiality are maintained by assigning them code numbers instead of names (anonymity).

CHAPTER FOUR

4. DATA ANALYSIS AND INTERPRETATION

This chapter presents the responses from target respondents who formed the sample of the study whose main objective was to determine the challenges of implementing strategy management in the case of commercial bank of Ethiopia. The nature of the information obtained from the questionnaire was descriptive. Descriptive statistics were therefore used to analyze the data. These included the calculation percentages and frequencies to measure and compare the outcomes.

4.1. GENERAL BACKGROUND OF RESPONDENTS

In this section, the general characteristics of the respondents were presented in the following consecutive Tables 4.1.1. In The table, the sex and age of respondents, their educational qualifications, work experience and employment category of respondents was presented. Description using cross tabulation has been deliberately selected to display the inclusion of the respondents with varies profile.

Table 4.1.1 Demographic Characteristics of the Survey Sample

Variables		Frequency	Percent
Gender	Male	33	66
	Female	17	34
	Total	50	100
Age	<25	5	10
	26-35	39	78
	36-45	5	10
	46-55	2	4
	>60	1	2
	Total	50	100
Educational qualification	BA/BSC degree	35	70
	Masters	15	30
	Total	50	100
	<3 years	10	20
	3-7 years	28	56

working experience	8-12 years	7	14
	> 12 years	5	10
	Total	50	100
employment category	Non-manager	41	82
	supervisory/manager	9	18
	Other	4	2
	Total	50	100

(Source: researcher survey, 2019)

All the survey respondents were full-time service workers. The demographic characteristics of the survey sample were evenly distributed among male and female worker. It was notable male worker constituted a clear majority of the frontline workforce profiled in this thesis. As observed in Table 4.1.1, over two-thirds of the sample 66% were male respondent; and 34% were female.

According to the above table 4.1.1, age category of the respondent shows highly dominated by youngsters between ages 26-35 which accounts more than half of the respondents 78% followed by 10% of the respondents are between the age of <25 and between 36-45, while age group of 46-55 and above 65 constitutes 4% and 2% respectively. This indicates that most of the employees are young and highly implies CBE's employment trend focuses on new and young employees.

Regarding to the employee education qualification, the above table 4.1.1, clearly indicated that majority of the work forces 70% acquired their first degree and the rest Master Degree holders constitute 30% of the respondent. This shows that majority of the employees are degree holders because the company adopted a recruitment policy of young fresh graduate and a minimum of bachelor degree is required to join the workforce of CBE.

Majority of the respondents 20% joined CBE as new comers for the company from the last three years and 56% of the respondents spent their employment time for 3-7 years with the organization. There are also employees who served the bank for 8-12 years are about 14% and only 10% of the respondents served the bank and spent their life with CBE above 12 years. Therefore, the sample is more of from employees that joined CBE in the last seven years.

Regarding to the employee education qualification, the above table 4.1.1, clearly indicated that majority of the work forces 82% were working in Non-Manager Position and supervisory/manager

were 18% while the rest 2% were working in supervisory/manager and other positions. Therefore, the sample is more of from employees that working in Non-managerial position.

4.2 DESCRIPTIVE STATISTICAL ANALYSIS

In this analysis of response, each specific variable are compared. The degree of satisfaction or dissatisfaction of the respondents for each statement is also analyzed by summarizing the five point Likert scale response in to three. Which is done by consolidating the satisfied and very satisfied responses in to one positive response (i.e. satisfied), dissatisfied and very dissatisfied responses in to one negative response (i.e. dissatisfied) and the neutral response is taken as it is.

4.2.1 The challenges confronted by the commercial bank of Ethiopia in the process of implementing strategy management in CBE

Table 4.2.1 The Challenges confronted by the Commercial Bank of Ethiopia in the process of implementing strategy management

Challenges	Response	Frequency	Percent
potentially unachievable strategy	Disagree	6	12%
	Neutral	0	0
	Agree	44	88%
	Total	50	100%
ineffective leadership	Disagree	10	20%
	Neutral	0	0%
	Agree	40	80%
	Total	50	100%
Lack of communication	Disagree	39	78%
	Neutral	5	10%
	Agree	6	12%
	Total	50	100%
Lack follow through on implementing those strategies	Disagree	33	65%
	Neutral	11	22%
	Agree	6	12%
	Total	50	100%
Having the wrong people in leadership position	Disagree	8	16%
	Neutral	3	6%
	Agree	39	78%
	Total	50	100%

Poor alignment with administrative authority	Disagree	11	22%
	Neutral	2	4%
	Agree	37	75%
	Total	50	100%
implementing strategy management tasks were not sufficiently defined	Disagree	14	28%
	Neutral	0	0%
	Agree	36	72%
	Total	50	100%
Insufficient financial resources	Disagree	33	66%
	Neutral	27	54%
	Agree	6	12%
	Total	50	100%
Constraints in methods of obtaining financial resources	Disagree	43	86%
	Neutral	0	0%
	Agree	7	14%
	Total	50	100%

(Source: researcher survey, 2019)

The above Table 4.2.1 shows, 88% of the respondents agree on the topic that allocated with they were satisfied with the topic the challenges confronted by the organization in the process of implementing strategy management in CBE was potentially unachievable strategy. The result showed that CBE are try to accomplish seemingly unrealistic and impossible goals. And it implies that CBE needs to work on this issue. 80% of the respondents agree on the topic that allocated they were satisfied with the topic the challenges confronted by the organization in the process of implementing strategy management in CBE was ineffective leadership, this shows leaders make orders and give instructions that are enigmatic and misguided. Ineffective leaders have lack the courage to tackle difficult problems, often shifting blame to others. Along with 78% of the respondents agree on the topic that allocated they were satisfied with the topic the challenges confronted by the organization in the process of implementing strategy management in CBE was having the wrong people in leadership position. The result showed that CBE does hire and delegate the wrong people to leadership position, identify those who have a no passion and ability for leadership and also 75% of the respondents agree on the topic that allocated they were satisfied with the topic the challenges confronted by the organization in the process of implementing strategy management in CBE was poor alignment with administrative authority. It implies that administrative authorities are tempted to invoke this provision even where they have acted in a completely unacceptable manner. An administrative authority that has acted in a palpably unlawful

or blatantly unreasonable manner cannot be an excuse for acting unlawfully or unreasonably. The other highest response rate from the analyzed data was 72% of the respondents agree on the topic that allocated with the challenges confronted by the organization in the process of implementing strategy management in CBE was implementing strategy management tasks were not sufficiently defined and they were satisfied with the topic. The result implies that the most common reasons why implementation of the strategies are unsuccessful because the employees do not fully understand the strategy.

On the other hand, 78% of respondents disagree on the topic that allocated they were dissatisfied. With the topic the challenges confronted by the organization in the process of implementing strategy management in CBE was lack of communication it implies that CBE have good communications. Good staff communication is essential to business success. 65% of respondents disagreed on the topic the challenges confronted by the organization in the process of implementing strategy management in CBE was lack of follow through on implementing those strategies and there were dissatisfied with the topic and 22% of respondent's neutral (neither agree nor disagree). And also 66% of respondents disagree on the topic of that allocated they were dissatisfied with the challenges comforted by the organization in the process implementing strategy management in CBE was insufficient financial resource. The results imply that this bank doesn't have a problem related with finances and lastly, constraints in method of obtaining financial resource 86% of respondent disagree and there were dissatisfied.

4.2.2 The major factors affecting implementing strategy management in CBE

Table 4.2.2. The major factors affecting implementing strategy management

Major factors	Response	Frequency	Percent
The vagueness of the assignment of responsibility	Disagree	11	22%
	Neutral	0	0%
	Agree	39	78%
	Total	50	100
Poor coordination on implementing strategy	Disagree	37	74%
	Neutral	0	0%
	Agree	13	26%
	Total	50	100
Inadequate down-the-line leadership skills	Disagree	11	22%
	Neutral	2	4%
	Agree	38	76%
	Total	50	100
Uncertainties	Disagree	5	10%
	Neutral	0	0%
	Agree	45	90%
	Total	50	100
Top management's involvements were not communicated early enough before implementing strategy.	Disagree	25	50%
	Neutral	12	24%
	Agree	13	26%
	Total	50	100
Collaborate with oversight bodies during strategy implementation process.	Disagree	22	44%
	Neutral	13	26%
	Agree	15	30%
	Total	50	100

Adjust strategy implementation process in line with outside issue.	Disagree Neutral Agree Total	24 3 34 50	48% 6% 34% 100
Unplanned projects causes deviation in implementation	Disagree Neutral Agree Total	5 0 45 50	10% 10% 90% 100

(Source: researcher survey, 2019)

According to this section provider's views on the major affecting implementing strategy management in CBE. Table 4.2.2 indicate that the result of major factors affecting implementing strategy management. 78% of respondents agreed on the topic that apporioned they were satisfied with the topic the major affecting implementing strategy management in CBE was the vagueness of the assignment of responsibility. It shows that One of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail at all is the vagueness of the assignment of responsibilities. And 76% of respondents agreed on the topic that apporioned they were satisfied with the topic the major affecting implementing strategy management in CBE was inadequate down the line leadership skills. This result showed that respondents seems to agree with inadequate leadership skills of Managers and this can cause Poor leadership. It can seriously affect employee morale and even cause the banks bottom line to plunge. Bad leadership leads to poor employee retention and demotivates the remaining employees, causing them to be much less productive than they would otherwise be. And also 90% respondents agreed on the topic that apporioned they were satisfied with the topic the major affecting implementing strategy management in CBE was uncertainties can cause the failure of implementing strategy management this result shows one of the Reasons Why Strategy Fail but Implementing a holistic planning process. uncertainty explored the factors which cause the failure of strategy management implementation. Considering the higher failure rates in implementation of strategies, manage the risks inherent in the environment to reduce the effects of failure Ignoring uncertainty may lead to strategies that are not resistant against threats. The other highest rate from analyzed data; 90% of respondents agreed on the topic that apporioned they were satisfied with the topic the major

affecting implementing strategy management in CBE was unplanned projects causes deviation in implementation. It shows that unplanned projects cause the organizations cost overruns control tools before the solution is implemented, it is likely that the deviation during.

According to this category, 74% of respondents disagrees argued on the topic that apportioned they were dissatisfied with the topic the major affecting implementing strategy management in CBE was poor coordination in implementing strategy. This shows CBE have good coordination system. And 50% of respondents disagree and also 26% neutral (neither) on the topic that apportioned they were dissatisfied with the topic the major affecting implementing strategy management in CBE was Top management's involvements were not communicated early enough before implementing strategy. this improves top management have involvements these managers are a part of the strategy process. This is certainly a prerequisite for strategy implementation. the other one is also 44% respondents disagrees and 30% of respondents agreed and also 26% of respondents are neutral (neither agreed nor disagreed) on the topic that apportioned they were dissatisfied with the topic the major affecting implementing strategy management in CBE was collaborate with oversight bodies during strategy implementation. it shows that majority of respondents of in this issue seems disagree so that CBE have weakness in that area. collaboration is necessary to implementing strategy management, it accelerate the pace of organization and try to attain seemingly impossible goals and nurture the desire to succeed and problem of maintaining strategic fit and it needs to execute strategy successfully. Lastly, 48% of respondent disagreed and 34%of respondent agreed and also 6% of respondents are neutral) on the topic that apportioned they were dissatisfied with the topic the major affecting implementing strategy management in CBE was Adjust strategy implementation process in line with outside line. It shows that majority of respondents disagree on this issue. It implies that based on Adjusting strategies implementation process considered choices and to maintain a favorable balance between the organization and environment. It is also about thinking the best alternative in getting solution to a certain problem under a given circumstance.

4.2.3 The major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management

Table 4.2.3 The major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management

Major Action	Response	Frequency	Percent
The success of any implementation of strategic management top management's commitment the strategic trend itself	Disagree	12	24%
	Neutral	0	0%
	Agree	38	76%
	Total	50	100
The success of any implementation of strategic management effort depends on the level of involvement of subordinates.	Disagree	9	18%
	Neutral	0	0%
	Agree	41	82%
	Total	50	100
Role of communication is a key success factor within implementing strategy management	Disagree	0	0%
	Neutral	2	4%
	Agree	48	96%
	Total	50	100
Teamwork plays an important role within the process of Implementation of strategic management	Disagree	4	8%
	Neutral	0	0%
	Agree	46	92%
	Total	50	100
Maintain an open strategy implementation process	Disagree	0	0%
	Neutral	10	20%
	Agree	40	80%
	Total	50	100
Clarify strategic goals during strategic plan development	Disagree	2	4%
	Neutral	0	0%
	Agree	47	94%
	Total	50	100
providing opportunities for participation	Disagree	8	16%
	Neutral	0	0%
	Agree	42	84%
	Total	50	100
Assign responsibility for achieving implementing plans	Disagree	20	40%
	Neutral	0	0%
	Agree	30	60%
	Total	50	100

Establishing creative working environment to sustain implementation strategic management	Disagree	0	0%
	Neutral	12	24%
	Agree	38	78%
	Total	50	100
Resources required for implementation of the documented strategies have to readily available	Disagree	4	8%
	Neutral	0	0%
	Agree	46	92%
	Total	50	100
I believe that training is one of the effective way to provide follow up to ensure employees execute new strategic lessons in their daily workflows.	Disagree	0	0%
	Neutral	1	2%
	Agree	49	98%
	Total	50	100

(Source: researcher survey, 2019)

As is it shown at table 4.2.3 the respondent view about major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management in CBE were distributed some uniformly. As we can see from the table 4.2.3 the first question the extant 76% of respondents agreed on the topic that allocated they were satisfied with the topic the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management was success of any implementation of strategic management top management's commitment the strategic trend its self. It shows that if top management's strategic choices tend to be successful, a successful strategic planning process will examine and make informed plans is the top management's commitment to the strategic direction itself. Issue becomes strategic when top management believes that how issues get decided, how decisions are implemented and also what impacts them have, but an issue may open new arenas or issue itself are consistent with top management's expertise. And 82% of respondents agreed on the topic that allocated they were satisfied with the topic the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management was success of any implementation of strategic management effort depends on the level of involvement of subordination contribution of individuals or teams to the organization's strategic goals. The Employee development and empowerment effective participation of employees/ manages Build organizational capability and successful implementation of high- commitment Managers at all organizational levels and in all work areas. and also on role of communication for implementing strategic management 96% of respondents agreed and 4% of respondent disagreed. The results showed that although effective communication guarantees organizational success, it is largely dependent on the pattern or methods of

communication, effectiveness and suitability of the channel selected, and how receptive or accessible are the superiors to the subordinates, among other factors.

Another highest rate from this section, 92% of respondent agreed and also 8% of respondent strongly disagreed on the topic that allocated they were satisfied with the topic the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management was teamwork plays an important role within the process of implementation of strategic management. The result showed that team work must be encouraged at workplace as it strengthens the bond among the employees and the targets can be met at a faster pace. Workload is shared and individuals feel motivated to perform better than his team members because Team work is essential in corporates for better output and a better bonding among employees. It provides improved efficiency and productivity.

80% of respondent agreed and also 20% of respondent neutral (neither agreed nor disagreed) on the topic that allocated they were satisfied with the topic the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management was maintain an open strategy implementation process. In other words, the range of people involved in making strategy; and an openness in terms of transparency, both in the strategy formulation and implementation stage, more commonly, in the communication of strategies once they are formulated”

The 94% of respondents agreed and also 4% respondent are neutral (nether agreed nor disagreed) they were satisfied On the topic that apportioned with the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management was clarify strategic goal during strategic plan development along with providing opportunities for participation 84% respondents agreed and the rest 16% of respondents are disagreed. This result showed that providing an opportunity to the employees for participation it helps to have successful implementing strategy process and there will be better understanding of those strategies. Another major action to reduce the challenges of implementing strategy management is assign responsibility for achieving plans have 60% respondents strongly agreed and 40% of respondents strongly agreed On the topic that apportioned they were almost satisfied. Assigning Responsibilities to Staff it helps to accomplish the plan since employees are ultimately responsible for reaching their goals, they need to have a strong voice in setting them. A good management plan helps to accomplish goals in a number of ways. The other highest rate from analyzed data; 78% of respondents agreed and also 12% of respondent are neutral (neither agrees nor disagreed) on the topic that apportioned they were satisfied with the topic the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management was

establishing creative working environment to sustain implementing strategy management. It implies Sustainability is important for strategy and better working condition. On resource required for implementation of the documented strategies have readily available 92% of respondent agreed and also 8% of respondent disagreed on the topic that allocated with the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management they were satisfy.

Lastly, 98% of respondents agreed and 2% of respondent neutral (neither agreed nor disagreed) on the topic that apporioned they were satisfied with the topic the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management was the training is one of the effective way to provide follow up to ensure employees execute a new strategic lessons in their daily workflows.

4.3. THE RESULTS OF INTERVIEWS

As it was mentioned on the methodology, interviews were conducted with managers and Supervisors of CBE head office strategic planning and management department hence; the results of the discussion are summarized as follows;

Most interviewees agreed that the study inquired on the various challenges facing the implementing of strategies adopted by the commercial bank of Ethiopia. There were various reasons quoted such as ineffective direct and control the use of resources, mechanisms such as organizational structure, poor information systems, ineffectual leadership, slow assignment of key managers, unplanned budgeting, little or less employee rewards, and weak control systems. The responsibility of the implementing strategy was to the management which includes board of governors and top management officials.

The study inquired on how has the implementing strategy management Process been affected in the CBE, the study revealed that structure provides overall framework for strategy implementation, it is not enough to ensure successful execution. Within the organizational structure, individuals, groups and units are the mechanisms of organizational action, and the effectiveness of their actions is a major determinant of successful implementation. On how strategy implementation challenges affect the implementation process, the respondents cited that culture is a set of important assumptions (often unstated) that members of an organization share in common. These shared

assumptions (beliefs and values) among members of an organization set a pattern for activities, opinions and actions within that organization. Further, strategy implementation challenges were seen to affect leadership in that without the right leadership; employees remained skeptical of the vision for strategy and distrustful of management. The management likewise was frustrated and stymied by employee resistance. One major task of the Manager was to implement strategy which entailed overcoming resistance. Some respondents mentioned that management and availability of human resource skills as important challenge factors that determines strategy implementation process services. Some of respondents revealed that Government Policy as a major factor to be considered. With regard to any other factor ponding challenge to strategy implementation process at the bank, the study revealed that most of the respondents considered choice of external service strategy consultants as an important factor. The various attributes of the strategy consultants which were considered as important includes professionalism, competence, quality of service, contract term, credibility, cost and flexibility.

Typically, it is the people side that loses out. But if leaders don't establish an effective balance between business and people priorities they can destabilize the organizational culture and erode trust, generating fear and skepticism among employees at a time when a loyal, productive, and enthusiastic workforce is essential for success. The study revealed that there were various implications of the challenges on CBE's strategy implementation process. This had led to poor provision of services, loss of revenue and lack of public trust especially on the timely delivery of services.

CHAPTER FIVE

5. SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter focuses on the summary of the major findings of the research questions, conclusions and recommendations forwarded in light of responses of research participants and the relevant literature.

5.1 SUMMARY OF MAJOR FINDINGS

The main objective of this study was to assess about the challenges of implementing strategy management in Commercial Bank of Ethiopia by having the stated three basic questions to be addressed;

- The implementing of strategies management is mainly concentrated on five major challenges in the process of implementing strategy management; potentially unachievable strategy, ineffective leadership, having wrong people in leadership position, poor alignment with administrative authority and implementing strategy management tasks were not sufficiently defined. Some of respondents revealed that Government Policy as a major factor to be considered. With regard to any other factor posing challenge to strategy implementation process at the bank, the study revealed that most of the respondents considered choice of external service strategy consultants as a major factor. The various attributes of the strategy consultants which were considered includes professionalism, competence, quality of service, contract term, credibility, cost and flexibility. So that the respondent is agreed on those challenges of strategy management.
- On the other hand, most interviewees agreed on a various reasons quoted such as ineffective direct and control the use of the resources, mechanisms such as organizational structure, ineffectual leadership, unplanned budgeting, little or less employee rewards, and weak control systems. The responsibility of the implementing of strategies was to the management which includes board of governors and top management officials. And also the majority of respondents agreed on those challenges of the implementing strategy management have negative outcome in the organization.

- Potentially unachievable strategy, ineffective leadership, lack of communication and poor alignment with administrative authority found to be the most challenging variables of implementing strategy management.
- As it was indicated Table 4.2.2 the major factor affecting implementing strategy management have four core factor the majority of respondents agreed on. Such as the vagueness of the assignment of responsibility, inadequate down the line leadership, uncertainties, unplanned project and collaborate with oversight bodies during strategy implementation process have major impact on the implementing strategy management process most respondent agreed and some the interviewees agreed on that as well. This indicate that those major factors certainly affect implementing strategy management process.
- According to the respondents answer the majority of employees agreed on the major action taken to reduce the challenges of implementing strategy management. Table 4.2.3 indicate that top management commitment, the involvement of subordinate, role of communication, maintain an open strategy implementation process, clarify strategic goals during strategic plan development, providing opportunity for participation, establishing creative working environment to sustain implementing strategy management and training. The study established that, the majority of respondents and interviewers agreed on those major actions certainly can reduce the challenges of implementing strategy management.

5.2 CONCLUSIONS

This study provided understanding of challenges of implementing strategy management in CBE. Based on the finding the study concluded the challenges confronted by the organization in the process of implementing strategy management in CBE are potentially unachievable strategy, ineffective leadership, having wrong people in leadership position, poor alignment with administrative authority and implementing strategy management tasks were not sufficiently defined.

Based on the findings, the study concluded that there were various challenges affecting implementing strategy management such as; vagueness of the assignment of responsibility, inadequate down the line leadership, uncertainties, unplanned project causes deviation in implementation. The study concluded success of the organization is based on the strategies and those strategies have to be properly implemented to achieve the success of this organization.

Finally, based on the findings the major action to reduce the challenges of implementing strategy management. The majority of employees agrees and satisfied with the actions. Such as that top management commitment, the involvement of subordinate, role of communication, maintain an open strategy implementation process, clarify strategic goals during strategic plan development, providing opportunity for participation, establishing creative working environment to sustain implementing strategy management and also training. As we can see from the findings the study concluded those action can reduce the challenges of implementation strategic management.

5.3 RECOMMENDATION

As a recommendation, the organization needs to improve to have effective implementing strategy management, they need to have potentially achievable strategy because strategy implementation process concern the managerial exercise of putting a freshly chosen strategy in to place, while strategy execution deal with the managerial exercise of supervising the ongoing pursuing of strategy, making it work, improving the competence with which is executed and showing progress in achieving the target result. To do that the study also recommends organization need to improve sufficiently define the tasks of implementing strategy.

According to the respondents and interviews with managers and employees mentioned more about, one of the most challenges of implementing strategy management is ineffective leadership. Therefore, the study recommends, increasing the level of Effective leadership in a given organization influences how the chosen strategies will be implemented, develop action plans for individual initiatives within the plan, determine who is responsible for what, when it will be started and completed, and what intermediate accomplishments are needed to achieve final results. This will help to determine when adjustments need to be made and make progress more apparent and better leadership. The most important point to note here is that all of the above parameters are essential in the successful implementation of strategies in any this organization.

The study also recommended that Effective communication is the most important ways of Sharing the plan within the organization adapted to the Employees detailed action plans. Update the information to reflect progress and accomplishments and improved information systems, implementing strategies is a lot of work. Engaging more people will make it possible to spread the workload. Those people engaged in the implementation will feel more ownership for the plan and it changes the result. Communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized. So that effective communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that effective communication is a key success factor within strategy implementation.

According to the data, the major challenges are Having the wrong people in leadership position. So, instead of promoting the wrong people to leadership roles, identify those who have a passion for leadership, and facilitate those career advancement opportunities with them.

Another challenge of implementing strategy management is also poor alignment with authority. So the study recommended that Better alignment with administrative authority an effective management can be developed in a vacuum. Ensure the resulting strategies and goals of plan are aligned with any higher level organizational goals once the strategic management is written. the administrative authority must act within the relevant period specified by law. All administrative authorities, no matter how high-ranking, are obliged to obey the law. If an authority acts unlawfully, any person affected must surely have the right to approach a court of law for a ruling that the action is illegal and of no force and effect. This is the essence of the rule of law and the protection of the law.

The study recommended, to reduce vagueness of the assignment of responsibilities. these responsibilities are diffused through numerous organizational units. one should create a plan with clear assignments of responsibilities regarding detailed implementation activities. And adequate down the line leadership, certainties, planned project and reducing collaborate with oversight bodies during strategy implementation is a preventive way of proceeding increase the level of successful strategy implementation.

According to the data, implementing a strategy is the top management's commitment to the strategic direction itself. This is undoubtedly a prerequisite for strategy implementation. Therefore, the study recommended that top managers must demonstrate their willingness to give energy and loyalty to the implementation process.

Moreover, the success of any implementation effort depends on the level of involvement of subordinate. To generate the required acceptance for the implementation as a whole, the affected subordinates' knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these subordinates are a part of the strategy process, their motivation towards will increase and they will see themselves as an important part in the process. the involvement of subordinates is essential to increase the general awareness of the strategy. In order to have successfully improve strategy is implemented as intended

subordinates should involve in implementing strategy management process because subordinates have the same perceptions of the strategy.

Based on the finding the study strongly recommended is that since strategies are a means to the end of achievement of organization objectives. the organizations should have culture of team work, maintain an open strategy implementation process, clarify strategic goals during strategic plan development, and establishing creative working environment to sustain implementing strategy management. Non-implementation therefore renders strategic plans valueless.

Moreover, Differences in personality can result in serious inconsistencies in how strategies are understood and acted on. Recognizing different personality types and learning how to handle them effectively is a skill that can be taught. However, more than any other field of activity, implementation is the area that benefits most from a trained and personality-sensitive management team. New strategic initiative will never get off the ground without the proper training for employees who are expected to execute. There are many reasons companies skimp on proper corporate and learning opportunities for employees. So the study strongly recommended that training for employees is highly needed. Because training provides follow up to ensure employees execute those lessons in their daily workflows.

In addition, Even the best-formulated strategies fail if they are not implemented in an appropriate manner. Further, it should be kept in mind that, if there is an alignment between strategy and other elements like resource allocation, organizational structure, work climate, culture, process and reward structure, then the effective implementation is possible.

Moreover, it is recommended that future studies be conducted longitudinally in different time intervals to review challenges of implementing strategy management. Also, future research can be further investigated in terms of their direct and interactional influences on implementing strategy management. Lastly, it is highly recommended that future research explore the affecting implementing strategy management revealed by this study.

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Appendix I

ADDIS ABABA UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS

Dear respondents

Dear respondents my name is Mekeds Alemayehu. I am conducting a research. This questionnaire is developed to collect data on the topic entitled “**THE CHALLENGES OF IMPLEMENTING STRATEGY MANAGEMENT IN; THE CASE OF COMMERCIAL BANK OF ETHIOPIA** ”. It is carried out for academic purposes, to write a paper, in partial fulfillment of the requirements for Master of Arts degree in public administration and development management. Moreover, it might also serves as input for policy makers and implementers to change the situation. Filling the survey questionnaire is voluntary. Your genuine response will provide valuable information on the topic. The information you provide is completely confidential.

Thank you

Mekeds Alemayehu
(The researcher)

GENERAL DIRECTION

Please mark your response in the space provided putting “√” mark in the boxes that most explain your answer/s.

Questionnaire on respondent’s personal information

The following information is needed to help us with the statistical analyses of the data. This information will allow comparisons among different employees within the organization.

1. Gender of respondents; male [] female []
2. Age of respondent
 - A, less than 25 [] C, 36-45 []
 - B, 26-35 [] D, 46-55 []
 - E, above 55 []
3. Current level of education
 - A, BA/BSC degree [] C, other (specify) []
 - B, Masters []
4. The relevant work experience in years
 - A, less than 3 years [] C, 8-12 years []
 - B, 3-7 years [] D, above 12 years []
5. Category of employment
 - A. Non-manager [] C. other (specify)_____
 - B. Supervisory/manager []

❖ PART I: -Questionnaire on what are the challenges confronted by the organizations in the process of implementing strategy management?

Please read the following sentences and indicate the degree to which you agree or disagree by selecting the appropriate number on the following scale:

1: Strongly Disagree 2: Disagree 3: Neutral 4: Agree 5: Strongly Agree

No	Items	Response				
		1	2	3	4	5
1.	I believe this organization struggle's inappropriate of potentially unachievable strategy to implement the plan					
2.	I believe implementing of strategies management frequently fails due to ineffective leadership					
3.	I believe that one of the challenges of slowing the process of implementing strategy management is lack of communication					
4.	I believe that one of the challenges of slowing the process of implementing strategy management is Lack of follow through on implementing strategy management					
5.	I believe that implementing of strategies management frequently fails due to Having the wrong people in leadership position					
6.	I believe that one of the challenge of implementing strategy is Poor alignment with administrative authority					
7.	I believe implementing strategy management tasks were not sufficiently defined					
8.	I believe Insufficient financial resources to execute the strategy.					
9.	I believe Constraints in methods of obtaining financial resources					

❖ **PART II: -Questionnaire on What is the major factors affecting implementing strategy management?**

Please read the following sentences and indicate the degree to which you agree or disagree by selecting the appropriate number on the following scale:

1: Strongly Disagree 2: Disagree 3: Neutral 4: Agree 5: Strongly Agree

No	Items	Response				
		1	2	3	4	5
10.	The vagueness of the assignment of responsibility on implementing strategy management					
11.	Poor coordination on Implementing strategic management process					
12.	Inadequate down-the-line leadership skills					
13.	Uncertainties' can cause Failure of Implementing strategy management					
14.	Problems requiring top management involvement were not communicated early enough before implementing strategy.					
15.	Collaborate with oversight bodies during strategy implementation process					
16.	Adjust strategy implementation process in line with outside issue					
17.	Unplanned projects causes deviation in implementation					

❖ **PART III: -Questionnaire on What are the major actions / mechanisms taken by commercial bank of Ethiopia to reduce challenges of implementing strategy management?**

Please indicate, by selecting, the number that corresponds with the extent to which you agree or disagree with the statements. Please answer truthfully. The scale is as follows:

1: Strongly Disagree 2: Disagree 3: Neutral 4: Agree 5: Strongly Agree

No	Items	Response				
		1	2	3	4	5
18.	The success of any implementation of strategies management top management's commitment the strategic trend itself					
19.	The success of any implementation of strategies management effort depends on the level of involvement of subordinates.					
20.	Role of communication is a key success factor within implementing strategic management					
21.	Teamwork plays an important role within the process of Implementation of strategic management					
22.	Maintain an open strategy implementation process					
23.	Clarify strategic goals during strategic plan development					
24.	providing opportunities for participation					
25.	Assign accountability for achieving implementing plans					
26.	Establishing creative working environment to support implantation strategic management					
27.	Resources required for implementation of the documented strategies have to readily available					
28.	I believe that training is one of the effective way to provide follow up to ensure employees execute new strategic lessons in their daily workflows.					

29. If there are additional challenges confronted by the organizations in the process of implementing strategy management?

30. If there are additional factors affecting implementing strategy management?

Appendix II

Addis Ababa University

Faculty of Business and Economic

Department of Public Administration and Development Management

Interview questions prepared for the Partial Fulfillment of Master's Degree in Public

Administration and Policy

INTERVIEW QUESTIONS ON THE CHALLENGES OF IMPLEMENTATION STRATEGIC MANAGEMENT IN; THE CASE OF COMMERCIAL BANK OF ETHIOPIA

PREPARED BY: Mekedas Alemayehu

1. What are the challenges facing the implementing of strategies management adopted by the bank?
2. What are the factor that affect the implementation process?
3. For each of the challenges mentioned in above, how has the implementing strategy management Process been affected?
4. How has the bank been able to amend its implementing strategy implementing strategy implementing strategy management process as per the challenges?