



**THE CONTRIBUTIONS OF STRATEGIC PLANNING TO ORGANIZATIONAL
PERFORMANCE: The Case of Sululta Town Administration**

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PERFORMANCE: ACHIEVEMENTS AND CHALLENGES WITH REFERENCE TO
CASE OF SULULTA TOWN ADMINISTRATION**

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Acronyms and Abbreviations

BPR	Business Process Re-engineering
BSC	Balance Score Card
CSO	Central Statistical Office
FUPI	Federal Urban Planning Institute
GTP	Growth and Transformation Plan
NGO	Non Governmental Organization
NUPI	National Urban Planning Institute
ONCCP	Office of the National Committee for Central Planning
OoFED	Office of Finance and Economic Development
SWOT	Strength, Weakness, Opportunity and Treat

Abstract

The study sought to investigate the contributions of strategic planning to organizational performances in the selected sectors of Sululta Town. The study has also sorted out the context of strategic planning prior to its design. In addition, the research investigated the practices and challenges in the course of designing, implementing and over sighting the plan in the ex-post implementation. In order to systematically approach the problem. This approach was selected on the ground that it helps the selection of Case Study approach. To this effect, a case study is chosen as an overall approach for its ability to incorporate to qualitative and quantitative methods in the collection and analysis of data that focuses on the various issues of the study. Besides, in order to meet the objectives of the research, both primary and secondary sources of data were accessed using questionnaire, interviews and observations. Moreover, from 22 public sector organizations that have implemented strategic planning, 5 sectors were randomly selected from where 37 respondents were selected using simple random sampling and 13 were selected as key informants who were purposely considered. The results show that though there has been a gap to improve, to a better degree there has been awareness creation prior to the design of Strategic Planning. However, results show that there was a gap in participating wider level of management and stakeholders in the course of designing the plan. This study also shows that the Strategic Planning has resulted in positive changes with regard to revenue collection, efficient service delivery and increased desire for qualified manpower. Finally, the researcher recommends that, in the planning processes to come in the future, the Town Administration should create adequate awareness for both employees and the stakeholders. It is also recommended that good performing units and employees should be rewarded so as to motivate the poorly performing ones. Moreover, further research is recommended as strategic planning multiple dimensions.

Chapter One

Introduction

1.1. Background of the Study

Over the past two decades, the strategic plan has become a common management tool in both developed and developing countries. Much have been written and published in the field of strategy and consequently on strategic planning. At its peak in the 1970s and 80s, planning was the central activity of modern organizationals, which they thought enabled them to achieve a competitive advantage. Much influential literature stems from this time, shaping the way managers thought about strategic plans. Over the past two decades research has increasingly identified the ‘pitfalls’ of planning (Mintzberg, 1994a as cited by **Marie Nauheimer, 2007**).

In addition, strategic planning and its link to organizational performance have led to inconclusive findings and have made a synthesized stream of research difficult to achieve. Porter (1985) also distinguished that despite the criticism leveled against strategic planning during the 1970s and 80s, it was still useful and it only needed to be improved and re-casted.

Over time the concept and practice of strategic planning has been embraced wide-reaching and across sectors because of its perceived contribution to organizational performance. Now day’s organizations from both the public and private sectors have taken the practice of strategic planning critically as a tool that can be employed to fast track their performances. Strategic planning is arguably important ingredient in the conduct of strategic management. In this regard, (Steiner 1979 as cited by Robert, 2012) noted that the framework for formulating and implementing strategies is the formal strategic planning system.

Moreover, Greenley (1986) noted that strategic planning has potential advantages and intrinsic values that eventually translate into improved organizational performance. It is, therefore, a vehicle that facilitates improved organizational performance.

The grand promise of strategic planning has been to increase the efficiency and effectiveness of organizations by improving both current and future operations. Strategic planning provides a framework for management’s vision of the future. The strategic planning process is used by management to establish objectives, set goals, and schedule activities for achieving those goals

and includes a method for measuring progress. The process determines how the organization will change to take advantage of new opportunities that help meet the needs of customers and clients. The idea of strategic planning has historical roots in the military concept of strategy. The literature of formal strategic planning for organizations emerged in the 1960s.

However, most theory and practices have been focused on the private sector, specifically in businesses and for the purpose of improving competitive position in the market. Strategic planning for public organizations is a more recent innovation—first introduced in the 1980s. It has steadily grown as an academic endeavor and tool for public managers, but is not nearly as robust as its private sector predecessor.

Since the last five years, increased efforts are being made towards facilitating planned urban development in Ethiopia. Indeed, similar efforts were being made starting the establishment of the former National Urban Planning Institute (NUPI), now renamed as the Federal Urban Planning Institute (FUPI) (MoUCH, 2006).

The Ethiopian government has formulated the five year Growth and Transformation Plan (GTP) (2010/11-2014/15) to carry forward the key strategic directions pursued in the PASDEP. The GTP envisages that, besides maintaining a fast growing economy, better results will be realized in all sectors. To this effect, Sululta Town is not an exception in this regard (GTP, 2010).

This study will examine the relationship between strategic planning and organizational performance in the context of Sululta Town Administration. Most of the research done is based on the developed countries' context. Given the fact that even strategic planning is embraced in the developing countries like Ethiopia, it is important that the implications of strategic planning are researched and documented.

1.2. Problem Statement

The environments in which public and nonprofit organizations operate have become not only increasingly uncertain in recent years but also more tightly interconnected; thus changes anywhere in the system reverberate unpredictably— and often chaotically and dangerously— throughout the society. This increased uncertainty and interconnectedness requires a fourfold response from public and nonprofit organizations (and from communities). Strategic planning

can help leaders and managers of public and nonprofit organizations think, learn, and act strategically (John, 2004).

Many of the studies on the relationship between strategic planning and organizational performance were done between 1970s and early 1990s. These studies focused on the direct relationship between strategic planning and organizational performance. Although the studies within the African context by Woodburn (1984), Adegbite (1986) and Fubarua (1986) noted that organizations that practiced strategic planning recorded better performance compared to non-planners.

The successful strategic planning in organizational performance is very important to support and strength on organizational performance. A good strategic plan perform reduce wastage of time, cost minimize and to use less human resource and the right person to the right position. Most of the time organization prepares strategic planning to improve the performance of their departments and sector but fail to implement according to the time set, the planned human resource and within the budget framework. Authors offer a number of general causes for Unsuccessful strategic planning management and organizational efficiency failures: Lack of capital, unplanned expansion and management incompetence, lack of human resource management, wastage of time during implementation the strategic planning, all are mentioned as typical reasons for inefficient organization. Nevertheless, each of these challenges may be effectively addressed by strategic planning.

According to the researcher, there is absence of study on the contribution of strategic planning in public organizations performance in Sululta Town Administration, the researcher feels it is worth doing the study in the area.

1.3. Research Questions

This study attempted towards finding answers to the following research questions:

1. What is the contribution of strategic planning to organization effectiveness?
2. What is the contribution of strategic planning to organization efficiency?
3. What is the relationship between strategic planning and organizational performance?
4. What are the challenges and achievements of strategic planning on organizational performance?

1.4. Objectives of the Study

A. General Objective

The general objectives of this research paper was the assessment of strategic planning contribution to organizational in Sululta town administration

B. Specific Objectives

- To assess the contribution of strategic planning to organization effectiveness;
- To assess the contribution of strategic planning to organization efficiency;
- To assess the relationship between strategic planning and organizational performance;
- To examine the challenges and achievements of strategic planning on organizational performance.

1.5. Delimitations of the Study

Strategic planning affects various aspects of organizations including human resources, finance, organizational cultures and other operational areas. However, this study is confined to investigating the relationship between strategic planning and its impact organizational effectiveness. Hence, the entire analysis and discussion has been confined to the contribution of strategic plan to organizational efficiency, achievements and challenges. Geographically, the study is limited to Suluta Town.

Moreover, even though referring some history and trends back is necessary, the time span of the study is limited only to the period from 2002-2007 (E. C.).

1.6. Significance of the study

The research was expected to benefit policy makers in the study area by considering the benefit associated with strategic planning in public organizations. It also paves the way for other researchers to further study the relationship between strategic planning and organizational operations from varied perspectives. In addition, it is also believed that this study would be a plus to the existing literatures in the area of strategic planning and organizational performance.

1.7. Organization of the study

The research is organized in to five chapters. The first chapter dealt with introductory issues including background of the study, problem statement, research questions, and objectives of the

research, delimitation of the study and significances of the study. The second chapter is devoted to dealing with review of related literatures in which both theoretical and empirical issues were presented.

The third chapter presented research methodology and methods, design, sampling techniques and the sources accessed. In the fourth chapter, the collected data were presented, analyzed and discussed in line with the research objectives and questions. Chapter five is the last part of the paper in which summary of findings, conclusions and recommendations were presented.

CHAPTER TWO

A Review of the Literature on Strategic Planning

Introduction

This chapter deals with review of literatures that are related to the topic under consideration. The literature relevant to the topic under discussion includes works about strategic planning and performances of public sector organizations. From this literature, an overview is presented tracing the development of strategic planning from its beginnings in the business world to its application in government. Also presented are the assumptions associated with the various approaches to strategic planning.

Particularly significant is the information related to the public-private distinction because this distinction is the key to uncovering contextual factors that are important when business-based managerial innovations such as strategic planning are applied to public sector organizations. In specific terms, the chapter covers the review of relevant issues such as the origin and development of strategic planning, theories of strategic planning, planning process and cycles. In addition, specific challenges in the design and implementation of strategic planning are elements of strategic planning are reviewed. Finally, the chapter dealt with the review of planning experience of Ethiopia.

2.1 Conceptualization of Strategic Planning

Strategic planning is a combination of strategy and planning (Leslie, 2008). Strategic planning was designed to help organizations to anticipate and respond effectively to their dramatically changing environments. Johnson and Scholes (2004) see strategic planning as a special kind of decision making process with some distinct characteristic.

Strategic Planning, in the broadest of deciding in advance what you intend to do and how you intend to do it, is not, of course, just a business activity (Smith, 1990:121). Strategic planning can be defined as the process of developing and maintaining consistency between the organization's objectives and resources and its changing opportunities (Robson, 1994, p.15).

In addition, William (1988) states that "strategic planning aimed at total concentration of the organization's resources on mutually predetermined measurable outcomes. Moreover, strategic planning is a management instruments that helps an organization do enhanced performance.

Therefore, strategic planning is a disciplined effort to produce fundamental decisions and actions that shapes and guides what an organization is, what it does, and why it does it, with a focus on the future (Bryson, 1988).

These definitions imply that aim of the strategic planning is to provide organization's objectives, resources and dynamic environment. Being strategic means being clear about the organization's objectives, being aware of the organization's resources, and incorporating both into being consciously responsive to a dynamic environment.

According to McNamara (1999), the process of strategic planning involves intentionally setting goals (i.e., choosing a desired future) and developing an approach to achieving those goals. Hence, its process is disciplined in that it calls for a certain order and pattern to keep it focused and productive. The process raises a sequence of questions that helps planners examine experience, test assumptions, gather and incorporate information about the present, and anticipate the environment in which the organization will be working in the future.

Strategic planning is without any direction or description is complex and challenged. Strategic planning determines where an organization is going over the next year or more and how it's going to get there. Typically, the process is organization-wide, or focused on a major function such as a division, department or other major function (McNamara, 1999).

According to McNamara (1999) strategic planning suggests ways (strategies) to identify and to move toward desired future states. It consists of the process of developing and implementing plans to reach goals and objectives.

Furthermore, Strategic planning is the process of defining an organization's plans for achieving its mission. Strategic planning is an organizational strategy with a thrust to achieving organizational mission. The product of a strategic planning effort is typically a document (a strategic plan) that elaborates a high-level strategy and articulates the elements that influence it is a full description of the organizational environment and intentions. Note that a strategy is directional in nature; although descriptions and analysis of the present situation are included, a strategic plan does not merely endorse the status quo, it directs change of some kind [Cassidy 2006]. Division-level and organizational-unit-level planning should be tied directly to the organization's strategic plan (Gates, 2010).

According to Nickols (2012), Strategic planning is defined as a recognizable set of activities that have logical coherence. There are technical differences among the definitions of different scholars, but the substantive issues are essentially the same across authors.

Strategic planning is a disciplined process for making key decisions and agreeing on actions that will shape and guide what an organization is, what it does, and why it does it. A strategic plan is a practical action-oriented guide, based on an examination of internal and external factors, which directs goal-setting and resource allocation to achieve meaningful results over time (CSDOF, 1998).

Strategic planning is managing for results. It is a long-term, future-oriented process of assessment, goal setting, and strategy building that maps an explicit path between the present and a vision of the future, that relies on careful consideration of an organization's capabilities and environment, and leads to priority-based resource allocation and other decisions. It is a disciplined effort to produce fundamental decisions and actions that shape and guide what an agency is, what it does, and why it does it. It also includes the process of developing a strategic plan. A strategic plan is an agency's comprehensive plan to address its business needs; i.e., to successfully carry out its programmatic mission. Because strategic planning is a team effort that builds consensus on a future direction for an agency, the process itself is more important than the resulting document. The California State Government Strategic Planning and Performance Review Act (Chapter 779, Statutes of 1994) finds that "strategic planning is a prerequisite for effective performance review and performance budgeting" (CSDOF, 1998).

2.2 The Origin and Development of Strategic Planning

2.2.1 Military origin

The word "strategy" comes from the Greek *-strategos* referring to a military general and combining *-stratos* (the army) and *go* (to lead). The primary tasks of strategic management are to understand the environment, define organizational goals, identify options, make and implement decisions, and evaluate actual performance. Thus, strategic planning aims to exploit the new and different opportunities of tomorrow, in contrast to long-range planning, which tries to optimize for tomorrow the trends of today (Ducker, 1980).

Strategic planning has its origin in warfare. The word ‘strategy’ derives from the Greek word *strategos* (a combination of *stratos*, army, and *agein*, to conduct). The Greek term referred to the civil-military officials elected by the citizens of Athens to assume leadership during times of war. The *stratego*i were expected to prepare and implement overall, top-level plans in order to achieve the long-term goal of winning the war (through battles, negotiations, or any other means available, according to the changing situation). They were not directly in charge of daily short-term operations of managing troops to win specific battles, which was the responsibility of lower ranking officers. This was (and still is) referred to as ‘tactics’, another military term, derived from the Greek word *tactica*, which means the art of disposing and maneuvering forces in combat (from the verb *tassein*, to arrange).

According to IIFEP (2010), from its military roots, strategic planning has kept at least two essential characteristics: to think big, by taking into consideration all possible options and paying due attention to the changing environment; and to focus on a clear, final and organizational long-term goal to be achieved.

2.2.2 Adoption in the business world

Although strategic planning in the business world can be traced back much earlier, its extended use started after the Second World War. During the 1960s, it became a standard management tool in all big and in many small companies and began to be included in the curricula of all reputable business schools. Since then, the strategic planning approach has been the subject of many theories and gone through different fashions.

At least two interrelated important evolutions, as compared to the original military-rooted concept, are worth mentioning here. First, it was gradually realized that, at least in complex enterprises, strategic planning should not only take place at the executive level but that it should also be undertaken at the different levels and functions within the organization. Every manager is a strategy maker and strategy implementer for the area which he/she has authority over and supervises. Second, it also became clear that in order to increase the chances of successful implementation, the preparation of a strategic plan could not be left to external consultants or even internal planning units alone. Unless those in charge of implementation identify with what is being proposed, plans tend to become paper exercises. A good plan will take into

consideration the whole organization or management unit and, therefore, all staff should be involved in its preparation in one way or another (IIFEP, 2010).

2.2.3 Transfer to the public sector

It took some time for strategic management to move into domains other than the military and business worlds. Not surprisingly, strategic planning entered the public and semi-public sectors during the mid-1980s, at a moment when the liberal market philosophy began to dominate all management thinking. Public management reform was in the air. It was felt that government administration should become more cost-effective and that this implied becoming more result (service) oriented, which could best be obtained by applying strategic management principles.

Reformers, of course, did not ignore that there are important differences between a private company and a government agency. Government agencies generally do not face competition, they are not expected to make a profit, and they have little autonomy in personnel management. Still, they have to deliver specific services and can, therefore, be requested to produce precise quantifiable results. They utilize important resources, and therefore costs have to be kept under control. They have their own working procedures, which are mostly the result of a long tradition and might therefore not be the most efficient.

The basic assumption behind the introduction of strategic management in the government sector is that, in spite of their differences, strategic planning is an approach which is relevant to all kinds of organizations simply because all organizations have specific long-term goals to reach and, since resources are always limited, they have to find the most efficient way to attain these. At the same time, different types of organizations have their own features, which means that strategic planning can never be applied in a blue-print manner but has to be adapted to the specificities of the type of organization under consideration (IIFEP, 2010).

2.3 The Development of Strategic Planning In The Organizations

2.3.1 Theories of Strategic Planning

A literature review guides to the categorization of strategic planning into normative and descriptive. Normative theory, which is perspective, is divided from the principles and processes school and from the field of management science. Descriptive theory, on the contrary, is typically a more data driven approach that has evolved from a larger body of empirical work

including human problem solving behavior and decision making behavior in the organizational (Still, 1974 and Stewart, 2003).

Normative theories in general depended on information economics of strategic fit that suggests organizationals should adopt policies internally and externally on the basis of potential growth benefits. Descriptive theories, on the contrary, are often referred to as human information processing approach which employs deductive and empirical methods of information production and use (Hilton, 1980).

During the 1960's and early 1970's significant developments in management theory resulted in the establishment of a distinct body of theory concerning strategic planning (Mockler, 1970 and Wern, 1972). These developments coincided with the emergence of the disciplines of management science, behavioral science, and systems approach, and have incorporated ideas from each (Still, 1974).

A number of concerns have been consistently raised by scholarly researchers regarding the theoretical foundation of strategic planning. These researchers have come up with findings that include: (1) lack of formally established, empirically-based descriptive theory of strategic planning behavior in the business environment (Still,1974); (2) dearth of empirical studies about strategic planning practices of the small business; (3) lack of an established theory on the actual differences regarding growth between organizations with formalized versus non-formalized planning practices (Rue and Ibrahim, 1998 and Stewart 2003) and; (4) low level of integration or synthesis among the various approaches (management science, behavioral science, and principles/processes schools of thought) to strategic planning (Still , 1974).

The last five decades saw the unprecedented growth of planning in both the developed and Third World countries. Planning has become ubiquitous activity engaged in by nations, organizations and individuals.

Philosophical synthesis emphasizes a broad approach to planning which seeks insights into the socio-economic and ethical conditions as well as the environmental context of the organization for which planning is being undertaken.

2.4 The Process of Strategic Planning

2.4.1 Steps of Strategic Planning

Many books and articles explain how most excellent to do strategic planning, but our purpose here is to present the basic steps that must be taken in the strategic planning process. Below is a short explanation of the five steps in the process. These steps are a suggestion, but not the only guidelines for creating a strategic plan; other sources may advocate completely different steps or variations of these steps. However, the steps outlined below describe the basic work that needs to be done and the typical products of the process. Although every strategic planning process is uniquely designed to fit the specific needs of a particular organization, every successful "model" includes most of these steps.

The organization starts on by recognize its vision and mission. Once these are clearly defined, it moves on to a series of analyses, including external, internal, gap, and benchmarking, which afford a framework for developing organization's strategic issues. Strategic programming follows and the organization develops specific strategies including strategic goals, action plans, and tactics. Growing strategies develop, challenging the future tactics, and altering the realized strategy. Occasionally, the organization evaluates its strategies and assessment its strategic plan, considering emergent strategies and evolving changes. It usually takes several years before strategic planning becomes institutionalized and organizations learn to think strategically. The Strategic Planning Process graph at the end of this section provides a graphical representation of these steps (Ansoff, 1994).

I. Setting vision and mission

Set of the organization's vision and mission is the primer step of any strategic planning process. The organization's vision sets out the reasons for its existence and the "ideal" state that the organization aims to achieve; the mission identifies major goals and performance objectives. Both are defined within the framework of the organization's philosophy, and are used as a context for development and evaluation of intended and emergent strategies. One cannot overemphasize the importance of a clear vision and mission; none of the subsequent steps will matter if the organization is not certain where it is headed (Mintzberg, 1996).

II. Environmental Scanning

Once the vision and mission are clearly identified, the organization must analyze its external and internal environment (Lynch, 2000). The environmental scan, performed within the frameworks of the Five Forces Model and SWOT, analyzes information about organization's external environment (economic, social, demographic, political, legal, technological, and international factors), the industry, and internal organizational factors, (managementhelp.org, 2015).

III. Gap Analysis

Organizations evaluate the difference between their current position and desired future through gap analysis. As a result, an organization can develop specific strategies and allocate resources to close the gap and achieve its desired state (CSUN, 1997).

IV. Benchmarking

Measuring and comparing the organization's operations, practices, and performance against others is useful for identifying "best" practices (Mintzberg, 1994).

V. Identifying Emergent Strategies

Unpredicted and unintended events frequently occur that differ from the organization's intended strategies, and the organization must respond. Emergent strategy is "a pattern, a consistency of behavior over time," "a realized pattern [that] was not expressly intended" in the original planning of strategy. It results from a series of actions converging into a consistent pattern, (Mintzberg, 1994).

VI. Evaluation of the Strategy

Periodic evaluations of strategies, tactics, and action programs are essential to assessing success of the strategic planning process. It is important to measure performance at least annually (but preferably more often), to evaluate the effect of specific actions on long-term results and on the organization's vision and mission (Rowley, Lujan, & Dolence, 1997). The organization should measure current performance against previously set expectations, and consider any changes or events that may have impacted the desired course of actions.

VII. Review of the Strategic Plan

After assessing the progress of the strategic planning process, the organization needs to review the strategic plan, make necessary changes, and adjust its course based on these evaluations. The

revised plan must take into consideration emergent strategies, and changes affecting the organization's intended course (Smith, 1990).

2.4.1 Strategic planning Models

A. SWOT Analysis Model

SWOT analysis is one of the strategic planning models that identify factors that may affect desired future outcomes of the organization. The SWOT model is by its nature analysis the organization's internal (strengths and weaknesses), and external (threats and opportunities) of the environment, and consequentially identifying the company's characteristic competencies and input success factors. These, in company with reflection of societal and organizations values, lead to creation, evaluation, and choice of strategy. SWOT's objective is to recommend strategies that ensure the best alignment between the external environment and internal situation (Andrews, 1980, Christensen et al., 1982 in Mintzberg, p. 36-37; Hax & Majluf, 1996, p.27; CSUN strategic planning leadership retreat, April 1997; Hill & Jones, 1992, p. 14).

B. ANSOFF

ANSOFF is the other strategic planning models. In Igor Ansoff's model, "strategy is designed to transform the organizational from the present position to the position described by the objectives, subject to the constraints of the capabilities and the potential" of the organization. This model specifically stresses two concepts. Gap analysis is designed to evaluate the "difference (gap) between the current position of the organizational and [its] objectives." The organization chooses the strategy that "substantially closes the gap." Synergy refers to the idea that organizationals must seek "product-market posture with a combined performance that is greater than the sum of its parts," more commonly known as "2+2=5" formula, (Ansoff, 1965, in Mintzberg, p43-45).

C. PORTER'S FIVE FORCES MODEL

The five forces model developed by Michael E. Porter guides the analysis of organization's environment and the attractiveness of the industry. The five forces include the risk of new competitors entering the industry, threat of potential substitutes, the bargaining power of buyers, the bargaining power of suppliers, and degree of rivalry between the existing competitors (Porter, 1985). Environmental scan identifies external opportunities and threats, evaluates industry's overall attractiveness, and identifies factors contributing to, or taking away from, the industry attractiveness, (Hax & Majluf, 1996:27). Through organization's choice of strategy it

can alter the impact of these forces to its advantage. This is a graphical interpretation of Porter's five forces model (Porter, 1985:5).

2.4.2 Cycles of Strategic Planning

Literally, Cycles of strategic planning involves the following ten steps:

1. Prepare to plan.
2. Clarify mandate and scope of work.
3. Analyze the external environment.
4. Analyze the internal environment.
5. Identify the strategic issues.
6. Define the strategic aims.
7. Define strategies to address each strategic aim.
8. Identify the resources required to achieve the strategic aims.
9. Draw up an internal capacity building plan.
10. Cost the plan.

2.4.3 Elements of Strategic Planning

According to Gates (2010), strategic plan is critically important for organizing thinking and communicating thoughts. Strategic plans include elements that describe an organization's present state, aspirations, and intentions for the future, and approach for going forward. Organizations should comprehend these elements and their relationship to one another supports not only strategic thinking and planning but also the effective use of CSFs and future scenarios in strategic planning efforts.

According to the author, strategic planning involves the following elements:

1. **Mission** is its primary business or purpose; it describes what an organization does, for whom, and its benefit. The mission of an organization is not a time-bound objective.
2. A **vision** is an ideal that an organization intends to pursue. It links the organization to the future by articulating instantiations of successful execution of the mission. An organization's vision is a source of inspiration and can be broader than the organization's capabilities. It might, in fact, describe what can be achieved in a broader environment if the organization and others are successful in achieving their individual missions.
3. **Goals** are broad, measurable, aims that support the accomplishment of a mission.

4. **Objectives** are specific, quantifiable, lower-level targets that indicate an accomplishment of a goal.
5. **Guiding principles** are directive statements that articulate the constraints an organization chooses to place upon the way it achieves its goals. Guiding principles embrace core values and are used to shape an organization's strategy. Guiding principles reflect long-term intentions, but are not necessarily permanent.
6. Enablers are external conditions or organizational strengths that facilitate an organization's ability to accomplish its goals or objectives.
7. **Barriers** are external conditions or organizational (internal) weaknesses that hinder an organization's ability to accomplish a goal or objective.
8. A **strategy** is a derived approach to achieving the mission, goals, and objectives of an organization. It supports the organizational vision, takes into account organizational enablers and barriers, and upholds its guiding principles.
9. A **strategic plan** is a document that results from a strategic planning activity. It elaborates the organizational strategy and documents the elements that influence it.
10. An **initiative** is a specific set of actions that implement a strategy.
11. **Actions** are specific steps to achieve a goal or objective. Actions typically have assigned staff and schedule constraints.
12. **Performance measures** describe performance targets relevant to each objective. A guiding principle may seem similar in content to a goal but it lacks measurable aims. A guiding principle can generate a goal when an organization chooses to implement strategic planning (Gates, 2010).

2.4.4 Characteristics of Strategic planning

- a. **It is Strategic:** In the dictionary, the word strategy has to do with war and deception of an enemy. In nonprofit management, strategy has to do with responding to a dynamic and often hostile environment in pursuit of a public service mission. Thinking strategically thus means being informed and consciously responsive to this dynamic environment (Stewart, 2003).
- b. **It involves Planning:** Strategic planning is planning because it involves intentionally setting goals (choosing a desired future) and developing an approach to achieving those goals (Robson, 1994).

- c. **It is Fundamental in nature:** Because it is impossible to do everything, strategic planning implies that some decisions and actions are more important than others. The most important decisions have to do with what an organization is and why it exists; the most important actions have to do with what it does. On the other hand, strategic thinking is deciding on and carrying out the fundamental or most important actions (Robson 1994).
- d. **It is Disciplined:** Discipline highlights the relationship between the different steps in strategic planning. Mission depends on environment; which actions are most important are determined by assessing strengths and weaknesses, opportunities and threats. Strategic planning is also disciplined in that there is a sequence of questions typically raised to examine experience and test assumptions, gather and make use of information about the present, and try to anticipate the future environment the organization will be working in (McNamara, 1999).
- e. **It involves Decision Making:** Strategic planning is based on decision making because in order to answer the questions raised in the structured planning process, choices must be made. The plan ultimately is no more, and no less, than a set of decisions about what to do, how to do it and why to do it (McNamara, 1999).
- f. **It is Long Range Plan:** Long range is the longest time period for which it makes sense to make plans. The time period varies from organization to organization: the Social Security Administration must plan for the retirement of today's babies sixty five years from now; high tech computer companies are putting out new products every six months (Mintzberg, 1994).
- g. **It is Operating Plan:** Operating plans are the detailed action plans to accomplish the strategic goals laid out in the strategic plan. An organization should have operating plans for each major organizational unit and correspond to its fiscal year. In addition, an organization may need operating plans which correspond to grant cycles or longer, or cycles that differ from the fiscal year. Each is important. (Lorenzo, 1993).
- h. **It involves hierarchy:** In most (large) corporations there are several levels of strategy. Strategic management is the highest in the sense that it is the broadest, applying to all parts of the organizational (Robson, 1994).

According to International Institute for Educational Planning (2010) strategic planning involves the following characteristics:

i. Strategic planning is guided by an overall sense of direction

Strategic planning is not just a cold technical undertaking that spells out future objectives to be reached and actions to be taken. It needs a global sense of purpose and direction capable of guiding implementers in making everyday choices about what actions should be taken in order to produce the expected results. Handbooks on strategic planning usually recommend starting with the formulation of a mission and a vision statement (Kaufman and Herman, 1991).

ii. Strategic planning is sensitive to the environment

Strategic planning is based on the belief that the successful development of an organization is the result of finding the right fit between its internal strengths and weaknesses and the external opportunities and threats stemming from the environment. The main assumption is that, in order to be effective, organizations must be responsive to their environment, which is continuously changing. They must place the emphasis on understanding the changes and adapting their decisions accordingly. Consequently, a careful scanning of the environment is important not only at the stage of making the initial diagnosis for preparing a plan, but also, and even more so, at the stage of monitoring the plan implementation.

iii. Strategic planning is result-oriented

Monitoring traditional plan implementation has been mainly concerned with making sure that the necessary inputs are being provided as foreseen and that the different activities are being carried out as scheduled. This is often referred to as compliance monitoring that is checking whether the inputs and activities are in compliance with original plans and budgets. Strategic planning is different, since it considers compliance monitoring as not good enough and prefers to concentrate on whether the expected results have been obtained. In other words, the main emphasis is shifted away from compliance monitoring to performance (or results) monitoring.

iv. Strategic planning is a mobilization instrument

Strategic planning cannot succeed without the commitment of the plan implementers and the different stakeholders. Commitment can only be obtained if people identify with the plan, so that they are motivated to produce the expected results. Strategic planning should therefore not be carried out in isolation by experts alone, but rather as an inclusive process in which the

implementers and stakeholders are actively involved in one way or another. If organized in a participatory way, the preparation of a strategic plan in itself becomes a learning experience. It creates a privileged moment for opening new lines of communication and dialogue, for promoting understanding and ownership of what is being planned for and disseminating a spirit of strategic thinking throughout the whole organization. It should be realized at the same time that it is much more complex and time consuming to prepare an education sector plan in a participatory way than to do it in the traditional technocratic way, which explains why certain countries still prefer to do it the technocratic way.

v. Strategic planning is flexible in its implementation

Strategic planning is based on the belief that no neat, final plan can be prepared, simply because situations have become too complex and environments too unpredictable, and because it is impossible to foresee every possible consequence of future decisions that will be made. An essential characteristic of strategic planning is, therefore, to proceed by ‘intelligent trial and error’ rather than by linear adherence to a detailed, polished plan document. A strategic medium-term plan should lay out the final goal and the general path to be followed, rather than the precise steps to be taken to reach that goal. The ultimate test of a strategic plan is in the implementation, which is in the capacity to continuously reinterpret and adapt the original activities proposed in the light of shifting constraints and possibilities, and without deviating from the final goal.

2.4.5 The Importance of Strategic Planning

The purpose of strategic or long-range planning is to assist an organization in establishing priorities and to better serve the needs of its constituency. A strategic plan must be flexible and practical and yet serve as a guide to implementing programs, evaluating how these programs are doing, and making adjustments when necessary. A strategic plan must reflect the thoughts, feelings, ideas, and wants of the developers and mold them along with the organization's purpose, mission, and regulations into an integrated document. The development of a plan requires much probing, discussion, and examination of the views of the leaders who are responsible for the plan's preparation. However, more often than not, the development of the plan is less complicated than is the implementation. Implementation, in essence, pulls a plan apart and diffuses it throughout an organization. Every unit within the organization which is involved must then accept the plan, agree to its direction, and implement specific actions. In order to effectively

and efficiently implement a plan, all individuals involved in its implementation must function as a whole or the plan is destined for failure.

Planning is an important aspect of strategic thinking and management. By working on a strategic plan together a team can:

- ✓ Think creatively about the focus and direction of the organization's work.
- ✓ Strengthen team approaches by defining together a clear focus and direction.
- ✓ Develop plans collaboratively with partner organizations, beneficiaries and other organizations.
- ✓ Provide a framework against which to monitor progress, learn from experience and make the changes necessary to improve effectiveness and impact.
- ✓ Enable decisions to be made about the best use of the human and financial resources available.

2.5.Linkage between strategic planning and organizational performance

It is conceptualized that organizations that have effectively embraced strategic planning, evidenced records of better performance as compared to those that have not. In this regard, Hofer and Schendel (1978), Henderson (1979), Greenley (1986), Miller and Cardinal (1994) and David (1997) argue that organizations record improved performance once they effectively embrace strategic planning. Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational effectiveness. Strategic planning provides direction to the organization and enhances coordination and control of organization activities. McCarthy and Minichiello (1996), note that an Organization's strategy provides a central purpose and direction to the activities of the organization and to the people who work in it. Furthermore, Howe (1986) and Kotter (1996) argue that the primary goal of strategic planning is to guide the organization in setting out its strategic intent and priorities and refocus itself towards realizing the same.

Porter (1980), Greenley (1986), Miller and Cardinal (1994), Hax and Majluf (1996) and Grant (1998) argue that an objective analysis of external and internal environment facilitates the establishment of the organization-environment fit and improved decision-making. Adding to this view, Porter (1980), Quinn (1980), Ohmae (1983) and Kotter (1996) note that the identification of strategic issues and, strategy analysis and selection facilitates the achievement of efficient allocation of resources, sustainable competitive advantage, and improved innovation. It is also

perceived that the development of implementation programme, evaluation and control systems facilitates smooth execution and implementation of the planned tasks. Bryson (1989), Stoner (1994) and Viljoen (1995) argue that strategic planning assists in providing direction so organization members know where the organization is heading and where to expend their major efforts. It guides in defining the business the organization is in, the ends it seeks and the means it will use to accomplish those ends. McCarthy and Minichiello (1996), note that an organization's strategy provides a central purpose and direction to the activities of the organization and to the people who work in it.

Adding to this argument, Kotter (1996) contends that the primary goal of strategic planning is to guide the organization in setting out its strategic intent and priorities and refocus itself towards realizing the same. David (1997) argues that strategic planning allows an organization to be more proactive than reactive in shaping its own future, initiate and influence activities, and thus to exert control over its destiny. It assists in highlighting areas requiring attention or innovation.

The process of strategic planning shapes an Organization's strategy choice. It reveals and clarifies future opportunities and threats and provides a framework for decision making throughout an organization. It helps organizations to make better strategies through the use of more systematic, logical and rational approach to strategic choice. Steiner (1979) noted that strategic planning stimulates the future on paper and it encourages and permits a manager to see, evaluate and accept or discard a far greater number of alternative courses of action than he might otherwise consider.

2.6. Organization performance

Stoner (1994) and Viljoen (1995) argue that strategic planning tends to make an organization more systematic in terms of its development and this can lead to a greater proportion of the organization's efforts being directed towards the attainment of those goals established at the planning stage, that is, the organization become more focused.

Strategic planning applies a system approach by looking at an organization as a system composed of subsystems. It permits managers to look at the organization a whole and the interrelationships of parts, rather than deal with each separate part alone without reference to others. Therefore, it provides a framework for improved coordination and control of an

organization's activities. Strategic planning provides a basis for other management functions. Steiner (1979) observes that strategic planning is inextricably interwoven into the entire fabric of management. It provides a framework for decision-making throughout the organization and forces the setting of objectives, which provides a basis for measuring performance. Managers are able to spend time, efforts and resources in activities that pay off. Setting of goals and targets on the other hand facilitate evaluation of organization performance. Individuals in an organization will strive to achieve clear objectives that are set. It is argued that strategic planning results in a viable match between the organization and its external environment. Strategy concerns an analysis of the organization's environment, leading to what the organization, given its environment, should achieve. Environmental scanning and analysis allows the organization to be connected to its environment and guarantees the alignment between the organization and its environment. Environmental analysis reveals the market dynamics, business opportunities and challenges, customer expectations, technological advancements and the organization's internal capacities and this provides the basis for strategy selection.

Kotter (1996) argues that the strategic planning process can be used as a means of repositioning and transforming the organization. Thompson, Strickland and Gamble (2007) postulate that the essence of good strategy making is to build a market position strong enough and an organization capable enough to produce successful performance despite unforeseeable events, potent competition, and internal difficulties. Quinn (1980) explains that well formulated strategies helps marshal and allocate an organization's resources into a unique and viable posture based upon its relative internal competencies and shortcomings, anticipated changes in the environment, and contingent moves by intelligent opponents. Indeed Ohmae (1983) contends that strategic planning enables an organization to gain, as effectively as possible, a sustainable edge over its competitors. Bryson (1989), Stoner (1994) and Viljoen (1995) share Ohmae's contention, pointing out that strategic planning assists organizations to develop a comparative advantage or an edge over competitors and creates sustainable competitive advantage. Greenley (1986) points out that a range of potential benefits to intrinsic values accrues to both the organization and external stakeholders from the use of strategic planning.

Miller and Cardinal (1994) employed a meta-analytic approach using data from 26 previously published studies and concluded that strategic planning positively influences organization

performance. Caeldries and VanDierdonck (1988) surveyed 82 Belgian Business Organizations and reported a link between strategy and performance. They noted that strategy enables an organization to strengthen its competitive position, and facilitates integration and coordination of members' behavior. Pealtie (1993) observed that the main reason for the introduction of formalized strategic planning is to improve organization performance through the development and implementation of better strategies. Pealtie noted that managing a large business without a plan is like trying to organize a car rally without a map, not impossible, but difficult. Published research from Africa also indicates that strategic planning is an effective tool in improving organization performance. Imoisili (1978), studying indigenous and multinational companies in Nigeria, concluded that the more effective companies are found among organizations which maintain consistency between environmental perception and management practices, do long-term planning, use more flexible control systems and have smaller spans of control. Fubara (1986) did a survey in Nigeria and observed that companies that engage in formal planning experienced growth in profits.

It has been argued that although there is a general perception and belief that strategic planning improves organization effectiveness, if wrongly pursued the anticipated value may not be tapped. Steiner (1979) points out that a wrong strategy or a wrongly formulated strategy may not translate into the anticipated value for the organization. Johnson, Scholes and Whittington (2005), note that strategic drift occurs when the organization's strategy gradually moves away from relevance to the forces at work in its environment. Tourangeau (1987) shares these sentiments but cautions that strategic business planning cannot be expected to cure all that ails an organization i.e. address other shortcomings of the management process, but can best be seen as a partial solution to management problems. Strategic planning, or any other management technique is of limited value by itself, only a partnership with all parts of the management particularly execution, controls and rewards can result in synergy and lead to substantial advancement. In their survey to see how successful companies translate their strategies into performance, Mankins and Steele (2005) observed that companies typically realize only about 60 percent of their strategies potential value because of defects and breakdowns in planning and execution. Hofer and Schendel (1978) argue that strategy is important and therefore its formulation should be managed and not left to chance. Therefore, each of the stages in the strategic planning process cannot be taken for granted.

2.7. An Overview of Strategic Planning in Ethiopia

It is over three decades since Ethiopia adopted a planned approach to development. In the immediate post-World War II period, separate programmes and plans, which were not integrated into a general framework of a national plan covering the entire economy, were drawn up by various government agencies and served as the bases for government policy. Subsequently, sectoral programmes of varying durations were prepared for agriculture, industry, forestry, transport and telecommunications, education and water resources development (Tesfaye, 1992).

These sectoral plans and programmes were mostly proposed schedules of public expenditure. However, they served the useful purpose of focusing attention on planning, and their inadequacies helped reveal the limits and weaknesses of partial planning. Recognition of these facts, combined with several other factors such as the rising preference of planning in developing countries by western countries providing loans and grants, led the government to formulate an overall development plan. Thus, administrative machinery for formulating plans called the National Economic Council was established in 1955. The Council consisted of a Planning Board and a Secretariat to the Board, specifically charged with the task of drawing up plans. The Executive Committee of the Planning Board was chaired by the country's Prime Minister and had the following members: 1) Minister of Finance; Mining and State Enterprises; 2) Minister of Health; 3) Minister of Public Works and Communications; 4) Minister of Agriculture; 5) Minister of National Community Development; 6) Governor of the State Bank; 7) Minister of Posts, Telegraphs and Telephones; 8) Minister of Commerce and Industry; 9) Minister of Information; 10) Vice Minister of Education and Fine Arts; and 11) Vice Minister of the Planning Board, Secretary (Ibid).

Ethiopia's First Five Year Development Plan (1957-61) and its Second Five Year Plan (1962-67) were prepared under this arrangement. A number of developments, important to the economy as well as to the structure of the government itself, have taken place during these years. The First Five Year Plan, which marked the start of national planning for the country's integrated development, offered something much needed but heretofore unavailable, namely, the first comprehensive picture of the economy, and much new information came to light. Even for those areas where serious obstacles stood in the way of complete knowledge, a start was made to

overcome these obstacles; and the Second Five Year Plan not only continued this effort but applied it more widely.

One significant outcome of this effort was the realization of the importance of statistics for planning. The Central Statistical Office (CSO) was established during these years, originally under the Ministry of Commerce and Industry under which the Planning Board Secretariat was also administered. The First and Second Five Year Plans also drew attention to the need for creating other important institutions, many of which have been established by the government. A development plan is essentially a general guideline of policies to be pursued and measures to be adopted, consonant with such policies; it defines broad areas of economic and social activity to be promoted and describes how they are to be implemented. What gives substance to this broad action programmes are the specific projects-the roads to link the people and markets of the country and to open up new areas, the hydroelectric installations to generate power for industrial plants and cities, the factories to transform the nation's raw materials into manufactures, and so on. These projects require specialized institutions both for their elaboration and for their financing (Ibid)

In this regard, not only have existing project-oriented institutions from before the First Five Year Plan been strengthened (e.g., Imperial Highway Authority, Ethiopian Electric Light and Power Authority, Imperial Board of Telecommunications of Ethiopia), but new ones have been created. Among these was the previously mentioned Central Statistics Office, the Technical Agency, which was responsible for appraising development projects and the so-called Ethiopian Investment Corporation.

A number of proposals had also been worked out for the implementation of the Second Five Year Plan. Notable among these were the establishment of planning units within each ministry and government agency and effective coordination of economic and social policies both at the higher and lower levels of the government. In fiscal administration, the most important proposal was the relation of the budget to the annual plan. In view of this, the government had announced policy statements with regard to the relation of the budget with the Second Five Year Plan through the medium of annual plans. However, the indispensable administrative mechanism through which these policies could be put into effect was not strong enough as expected.

In the field of monetary and credit institutions, the recommendations of the Second Five *Year* Plan were fully implemented. The former State Bank of Ethiopia was split into the new National Bank of Ethiopia becoming a Central Bank, and the Commercial Bank of Ethiopia operating as a normal business bank. More broadly, the nation's experience with planning showed the need for reforming the administrative machinery of the government. It was acknowledged that planning, to be truly operative, required a modern administrative structure different from that inherited from the pre-planning past. Accordingly, the government created a high-level Administrative Reform Committee towards the end of the First Five Year Plan (Tesfaye, 1992).

In 1962 the Committee submitted its report in which it made a number of proposals for creating new ministries, and dissolving or reformulating the functions of others. Consequently, in 1966 the order defining the powers and responsibilities of ministers was promulgated. Among the ministries established by Order No. 46 of 1966 was the Ministry of Planning and Development which had the following duties and responsibilities:

- a. It was generally responsible for the conduct of the government's planning activities;
- b. It supervised and coordinated the activities of the government's planning administration;
- c. In cooperation with other ministries and public authorities concerned, initiate, prepare and organize long-term development plans and submit them for approval by the Council of Ministers;
- d. Receive each year from the ministries and public authorities concerned, or, if the same are not so received, initiate and prepare annual development programmes and the supporting development budget proposals; analyze, evaluate and consolidate the said annual development programmes and development budgets and present them to the Ministry of Finance for consolidation into the annual government budget;
- e. In agreement with other ministries and public authorities concerned, establish appropriate and effective procedures to ensure that approved development plans and programmes are properly implemented and that the development budget is properly expended for the purposes for which it was allocated;
- f. Carry out or cause to be carried out technical and economic feasibility studies of individual development projects;
- g. Be responsible for the securing, compilation, analysis, collation and publication of data and statistics;

- h. Negotiate and conclude, in accordance with approved projects, programmes and plans, agreements and arrangements regarding the provision of bilateral and multilateral assistance, and coordinate the same with other ministries and public authorities concerned; Formulate and enforce general credit policies of government financial institutions and corporations engaged in the financing of development plans and programmes; and
- i. Be principally responsible, together with other ministries and public authorities concerned, for representing and protecting the interests of the government in public financial institutions and corporations engaged in the financing of development plans and programmes.

The Ethiopian Economy: Structure, Problems and Policy Issues The country's ambitious Third Five Year Development Plan (1968-1973) was compiled under the supervision of this ministry. Regarding the plans themselves, the first two Five-Year Plans were conservative as testified by the low or modest levels of investment and growth rate targets they set to achieve, while the Third Five Year Plan was ambitious in both regards and ended up with serious under implementation (Tesfaye, 1992).

In 1970 the Ministry of Planning and Development was reorganized to become the Planning Commission with more or less identical duties and responsibilities. On the eve of the 1974 revolution, the Planning Commission was headed by a minister who was aided by three vice ministers. It had ten departments and employed about seventy national and expatriate professionals. After 1974, this Commission was renamed the Central Planning Commission by Proclamation No. 128 of 1977. By late 1978, however, the planning machinery was reorganized to form the National Revolutionary Development Campaign and Central Planning Supreme Council (NRDC & CPSC) (Tesfaye, 1992).

NRDC & CPSC prepared and executed six annual Development Campaign Programmes popularly known as *Zemechas*. The campaigns were essentially designed to attain limited and immediate objectives to address urgent problems of the times. Moreover, formulated in the absence of long- and medium-term plans with the appropriate perspectives and strategies, they could not be effective for laying the foundations for the economic growth of the country. They

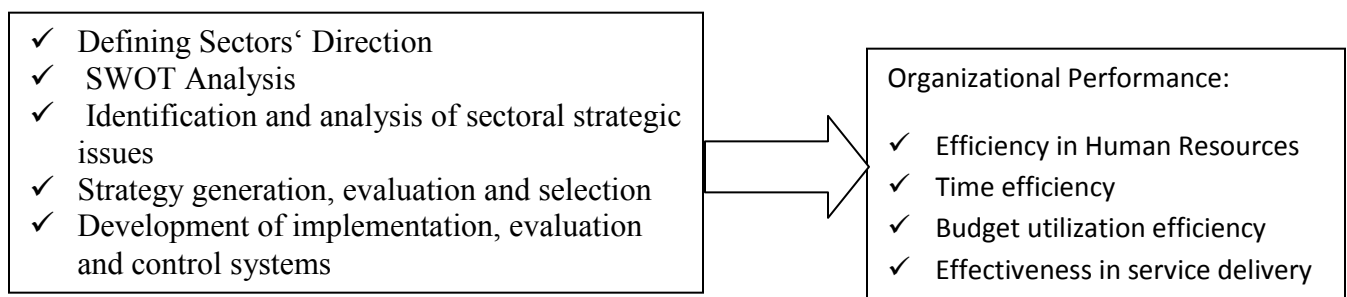
also proved to be inadequate in solving pressing problems which result from the basic weaknesses of the economic structure itself.

It was, therefore, decided to launch a long-term perspective plan to serve as a policy tool for the realization of Ethiopia's long-term objectives. Once again, the planning institution underwent a restructuring process to enable it perform this task. As a result, the Office of the National Committee for Central Planning (ONCCP) was established in 1984 (Tesfaye, 1992).

Since its establishment, the ONCCP has been the organ responsible -for the preparation of integrated short-, medium- and long-term plans of the country. As is well-known, the first major assignment of the ONCCP was the launching of a Ten- Year Perspective Plan covering the period 1984/85-1993/94. Among the contents of the over-ambitious Perspective Plan were the overall and sect oral orientation of development as well as production and investment targets, financial and manpower requirements and policy and organizational measures needed to attain the targets. The implementation of the Perspective Plan was undertaken through the elaboration of short- and medium- term plans (Tesfaye, 1992).

Logical Framework

Figure 3.1: Local Framework



Source: Logical Framework Developed by a researcher, 2015

Chapter Three

Research Methodology, Methods and Design

Introduction

This chapter dealt with research methodology, methods and designs. It also dealt with research paradigm which dictates the choice and justification of appropriate methodology, methods and relevant tools.

3.1 Research Methodology and Methods

Different phenomena may require the use of different methodologies. By focusing on the phenomenon under examination, rather than the methodology, researchers can select appropriate methodologies for their enquiries (Falconer & Mackay, 1999).

For undertaking this research, a case study was chosen as an overall approach for its ability to incorporate different methods and techniques in the collection and analysis of data that focuses on the various issues of the study. In addition, searching for explanation in a scientific way requires the identification of phenomena and relationships. Moreover, discovering regularities in relationships between events is a prerequisite for deducing theories. However, the stable regularities are rare for social science studies. Therefore, the case study is believed to be appropriate for this study as it consists of mainly how and why questions of the study, behavioral real events which are not possible to control and contemporary and complex social phenomenon whose boundary is not clear (Yin, 1991:14). In realizing this, Sululta Town is chosen as a Case Study. This is due to the fact that Sululta is nearer to Addis Ababa City which is the capital of Ethiopia. Moreover, Sululta Town is one of the special zones around Addis Ababa City.

Moreover, because of the nature of the data collected being qualitative and quantitative, the researcher was convinced to employ mixed approach so as to gain the advantages of both qualitative and quantitative research approaches.

3.2 Data type, sources and collection tools

To meet the objectives of the study, both qualitative and quantitative types of data were collected. Besides, to secure adequate data for the study both primary and secondary data sources were accessed. The primary data were collected from authorities in Sululta Town while the

secondary data were collected from organizational reports, strategic planning manuals, proclamations and other researches in the same areas.

To collect the primary data from the higher officials in the town, the interview was used as they are believed to have adequate information about the strategic planning of the selected offices. Besides, semi structured questionnaire were designed and distributed to address the sample employees working in different sectors of the town.

3.3 Sampling Design

The study population is the twenty two (22) public offices that are engaged in implementing the strategic planning of Sululta Town. From these sectors, by using simple random sampling, five (5) sectors (namely; Sululta Water Resources, Revenue Authority of Sululta Branch, Investment Sector, the Municipality and Sululta Education Bureau) were selected for the study.

As the strategic plan has been implemented in all the 22 sectors, the random selection was found to be appropriate. The researcher has consulted the list of employees in these sectors and identified 160 employees, who are involved in the implementation process of strategic planning. From among the **160** employees, **50** were considered for the study using simple random sampling. Due to the fact that they are believed to have adequate knowledge about the strategic plan of the town and its implementation, all purposely considered with whom interview is to be conducted.

3.4 Data Analysis and Interpretation

The analysis based on four dimensions; i.e., theoretical prepositions, case description, complimentary of qualitative and quantitative data and examining explanations. Based on these dimensions, the collected data were categorized, presented, analyzed and interpreted using tools such as percentages, tables, graphs, charts. Moreover, descriptive statistics have also been employed in processing qualitative data.

3.5 Ethical Issues

In order to maintain the ethicality of the study, the respondents were clearly informed about the purposes of the study. In addition, to ensure the reliability of the instruments, pilot test was made. Moreover, content and statistical analyses were conducted to secure validity.

Chapter Four

Data Presentation, Analysis and Interpretation

Introduction

This chapter dealt with overview of the study area, data presentation, analysis and interpretation. The information made available for this purpose was collected using different techniques such as; questionnaire and interview. Besides, different secondary sources were accessed.

In the course of conducting the study, the researcher distributed 37 copies of questionnaires for the employees working in Sululta Town from the selected offices. All the 37 questionnaires were completed and collected which makes 100% response rate. Besides, Key Informant Interviews were held with 13 officials from the selected sectors in the Town.

4.1. General Back Ground of the Study Area

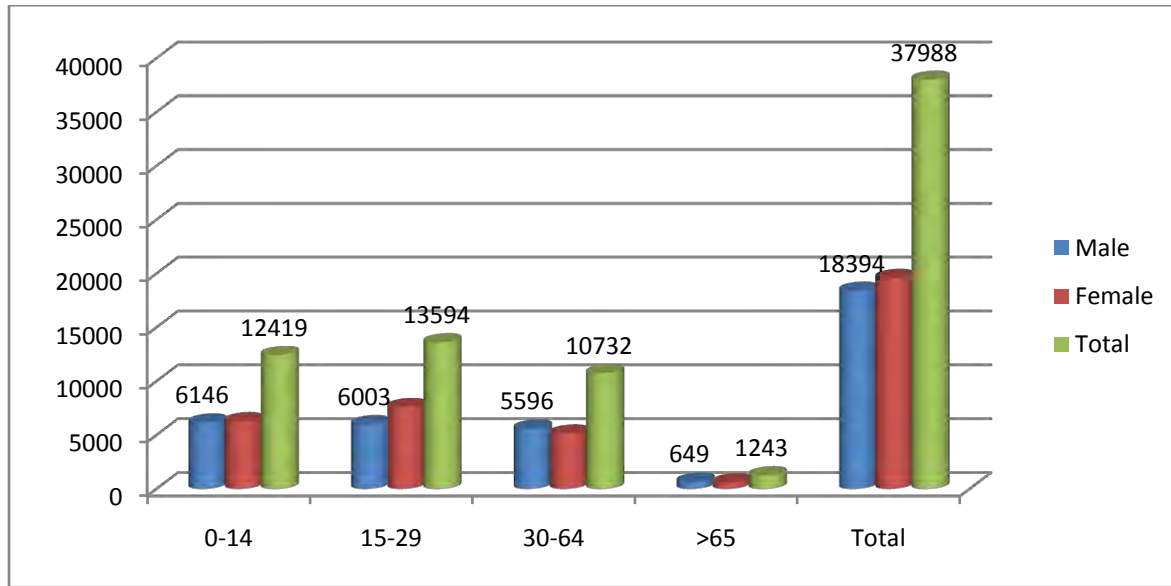
4.1. 1. Population of Sululta Town

Sululta is found 23 km far from Addis Ababa to the North on the main high way from Addis to Bahir Dar. The town was established in 1929 E.C. According to the information obtained from the Municipality, the name “**Sululta**” was derived from Afaan Oromoo word „**Sulula**” meaning valley or low land (Socio- Economic Profile of Sululta Town, 2013).

Sululta is located at 09⁰ 1784’ Latitude North and 038⁰ 7579’ Longitude East. It is found ~~between~~ 2600-3230 meter above sea level. The town has cold weather condition with annual 800-1200 mm rainfall and average annual temperature of 18⁰-22⁰C. **Sululta** was one of the Kebeles in Sululta Woreda between 1934 and 1999. Begging from July 1999 E.C. the town has earned level ~~2A~~” based on the town reform. As special town, Sululta is bounded by Sululta Woreda in the north, West and East, and Addis Abeba city in the south (Socio- Economic Profile of Sululta Town, 2013). **Sululta** is one of the fastest growing towns in Oromiya in terms of population and industry.

Sululta is one of the fastest growing towns in Oromiya in terms of population and industry. According to the survey conducted by the city council in May 2006 E.C. the population is 37,988 out of which 18,394 (48.4%) are male and 19,959 (51.6%) are female. Out of the total population 32.7% are between the ages of 0-14 year, 35.8% are between the ages of 15-19, 28.2% are between the age of 30-64% and 3.3% are above 65 years old.

Figure 4.2: The Population of Sululta Town by gender



Source: Survey by Sululta City Administration, 2014

4.2. Socio-Demographic Characteristics of the Respondents

Hereunder, the socio-demographic attributes of the respondents are presented which is followed by discussions of items that have relevance to the study. See Table 4.6 below:

Table 4.1: The Socio-Demographic Characteristics of the Respondents

No	Item	Respondent Category	Frequency	Percentage
1	Age	18-25	1	2.7
		26-30	11	29.7
		31-40	18	48.6
		41-50	5	13.5
		≥51	2	5.4
2	Sex	Male	23	62.2
		Female	14	37.8
3	Education	Diploma Holder	6	16.2
		BA/BSC holder	23	62.7
		MA/MSC holder	8	21.6
4	Duration of service	Less than 2 years	1	2.7
		2-5 years	6	16.2
		5-7 years	3	8.1
		7-10 years	12	32.4
		Above 10 years	15	40.5
5	Position held	Middle level management	14	37.3
		Operational level management/experts	23	62.7
		Total	37	100

Source: Fieldwork, April 2015

According to Table 4.1 above, the majority of employees 48.6% (18) are between the age 31-40 and the rest are in the age category ranging from 18-25 (2.7%), 26-30 (29.7%), 41-50 (13.5%), and ≥ 51 (5.4%). This implies that most of the workers are in the productive age category. Therefore, they are critical for the change of the organizations so as to improve the organizational performance.

In addition, Table 4.1 also indicates that out of 37 respondents 62.2% (23) of the respondents are male and the rest 37.8% (14) of the respondents are female. The figure may imply that a good number of females are employed in the selected sectors.

Moreover, respondents' educational background is presented in the Table 4.1 above. In this regard, Diploma graduate constitute 16.2% (6), degree holders are 62.7% (23) and Master holders are 21.6% (6). This shows that there are sufficient qualified persons at the local level where the majority of work is done.

Furthermore, it is evident from the Table 4.1 that most of the respondents 40.5% (15) had adequate work experience of ten years and above. It also shows that 32.4 % (12) of the employees have served the office for 7-10 years and 16.2% (6) respondents served 2-5 years. From this data, it is possible conclude that the offices have retained employees for a long period of time which allowed the employees to have such extended experiences.

Finally, as it is presented in the Table 4.1 above, majority of the respondents 62.7(23) are operational level workers (experts) and the remaining 37.3 (14) are Middle level managers. This may assure that the respondents are the right persons to provide information pertaining to the topic investigated.

4.3. Awareness and Context of Strategic Planning

This section presents data relating to respondents awareness about strategic planning before its design and implementation. More specifically, this section presents facts such as method of getting awareness, the momentums that have led to the design and implementation of the plan in the selected sectors, experts who have participated in the course of developing the plan and the plan's time scope. See Table 4.2 below.

Table 4.2: Awareness and context of strategic planning

No	Item	Respondent Category	Frequency	Percentage
1	Awareness about Strategic Planning	Yes	29	78.4
		No	8	21.6
2	Method of getting awareness	Short-term training	24	82.8
		Specialized training	4	13.8
		formal education	1	3.4
3	Factors led to the adoption and implementation of Strategic Planning	Poor performance	11	29.7
		Leveraging good performing organizations that have implemented it	3	8.1
		Policy direction	22	59.5
		Any other	1	2.7
4	Experts who participated in the development of Strategic Plans	A strategic planning committee	5	13.5
		Centralized planning unit	22	59.5
		Top management	3	8.1
		Different managerial levels	7	18.9
5	Duration of Strategic Planning	1-2 years	1	2.7
		2-4 years	3	8.1
		4-6 years	30	81.1
		8-10 years	2	5.4
		10 years or more	1	2.7

Source: Fieldwork, April 2015

As it is indicated in the Table 4.2 above, the majority of the respondents 78.4% (29) were aware about strategic planning before its implementation while the remaining 21.6% (8) did not get early awareness about strategic planning purpose, process and success. It is possible to infer from this fact that though most of the employees might have been provided awareness about the essence of strategic planning, there might have also been a gap in addressing all the employees of the sectors engaged in the process.

Besides, Table 4.2 also presents that from among the respondents who stated that they have had awareness about strategic planning before its implementation, majority of the respondents (24) got awareness through short-term training conducted to implement strategic plan. In this regard, insignificant number of respondents stated that they have had awareness through specialized training (13.8%) and through formal education (3.4%). From the facts presented above it is possible to deduce that the sectors did not have proactive preparation to design and implement the strategic planning for which preparing the employees through specialized training and education might have been the requirements.

Moreover, in addressing the question raised to identify the momentums that have led to the adoption of the strategic planning, majority of the respondents (59.5) stated that the adoption has been instructed by government policy from above. However, a good number of respondents stated that it has been the poor performance of the organization that has led to the initiative to design and implement the plan. This may backup the reason why the sectors did not make proactive preparation to design and implement the strategic planning; rather they opted for the short-term training as they were instructed government policy. Hence, it can be said that the approach employed in the course of adopting the plan was the top-down one.

Furthermore, Table 4.2 presents that in the course of designing the Strategic Planning, the majority of the respondents (59.5%) argued that only the Central Planning Department has participated. Few of the respondents stated that it has been made by Strategic Planning Committee and different management levels. This implies that the plan was made at the centre and was not participatory. Hence, it is possible to conclude that the planning process did not involve the major stakeholders and customers.

Finally, Table 4.2 above indicates that respondents do have different level of understanding with regard to the time coverage of the strategic Planning. In this regard, the majority of the respondents (81%) have clear understanding about the time scope of the Plan. However, it has been stated that insignificant number of respondents lack such an understanding. From this fact, it is possible to deduce that having clear understanding about the time coverage of the strategic planning would help the implementers to comply with the requirements at different level of plan execution thereby making timely reports on the progress.

4.4. Environmental Scanning

Once the vision and mission are clearly identified, the organization must analyze its external and internal environment, (Lynch, 2000). The environmental scan, performed within the frameworks of the Five Forces Model and SWOT, analyzes information about organization's external environment (economic, social, demographic, political, legal, technological, and international factors), the industry, and internal organizational factors.

To this effect, hereunder, data pertaining to the environmental scanning process (including both internal and external) are be presented and discussed.

4.4.1 Internal Environmental Analysis

There are many factors listed in the literature that influence strategic planning process. Environmental uncertainties hampers the development of long range plans; scarce resource-strategic planning should be aligned to use scarce resources effectively; legal forces legislative changes introduce new dynamics in an industry thus affecting strategic planning; size and complexity of an organization – as size and complexity of an organization increases, so does the degree of formulating of planning activities; the extent of involvement in operating issues compromises the attention paid to management functions; the implementation gap – this is the inability of the top management and the planners to effectively communicate with the planners; the lifecycle of the organization – as organizations move through different phases, the competitive environment changes and influences the way they plan and execute strategy (Thompson, et al, 2007).

Organizations need to plan for a number of reasons. These are; to reorient the organization or institution to the needs of the community; another serious consideration is that when people plan for expansion, a certain level of minimum standard must be observed. This will guarantee a certain level of minimum quality performance. Effective strategic planning initiatives make organizations more responsive and viable instrument for socio-economic development (Robinson and Pearce, 1983). Strategic planning is a continuous process that requires constant feedback about how the current strategies are working.

Therefore, organizations should scan their internal and external environments to identify weaknesses and strengths from inside and the threats and opportunities in the external environment. The following Table 4.3 presents the practices of internal environmental analysis in the selected case study sectors.

Table 4.3: Internal Environmental Analysis

Items	Strongly agree in%	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
The organization has benchmarked	45.95	24.3	21.6	8.1	0	4.08
The organization had formal mechanisms of analysis	32.4	45.9	10.8	5.4	5.4	4.00
Strength and Weakness analysis have been conducted	45.9	43.2	5.4	2.7	2.7	4.3
Wide management participation in determining strengths	21.6	32.4	27	10.8	8.1	3.5
Different stakeholders have participated	10.8	40.5	40.5	5.4	2.7	3.5
Both strength & weaknesses were identified	37.8	37.8	13.5	5.4	5.4	4.00

Source: Fieldwork, April 2015

Note: SA- stands for strongly agree (the corresponding value is 5), A-stands for agree (the corresponding value is 4), N-stands for neutral (the corresponding value is 3), DA-stands for disagree (the corresponding value is 2) and SDA- stands for strongly disagree (the corresponding value is 1).

Table 4.3 presents that majority of the respondents (Mean 4.08) agreed on the fact that the benchmark scanning has been made before the design and implementation of the strategic planning in their respective sectors where the plan has been executed. However, the table also indicates that few of the respondents (8.01%) disagree with the idea that the organization had conducted the benchmark analysis prior to the design and implementation of the plan. This implies that the sectors might have had some other organizations to learn from prior to the design and implementation of strategic planning in their respective organizations.

Besides, respondents were asked whether their organizations had formal mechanisms for internal environmental analysis in the pre-strategic planning period. In this regard, majority of the respondents (mean 4.00) agreed that their respective organizations had formal mechanisms to analyze their internal environments. However, though it is not significant number, some respondents discontent the concern that their respective organizations had formal mechanisms for examining their internal (operational) environment. This may infer that the selected sectors have internal and operational mechanisms including rules and guidelines to examine their internal environment.

In this regard, the respondents were also asked whether their respective organizations have conducted strength and weakness analysis prior to the design and implementation of the plan. To this effect, the overwhelming number of respondents agreed that strength and weakness analysis have been conducted which preceded the design and execution of the plan. As it is presented in the Table 4.3 above the mean response is 4.3 which shows the consent of the respondents to the question raised in that regard. Hence, it can be argued that despite the fact that the plan is instructed from the top, the organizations have made attempt to examine their internal environment which might have helped them to internalize the process of designing and implementing the strategic plan.

Moreover, Table 4.3 shows that there has been little participation by wide management level in the course of designing the strategic planning. A mean of 3.5 indicates that the overall responses incline towards moderate positions. However, the figures may not infer absence of participation by wider management positions. From the facts presented above, it is possible to infer that the determination of organizational strength was not comprehensive as it excludes some level of management. Similarly, Table 4.3 above indicates that the respondents' overall position is moderate one with regard to stakeholders' participation in the process of designing strategic planning. This shows that only the economic and efficiency aspects of strategic planning have been considered. This also implies that the social, cultural and political aspects of strategic planning were overlooked.

Finally, the respondents were asked to rate the identification of both weaknesses and strengths of the organization prior to the design of the plan. As it is stated in the Table 4.3 above most of the respondents agreed that the sectors have identified their strengths and weaknesses.

4.4.2. External Environmental Analysis

Table 4.4: External Environmental Analysis

Items	Strongly agree in%	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
Both threats and opportunities were scanned	37.8	43.2	5.4	8.1	5.4	4.4
There have been formal mechanisms to scan the environment	18.9	37.8	27	10	5.4	3.5
There was a wide range of Participation	10.8	27	32.4	18.9	10.8	3

Source: Fieldwork, April 2015

Respondents were asked whether their respective organizations have conducted threats and opportunity analysis in their immediate external environments. In this regard, a significant number of respondents (Mean= 4.4) agreed that the sectors have scanned the external environment in order to identify possible threats and opportunities. Besides, the respondents agreed that the organizations have formal mechanisms to analyze the external environment. However, the figure mean of „3.5‘ shows that there is a gap having rules and guiding documents in order to scan their external environment so as to identify threats and opportunities.

However the respondents contended the existence of wide range of participation when scanning the external environments. In this regard, **Table 4.4** above shows that the mean of „3“ which inclines towards moderate or neutral position on whether the sectors have participated wide range of stakeholders in the course of scanning the external environment.

The above presented facts show that the sectors had a good practice of examining their respective external environments prior to the design of strategic planning. Besides, the facts also imply that there have been formal mechanisms that require the organizations to examine and analyze the external environments that offer them opportunities or impose threats on their

operations. However, it is inferred that the sectors had gap in terms of participating the stakeholders in general and the customers in particular.

4.5. Organizational, mission, vision objectives, Goals and Values

The following section presents the processes, practices and stakeholders in the course of determining organizational values in the selected sectors. See Table 4.5 below:

Table 4.5: Organizational, mission, vision objectives, Goals and Values

Items	Response category	Strongly agree in%	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
Organizational Mission	mission statements were stated	73	16.2	2.7	2.7	5.4	4.5
	The mission is long-term in nature	51.4	32.4	2.7	2.7	10	4.1
	Awareness has been created	29.7	27	24.3	5.4	13	3.5
	The mission statements are formalized	37.8	29.7	10.8	13.5	8.1	3.8
Organizational Goals and Objectives	Goals and objectives were designed	59.5	27	5.4	5.4	2.7	4.4
	Both short-term and long-term were spelt out	46	27	8	10.8	8	3.9
	Goals and objectives continuously developed	40.5	18.9	24.3	8	8	3.8
	SMART Objectives were designed	35.1	24.3	21.6	8	10.8	3.6
	Different management levels have participated	46	18.9	18.9	8.1	8.1	3.9
Vision	Statement of vision were designed	67.6	10.8	8	5.4	8	4.2
	The Vision was time bound	37.8	18.9	16.2	13.5	13.5	3.5
	Different management levels have participated	29.7	29.7	18.9	13.5	8	3.6
Values	Statement of values were designed	56.8	18.9	8	10.8	5.4	4.1
	Values are developed continuously	32.4	27	29.7	8	2.7	3.8
	Different management levels have participated	24.3	35.1	24.3	13.5	2.7	3.6

Source: Fieldwork, April 2015

Table 4.5 above presents that the overwhelming number of respondents agreed that the organizations have stated the mission statements. In this regard, the mean value of 4.5 shows that respondents position towards this particular item is positive. In addition, 51.31% of the respondents strongly agreed and 32% of the respondents agreed that the sectors have stated long-term mission statements whose mean value is 4.1.

However, as it is presented in the Table 4.5 above, the level of awareness creation is inclined towards moderate position whose mean value is 3.5. Whereas, the table also shows that the majority of the respondents (67.5 %) hold that the sectors have formalized the mission statements.

From Table 4.5 above, it is possible to infer that sectors which have undergone the design and implementation of the strategic planning had their respective organizational mission statements with long-term perspective. However, the organizations had limitation on creating awareness on the mission statements designed. Moreover, it is also possible to infer that as the organizations have formalized their mission statements, this might have helped them to monitor their progress.

The second item in the Table 4.5 above is about organizational goals and objectives. In line with this, most of the respondents (86.4 %) agreed that the selected sectors have established their respective goals and objectives whose mean value is 4.4. However, the Table 4.8 illustrates that respondents had moderate position whether the designed goals and objectives were clearly stated as short-term and long-term in terms of their scope whose mean value is 3.9. Similarly, respondents had moderate degree of agreement concerning whether the organizations continuously design goals and objectives. In this regard, researcher's personal observation indicates that the local governments cannot design their own goals and objectives and there has been low level of participation by wider levels of management under their jurisdiction. Rather, they are instructed to contextualize the generic goals and objectives developed at regional level. The data also shows that the designed goals and objectives were not satisfactorily SMART which is indicated by the mean value of 3.6.

Furthermore, respondents agreed that the sectors have designed vision statement based on the vision developed by the Oromia Regional State, which is shown by a mean value of 4.2. Besides, 56.7% of the respondents agreed that the designed vision is SMART. The data also

depicts that wide management participation is not high. This is due to that fact that these value statements are cascaded down from the regional level. Most of the respondents also agreed that their respective sectors have design organizational values continuously which are the reflection of the general values of the region.

Generally, the facts presented in the Table 4.5 above imply that the organizational values at local level are the reflections of the value statement of the region. Hence, there is little room to design organizational values that are initiated by the local government. This may affect the capacity of the municipality to accommodate peculiar issues that may require different perspective. However, it is also possible to say that cascading similar values to local level may help to achieve uniformity and parallel development.

4.6. The Design of Strategic Planning

This section presents issues relating to the design of strategic planning. In this regard, respondents had moderate degree of agreement concerning the participation of concerned stakeholders during the design of the plan. The mean value $\bar{3.5}$ shows moderate position of respondents even if it is not quiet neutral one. This shows that the organizations did not involve the larger stakeholders in the course of designing the plan. This also implies the narrow base of the plan. In addition, respondents had similar position with regard to the adequacy of the budget allocated for the implementation of the plan. The information collected from the key informants indicates that lack of adequate budget is the result of poor financial planning by the Town. The informants argued that sometimes the town collects less than it has planned.

Regardless of this, the data indicate that the results of the plan were clearly spelt out. This is shown by the mean value of $\bar{4.2}$. The facts also indicate that there is clear division of labor. However, the data for risk analysis and long-term implication analysis show moderate rating whose corresponding mean value are $\bar{3.8}$ and $\bar{3.7}$ respectively. Respondents also had similar position concerning the discernment, evaluation and selection of alternative courses of actions. See Table 4.6 below:

Table 4.6: The Design of Strategic Planning

Items	Strongly agree in%	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
Concerned bodies have participated	27	18.9	40.5	2.7	10.8	3.5
The required budgets were put on spot	24.3	21.6	27	16.2	10.8	3.4
The results of strategic planning process were clearly spell out- what will be done, when and by whom	40.5	43.2	8.1	8.1	0	4.2
Possible risks were forecasted	27	40.5	27	5.4	0	3.8
Long-term implications were scanned	24.3	35.1	21.6	8.1	10.8	3.7
Alternatives are developed before a strategic plan is adopted	18.9	37.8	27	13.5	2.7	3.6
Alternatives were evaluated and the best ones were selected	16.2	37.8	27	10.8	8.1	3.4

4.7. Implementation of the plan

Hereunder, issues relating to the implementation of strategic planning are presented in the following Table 4.7.

Table 4.7: Implementation of the plan

Items	Strongly agree in%	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
The right unit has been created for implementation	37.8	35.1	18.9	8.1	0	4
The right persons were put at the right place	18.9	24.3	27	16.2	13.5	3.2
Required resources were put on spot	13.5	27	35.1	16.2	18.1	3.2
The plan was broken down into short term & medium term time period	24.3	51.4	16.2	8.1	0	3.9
The activates were aligned with the strategy	32.4	37.8	18.9	8.1	2.7	3.9
Implementing units are authorized	24.3	43.2	24.3	5.4	2.7	3.8

Source: Fieldwork, April 2015

Table 4.7 above presents that different units were established for the purpose of plan implementation. This is indicated by the overall position of the respondents that account for 72.9 % supporting the idea that units were established. However, the respondents held close to neutral

position as to whether the right persons were put at the right position and adequate resources were made available for the purpose of implementing the strategic planning.

On the other hand, most of the respondents (76.5%) agreed that the plan was broken down into parts for simplifying implementation. Besides, most of the respondents agreed that activities were aligned with strategy. Furthermore, 67.5 % agreement is presented in the Table 4.7 above concerning whether the implementing units were given autonomy.

The facts presented above imply that as a result of establishing specific units, it might have been possible to clarify the line of authority and accountability. However, the data presented in the Table 4.7 above imply that there has been a gap in terms of getting the right persons at the right position and securing the required resources for the purpose of implementation. Moreover, it is possible to infer from Table 4.7 above that there has been good practice in terms of breaking the plan in to short-term and medium, aligning activities with the strategy and authorizing the implementing agencies established.

4.8. Monitoring and Evaluation of strategic Plan

Table 4.8: Monitoring and Evaluation of strategic Plan

Items	Strongly agree in%	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
Participatory oversight has been made during implementation	16.2	24.3	32.4	8.1	18.9	3.1
There is continuous review and evaluation of the strategic plan	24.3	29.7	35.1	10.8	0	3.9
Performance indicators are put in place	29.7	35.1	24.3	10.8	0	3.8
The indicators are clear & valid	24.3	35.1	27	13.5	0	3.7
Are employs held accountable	29.7	40.5	21.6	8.1	0	3.9
The good performed person/ organization were rewarded	8.1	13.5	29.7	21.6	27	2.5
Strategic plans suitable to organizational objectives and goals	29.7	40.5	18.9	10.8	0	3.9

Source: Fieldwork, April 2015

As put in the Table 4.8 above the overall rating of the respondents indicate that the level of oversighting while implementing the plan was moderate. This is evidenced by the mean value of

3.1'. However, the facts presented in the Table 4.8 indicate that good attempt has been made in continuously reviewing and evaluating the plan, putting clear and valid performance indicators and holding the employees accountable.

In spite of this, Table 4.8 above depicts that sectors' rewarding scheme for good performing employees found to be poor. This might have had negative impacts on the morale of the employees for the efficient implementation of the plan.

Furthermore, the data presented in the Table 4.8 above indicate that the designed and implemented strategic plan was found to be compatible with the overall goals and objectives of the organizations that have undergone the implementation of the plan.

From the facts presented above, it is possible to deduce that the sectors have employed the top-down approach in the implementation of the plan which is contradictory with the idea of participatory development. It is also possible to infer that the poor rewarding mechanisms might have negatively affected the employee motivation which is the central issue in the modern organizations.

4.9. Reform and Strategic Plan

This section is devoted to discussing issues relating to the alignment of the strategic planning with newly introduced reform instrument such as BPR and BSC.

Table 4.9: Reform and Strategic Plan

Items	Strongly agree in %	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
Strategic planning was aligned with the BPR	32.4	35.1	21.6	5.4	5.4	3.9
Strategic planning was aligned with the BSC	40.5	35.1	16.2	0	8.1	4
Strategic planning was aligned with the change army	40.5	24.3	16.2	5.4	13.5	3.7

Source: Fieldwork, April 2015

As it is presented in the Table 4.9 above majority of the respondents (67.5%) agreed there has been alignment between strategic planning and BPR. Besides, 75.6 % of the respondents agreed that there has been a linkage between the Strategic Planning and BSC. Moreover, the data indicate that strategic planning was aligned with change army arrangement.

Furthermore, the key informants have explained the strategic plan to be a framework and BPR, BSC and Change Army as tools to implement it. They further stated that the BPR is employed to identify what is to be done, the BSC deals with how it is to be done and the change army is about who is to do the job.

From the facts presented above it is possible to infer that the alignment between strategic planning and the reform tools, may help the implementers to consider the organizational values in the course of implementing the plan. This may also keep the implementers on the right track-gearing towards the attainment of the pre-established goals. Furthermore, it is possible to infer that these alignments contribute towards simplifying the process of plan implementation.

4.10. Strategic Planning and its Impact on Organizational Performance

Table 4.10: Strategic Planning and its Impact on Organizational Performance

Items	Strongly agree in%	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
As a result of Strategic Planning, people with the required merits were employed	32.4	29.7	27	8.1	2.7	3.8
The organization is able to secure adequate number of employees to all posts	13.5	35.1	27	16.2	8.1	3.3
The organization is providing the required services within short period of time	16.2	35.1	32.4	5.4	10.8	3.4
Operational procedures and service delivery processes are simplified and have become accessible	10.8	35.1	35.1	13.5	5.4	3.3
Units/departments in the organization do not procure before conducting inventory analysis	18.9	37.8	35.1	5.4	2.7	3.6
Strategic planning increases organizational efficiency	21.6	45.9	21.6	10.8	0	3.8
Strategic planning was to increase organizational out put	27	40.5	18.9	10.8	2.7	3.8
Strategic planning was to increase organizational efficiency	24.3	48.6	16.2	10.8	0	3.9
Strategic planning was to increase organizational effectiveness	32.4	32.4	21.6	10.8	2.7	3.9
As a result of strategic plan implementation the organization is able to significantly reduce operational costs	13.5	45.9	18.9	18.9	2.7	3.5

Source: Fieldwork, April 2015

As it is presented in the Table 4.10 above, the majority of the respondents (62.1 %) agreed that implementing the strategic planning resulted in hiring and placing employees based on merit. However, it has been evidenced that 27% of the respondents were neutral concerning whether employment is based on merit. Besides, 10.8% of the respondents contend the idea of merit based employment as a result of strategic plan implementation. Moreover, the overall value (mean 3.8) implies the existence of gap in terms of employment based on merit.

With regard to securing the right number of employees for the purpose of implementing the strategic planning, the overwhelming numbers of respondents were either abstain or disagreed with the idea. Table 4.10 also shows that only 48.6% of the respondents supported the idea the organizations engaged in the implementation of the plan have secured adequate number of employees.

Similarly, the respondents held nearly moderate position regarding the provision of the required services in a short period of time and whether the operational procedures are simplified as a result strategic plan implementation.

In addition, as it is depicted in the Table 4.10 above, 56.7 % of the respondents support the idea that the units (departments) do not procure before checking their inventory. This shows that the organizations are in a good position to control overlapping and wastage of resources as a result of plan implementation.

Furthermore, Table 4.10 presents that majority of the respondents agreed that strategic plan implementation enhances organizational performance, efficiency and effectiveness and significantly reduces operational cost of the organization.

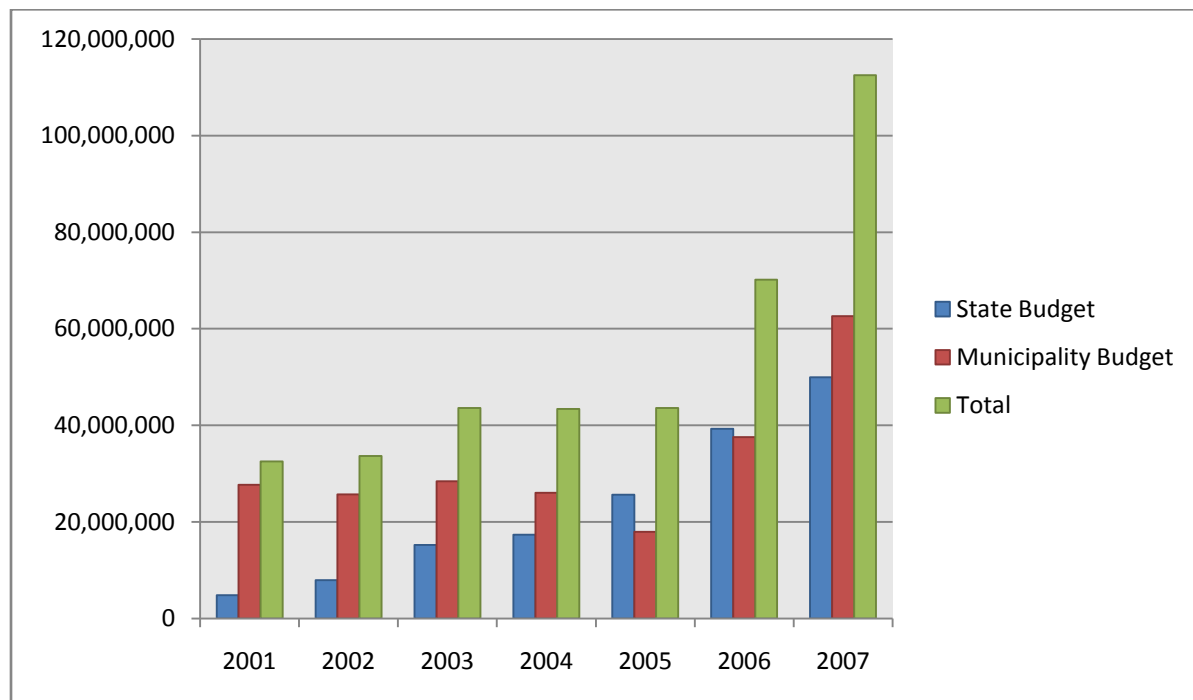
From the facts presented in the Table 4.10 above, it is possible to deduce that strategic plan implementation brought significant changes in terms of the 3Es of the organization, i.e., Economy, Efficiency and Effectiveness.

4.10.1 Strategic Planning implementation and financial performance

While strategic planning effects require a much more subtle analysis, many scholars (and practitioners) are ultimately interested in superior (financial) performance. Thune and House's (1970) confirmed a positive relationship between Strategic Planning and financial performance

of the organizations where the strategic planning is implemented. The survey facts collected also confirmed that strategic implementation has strong relationship with organizational performance. For instance it is evidenced that Sululta Town is able increase its internal revenue as a result of strategic planning. See Figure 4.6 below:

Figure 4.3: Budget Allocation from the year 2001-2207 E. C.



As it is depicted by the Figure 4.3 above, the internal revenue of Sululta Town is increased in the fiscal year 2003, 2004, 2006 and to 2007 E. C. respectively. However, the domestic revenue of the town is decreased in 2005 E. C fiscal year while the normal budget is increased in the fiscal year aforementioned. In addition, it is evidenced for the above figure that the normal budget is increased throughout the specified fiscal years. In line with this, the key informants stated that the Town collects revenue from concurrent sources. They stated that the Town Administration retains some amount of revenue to be allocated to its normal budget which is authorized by the regional government and transfers the remaining to the region.

Based on the Figure 4.3 above, it is possible to conclude that implementing the strategic planning is resulted in the efficient collection of internal revenue from economic activities under the jurisdiction the town and collection of concurrent revenues from activities under the jurisdiction of the regional government.

4.10.2 Strategic Planning and Service Delivery

Hofer and Schendel (1978), Henderson (1979), Greenley (1986), Miller and Cardinal (1994) and David (1997) argue that organizations record improved performance once they effectively embrace strategic planning. Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational effectiveness and efficient service delivery.

Table: 4.11: Service Delivery Efficiency Before and After the Implementation of Strategic Planning

Sectors	General planned services	Specific services	Time it took before strategic planning	Time it takes after strategic planning
Municipality	Infrastructural Development	Gravel road construction	1 ¼ years	120 Days
		Coble stone pavement	2 years	232 Days
		Building feeder roads	1 year	84 Days
		Constructing bridges	1 ½ years	144 Days
		Developing sewerage	1 year	72 Days
		Installaction of pipes	1 year	64 Days
	Efficient provision of Civil status documents	Authenticating marriage documents	One day	40 minutes
		Giving license for unmarried	One day	40 minutes
	Efficient Provision of Social Services	Fire Protection Services	2 hours	10 minutes
		Providing Funeral Services	One day	11 minutes
Education Office	Supply of tranning and education equipment	Supply allotment in learning teaching process equipment according to world technology	3 months	15 days
Investment	Investment licensing and agreement	Provision of new investment license	3 days	15 min
		Renewal of investment license	3 days	15min
		Change investment license	3 days	15min
		Replacing investment license	3 days	15min
		Expunction of investment license	3 days	15min
		Licensing Construction Investment	6 days	30min

		Provision of Trade license	6 days	30min
		Signing and prepared investment land agreement	6 days	30min
		Checking different representational document	1 week	1 hour
		Changing piroject type	1 week	1 hour
		Changing investment owner	1 week	1 hour
		Provision of TIN number	6 days	30min
		Provision of trade ledger service	6 days	30min
		Updating trade ledger service	6 days	30min
		Replacing trade ledger service	6 days	30min
		Expunction of trade ledger service	6 days	30min
		Providing costruction standard	6 days	30min
Revenue authority	Purchasing office equipment	Duration of bid on the air	372	78-83 days
	Providing revenue related eservices	Revenue collection	4 hours	30 minutes
		Collection of documents	3 hours	15 minutes
	Identification and collection of uncollected taxes and other revenues and collection	Collecting tax and non-tax revenues from whom they were not collected	2 years	6 months
Water Office	Efficient Provision of urban water services	Purchasing office facilities and maintenance required for water services	1 month	5-10 days
		Fixing water valve	15 days	2 ½ hours

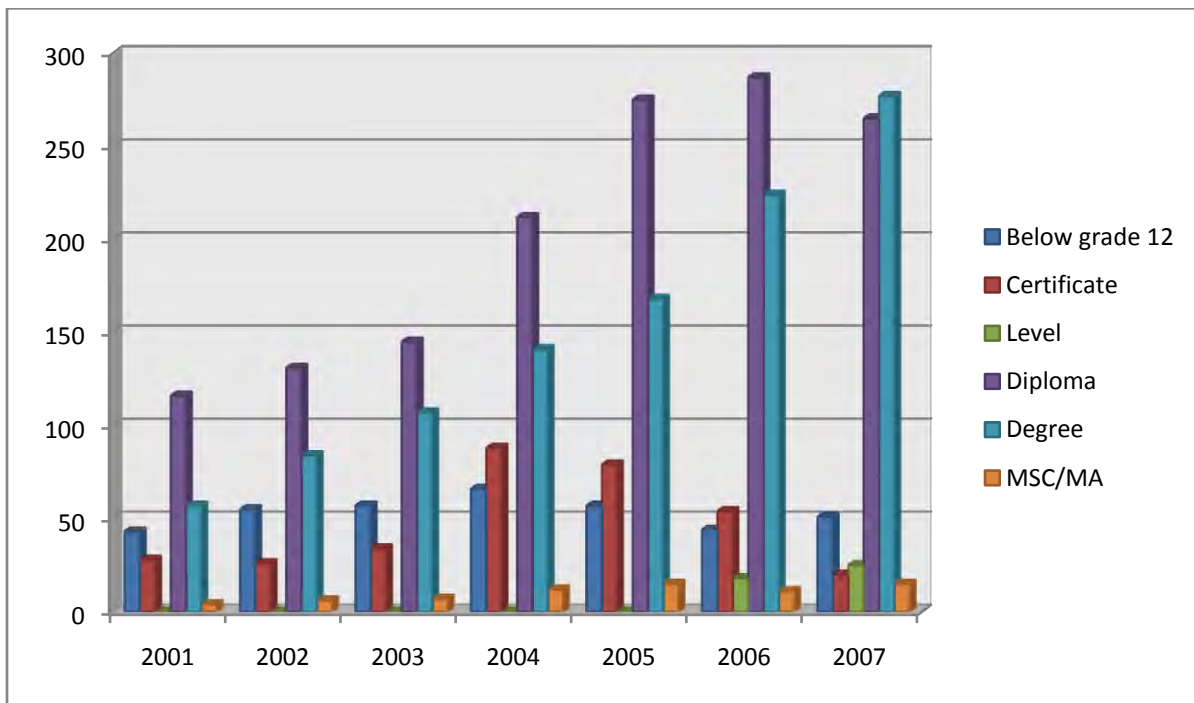
Source: Office Team-Charter, 2015

Table 4.11 above depicts that sample of service provision has become efficient in terms of time required to deliver them as compared to the practices before the implementation of strategic planning. However, it has been noticed that organizations don't have well documented activities related service delivery so as to compare the scenario before and after the implementation of strategic planning in the selected organizations.

4.10.3. Strategic Planning and the Need for Qualified Manpower

It is argued that designing and implementing strategic planning requires qualified manpower. It is both means and an end measuring the success of strategic planning. The Data collected from Civil Service and Good Governance Sector of Sululta Town Administration reveal that as a result of strategic planning, the need for qualified human resource is increased across sectors in the town. See Figure 4.7 below:

Figure 4.4: The Civil Servants of Sululta Town Administration by Qualification



Source: Sululta Town, 2015

As presented in both Figure 4.4 and Table 4.11 above, it is evidenced that the need for qualified manpower is increased during the design and implementation of the plan. On the other hand, the evidences show that the need for less qualified employees is decreasing. For instance, in the beginning of implementing the plan (2003 E.C), Sululta Town had 57 employees who are 12 grade complete and below. The trend shows increment in the first three years of strategic planning. However, the recent two years show that the need for employees of this educational level is decreasing. On the other hand, the number of degree holder employees were 107 in 2003 E. C and the number is consistently increased on the way to 2007 E. C. The number of degree holders in the recent two years is 224 and 277 respectively. Moreover, the numbers of Master's holders were only 7 employees whereas the number grew to 11 and 15 employees in the later two years-2006 E. C and 2007 E. C respectively. The Key informants stated that some MA/MSc holder employees were left in the year 2014.

Therefore, it is possible to conclude that as a result of strategic planning the need to have more qualified manpower is increased. This may also infer that the operations in strategic planning involve sophistication and complications which might have necessitated employment of qualified human resource.

4.11. The Contributions/Role of Strategic Planning for Organizational Performance

This section presents some of the contributions of the Strategic Planning implementation to organizational performances. Strategic Planning has a number of goals and objectives. In broad terms, Strategic Planning has social, political, economic and technological goals and objectives. However, hereunder, the financial, service efficiency in terms of time and the enhanced need for qualified manpower are mentioned as some of the contributions of strategic planning. See Table 4.12 below:

Table 4.12: The Contributions/Role of Strategic Planning for Organizational Performance

The contributions of strategic planning	Strongly agree in%	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
Provides clearer focus for the organization	40.5	35.1	8.1	13.5	2.7	4
Improves the relationship between staff and management	37.8	32.4	10.8	8.1	10.8	3.8
Helps in building strong teams	51.3	21.6	13.5	10.8	2.7	4
Provides a glue or bond among management level	43.2	27	13.5	10.8	5.4	3.9
Produces great satisfaction among planners around a common vision	40.5	29.7	18.9	8.1	2.7	4
Enhances organizational efficiency	43.2	29.7	13.5	10.8	2.7	4
Solves major problems	35.1	35.1	16.2	10.8	2.7	3.9
Helps to communicate those goals and objectives to the organization's constituents	37.8	21.6	27	8.1	5.4	3.8
Develop a sense of ownership of the plan	35.1	21.6	27	13.5	2.7	3.7
Ensure wise use of resources as per priority	27	35.1	18.9	10.8	8.1	3.6
Provides a framework for informed change	18.9	37.8	24.3	10.8	8.1	3.5
It has important value in building a consensus about where an organization is going and how	21.6	40.5	29.7	5.4	2.7	3.7
Helps to set more realistic objectives	32.4	32.4	21.6	8.1	2.7	3.8
A need for better information for decisions making may be recognized	27	40.5	21.6	2.7	8.1	3.8
Growth can be accelerated and improved	27	35.1	16.2	16.2	5.4	3.6
Problem areas can be identified and eliminated	24.3	35.1	27	10.8	2.7	3.7
Helps to control operational problems	29.7	27	27	10.8	5.4	3.7
Develop better communications with those both inside and outside the organization	32.4	27	27	10.8	2.7	3.8
Develop better internal coordination of activities	24.3	32.4	32.4	8.1	2.7	3.7
Develop a frame of reference for budgets and short-range operating plans	16.2	40.5	32.4	8.1	2.7	3.6
Helps the employees feel secure as a result of better understanding change and the environment	24.3	40.5	24.3	5.4	5.4	3.7

Source: Fieldwork, April 2015

As it is presented in the Table 4.12 above, majority of the respondents (75.6%) agreed that strategic planning provides a clear focus for the organization so as to become efficient and effective. Respondents also agreed that strategic planning helps to bridge between employees and management. In this regard, 70.2 % of the respondents agreed that strategic planning can serve as a linkage between operational level workers and the management. However, 18.9 % disagreed with the idea that strategic planning will serve as a bridge between the lower level employees and the management.

On the other hand, most of the respondents (72.9%) agreed that implementing strategic planning will help to build a team-spirit. In addition, nearly similar number of respondents stated that strategic planning creates a glue or bond among management, produces greater satisfaction among planners around a common vision and helps to solve the major organizational problems.

However, respondents did not have as such strong position with concerning the contributions of strategic planning pertaining to; its benefits in communicating organizational goals and objectives the immediate constituencies, developing a sense of ownership for the plan itself, and helping in the wise utilization of resources. Besides, respondents have shown similar concern whether strategic planning provides a framework for informed change, its aid in building consensus orientation among planners, implementers and other stakeholders, and its benefits in making SWOT analysis. Moreover, 62.1% of the respondents agreed that implementing strategic planning will help to accelerate and improve growth.

Finally, Table 4.12 above shows that respondents held nearly similar degree of agreement concerning the benefits of planning in identifying the major problem areas and solving them, controlling operational problems, developing better communications with those both inside and outside the organization, to develop better internal coordination of activities and in developing a frame of reference for budgets and short-range operating plans.

4.17. Challenges Encountered During Strategic Planning Design, Implementation & Evaluation

Table 4.13: Challenges Encountered During Strategic Planning Design, Implementation & Evaluation

Items	Strongly agree in%	Agree in %	Neutral in %	Disagree in %	Strongly Disagree in %	Mean
Complex, rapidly-changing environments can make plans obsolete before they are completed	8.1	32.4	18.9	27	13.5	2.9
Managers were reluctant to establish goals for themselves and their units	5.4	21.6	16.2	37.8	18.9	2.6
Initial problems in planning often result in a negative image of planning	10.8	27	21.6	24.3	16.2	2.9
Organizational resources may also be an obstacle to effective planning	21.6	13.5	29.7	21.6	13.5	3
Effective planning can be time consuming and expensive	16.2	27	21.6	24.3	10.8	3.1
Over-estimation of resources and abilities	16.2	24.3	32.4	16.2	10.8	3
Ineffective attempts to gain the support of others	2.7	32.4	27	27	10.8	2.9
Under-estimation of time, personnel, or financial requirements and failure to follow the plan	5.4	27	21.6	24.3	21.6	2.7

Source: Fieldwork, April 2015

Table 4.13 above, presents major challenges observed in the course of designing, implementing and monitoring and evaluation of strategic planning in the study area. In this regard, only 40.2 % of the respondents support the idea that environmental dynamism makes the existing plan obsolete and requires for new one. Responses also indicate that reluctance by the management was not the major challenges, which is confirmed by the mean value of 2.6.

Besides, the facts presented in Table 4.13 above show that the initial problems in planning does have moderate impact in terms of affecting the value or image of the plan. Similarly, respondents had moderate position whether organizational resources can be an obstacle to the effective implementation of the plan. Moreover, respondents held the same position whether effective planning requires more time and costs. In this regard, only 43.2 5% of the respondents agree that quality planning consumes more time and is expensive. This shows that if the organizations are

intending to design quality strategic planning, it is likely possible as that does not require more resources and efforts.

Furthermore, the facts presented in the above table show that over-estimation of resources and abilities, ineffective attempts to gain the consent and support of others and under-estimation of time, manpower or financial requirements and failure to make plan oversight will have a moderate level of challenge confirmed by the mean values of 3‘, 2.9‘ and 2.7‘ respectively.

From the facts presented above, it is possible to draw a conclusion that there have been some challenges in the organizations that have designed and implemented strategic planning. However, as the challenges were not severe, it is possible to infer that the identified challenges can be easily tackled.

CHAPTER FIVE

Summary of Findings, Conclusion and Recommendation

The study focused on the contribution of strategic planning on the organizational performance. To this effect both primary and secondary data sources were accessed and relevant facts were gathered. The collected facts were presented, analyzed and discussed under different headings. The analysis and discussion results from these relevant data presented and interpreted can be concluded in the section to follow. In addition, based on the conclusions drawn, a researcher has made some recommendations for both the organizations and the future researchers.

5.1 Summary of Findings

The study shows that prior to the design of strategic planning in the selected sectors of Sululta Town, majority of employees were given awareness about the context and importance of strategic planning in their respective organizations. However, the results indicate that some employees did not get the awareness in advance. With regard to the momentums that have led to designing strategic planning, majority of the respondents (59.5 %) of the respondents stated that it has been required by the government policy from the top. Similarly, the result indicates that there has been Central Planning Committee which was mandated to design and adopt the strategic Planning of the Town. In addition, the results indicate that there has been clear understanding about the time coverage of the plan.

The facts discussed in the preceding chapter indicate that the sectors that have undergone the design and implementation of strategic planning have had some other organizations to learn from. Hence, the organizations had internal formal mechanisms to leverage good experiences from other relevant organizations. Besides, the discussion part shows that the organizations have analyzed their internal organization to identify their weaknesses and strength prior to the design of strategic planning which is supported by 89.1% of the respondents. However, the result shows that gap in terms of participating different levels of management and stakeholders in the course of designing the plan.

On the other hand, majority of the respondents (81%) agreed that the respective organizations have analyzed threats and opportunities in the external environment prior to designing the plan. However, respondents did not have strong agreement whether the organizations had formal

mechanisms to analyze the external environment and stakeholders' participation. Therefore, it is possible to say that the planning process has been top-down approach.

However, it has been evidenced that majority of the respondents agreed that the organizations have designed clear organizational values including; vision, mission, goals and objectives and values. Despite this, the respondents had reservation with regard to the level of awareness creation and participation of stakeholders and wider management in the course of designing the plan. Moreover, the data collected from the key informants indicated that there has been little room for the lower level organizations to design organizational values that are contextual. Rather, the sectors in the Town are expected to cascade the values of the region (Oromia Regional State) in to their organizations.

The results indicated that there has been a gap in terms of participating stakeholders and other concerned bodies in the course of designing the plan. Besides, the results show that the budget allocated for the purpose of designing the plan was not adequate. However, 83.7% of the respondents held strong position in favor of the fact that the results of strategic planning were clearly spelt out. Moreover, the results indicate that there has been a gap in scanning the long-term implications of the plan and devolving multiple alternatives during planning.

With regard to the implementation of Strategic Planning, majority of the respondents (72.9%) agreed that division of labor was made by creating different units for different activities. However, results show that there is gap in putting the right persons at the right place. Similarly, results indicate gap in terms of breaking the plan into short-term and medium-term of time scope.

According to the survey data discussed in the previous chapter, there was no adequate participation in the course of over sighting the progress while the plan was being implemented. However, majority of the survey respondents (64%) agreed that there has been a continuous review process while the plan was being implemented in the selected sectors. On the other hand, there has been a good practice in terms of identifying clear and valid criteria for performance for which there has been mechanisms to hold the implementing experts accountable. In spite of this, the results show that the organizations do not have a culture of rewarding a good performing individuals and units.

The study revealed that the three reform instrument (BPR, BSC and Change Army) were found to be in alignment with strategic planning. It has been stated that the BPR deals with the job or work to be done, the BSC deals with how to do the work, whereas, the Change Army is about who is to do the job or the work.

Moreover, the study at hand revealed that there have been changes achieved over the last three years during the implementation of strategic planning. For instance, over the last three years the need for qualified manpower is increased. In addition, the time required to provide services is reduced. Moreover, as a result of strategic planning, Sululta Town Administration is able to collect more revenue from both business activities over which it has exclusive power and from sources of concurrent power with the region. However, in some regards, the results show that there are gaps to be filled, particularly in terms of participating a wider level of management and stakeholders in the course of designing, implementing and monitoring and evaluating the plan.

5.2 Conclusions

Strategic planning should be preceded by awareness creation communication to those who will be affected by its implementation. This implies that strategic planning is not merely technical, but also encompasses socio-political aspects as well. Hence, its design requires the will and consent of the society in general and the primary stakeholders in particular. In this regard the study showed that there is gap in terms of getting support from the stakeholders prior to the formulation of the plan.

In addition, as changes may bring both positive and negative impacts, organizations intending to formulate strategic planning need to have open system so as to learn from other organizations operating under similar conditions. This would help the organizations optimize the benefits and minimize the costs to be incurred as a result of implementing the changes. To this effect, the study revealed that Sectors of Suluta Town Administration have had internal mechanisms that helped them to benchmark good experience from other organizations based on which the sectors under consideration were able to identify weaknesses and strengths from the internal environment and threats and opportunities in the external environment.

Despite the fact that the sectors under consideration have clearly spent out their respective organizational values including vision, mission, goals, values and objectives, all stakeholders were not communicated while initiating the formulation of strategic planning. This might have affected the plan not to have participatory attributes which is a key development value in the contemporary world.

Moreover, as a matter of fact, division of labor is crucial when designing and implementing the plan which may help the organizations to be efficient and effective. However, dividing tasks will have no significance if the right persons are not placed at the right place in terms of their qualification. Hence, employees in charge at different positions may lack the required expertise which may in turn let the organizations compromise their initial intention.

Furthermore, proper implementation of strategic planning will help the organizations to be coherent and organized in their operation. This may require more number of qualified manpower which has been noted by this study. The plan also helped the sectors under question to align other reform tools such as BPR, BSC and Change Army.

5.3 Recommendations

- ✚ Any change shall be preceded by understanding and building consensus. This is due to the fact that changes bring both positive and negative impacts. Strategic Planning being one of the tools to bring about changes should begin with creating awareness to the employees and the target stakeholders. Hence, the purposes, processes and perceived success of the plan should be clear for both internal and external environments that may affect the plan or be affected by it in turn. Therefore, in the next GTP, Sululta Town Administration should create awareness by short term training when cascading the general plan to the local level.
- ✚ In the process of designing Strategic Planning, participation of the concerned bodies enhances the pace of improving organizational performance. However, it has been found out that there was lack of participation in the course of designing the plan. Therefore, a researcher recommends that the top-level management at different sectors in the Town should involve stakeholders and staffs to understand and share the organizational values. This is helpful to create a team-spirit and shared accountability.

- ✦ SMART organizational goals and objectives show where the organization to be in the future. Hence, the Mayor office of the town facilitate to continuously review and evaluate the designed goals and objectives to make them contextual and attainable ones
- ✦ Budget is the key aspect in the course of designing, implementing and evaluating Strategic Planning. However, the finding shows that the allocated budget was not adequate to this end. Therefore, it is recommended that the Office of Finance and Economic Development (OoFED) of the Town should ensure that the allocated budget is adequate in implementing the earmarked activities of the plan.
- ✦ In addition, throughout the process of Strategic Planning, the vital resource required is educated manpower along with merit principles which entails putting the right person at the right place. Therefore, the Office of Civil Service and Good Governance of the Town should have mechanisms to ensure that sectors have employed persons with the required qualifications and experiences.
- ✦ The success of Strategic Planning is dependent on continued monitoring evaluation of organizational performance. Then, the Office of the Mayor facilitate the continuity of monitoring and evaluation in sectors of the town.
- ✦ Designing clear and valid parameters will help to measure the performance progress of the organizations. Hence, Strategic Planning should involve clear and valid performance indicating criterion that would help to simplify performance evaluation.
- ✦ Rewarding and celebrating performances motivate employees to work more and more. However, this study shows that there is no culture of rewarding and celebrating good performances in organizations. Therefore, to motivate poorly performing employees and departments, the good performing employees should be rewarded and appreciated.
- ✦ Moreover, the purpose of reforms such as BPR, BSC and Change Army are to improve service delivery. It is argued that these reforms tools must be integrated so as to ultimately enhance customers' satisfaction. Therefore, short-term trainings must be provided so as to widen employees' understanding about the principles and practices of these reform tools.

Future Research Direction

- ✚ Finally, as a matter of fact, every research is the beginning moving from the known to the unknown. Hence, future researchers are recommended to investigate other aspects of strategic planning and organizational performance in general and the impacts of strategic planning on customers' satisfaction in particular.

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Annex II: Questionnaire filled by Employees

Addis Ababa University
College of Business and Economics
Department of Public Administration and Development Management
Master's Program in Public Management and Policy

Dear respondents;

My name is Bekele Ketema, a graduate student at Addis Ababa University. Currently, I am conducting master's thesis entitled: **“The Contribution of Strategic Planning to Organizational Performance: Achievements and Challenges”**. The purpose of the study is to fulfill the partial requirement to accomplish Master's in Public Management and Policy. To this effect, this semi-structured questionnaire is designed to collect pertinent information relating to the topic.

Dear respondents, the quality of this research is very much dependent up on the data you may provide. Indeed, the researcher would like to assure you that the data collected will be used only for academic purpose and will be kept confidential.

Thank You in advance!

Bekele Ketema

April 2015

Instructions:

- ❖ Please put a tick mark corresponding your choice
- ❖ No need to write your name

Part One: Personal Information

Please provide the following information about your personal information by checking the appropriate box.

1. Respondent's age in year

18-25

26-30

31-40

41-50

Above 51

2. Sex: Male Female

3. Work Experience:

Less than 2 years

2-5 years

5-7 years

7-10 years

Above 10 years

4. Educational Status:

10th or 12th graduate

TVET/Certificate

Diploma Holder

BA/BSC holder

MA/MSc holder

PhD

5. Position held:

Middle level management

Operational level management/experts

Any other, please specify: _____

Part Two: General Information relating to Strategic Planning

1. Do you have awareness about Strategic Planning before its implementation?
 Yes No
2. If your answer for question #1 is “Yes”, how did you get knowledge about it?
 Through formal education
 Through specialized training
 Through Management Development Program
 Through short-term training conducted to implement Strategic Plan
Any other, please specify: _____
3. What factors led to the adoption implementation of Strategic Planning?
 Poor performance of the organization
 Leveraging good performing organizations that have implemented it
 Instructed by the policy of the government
 Top-level management initiative
 Any other, please specify: _____
4. Who participated in the development of Strategic Plans?
 A strategic planning committee made up of all or selected members of top management
 A centralized planning department
 Top management/administration
 Different managerial levels participated
 Any other, please specify: _____
5. For how long that your organization has been engaged in the implementation of Strategic Plan?
 1-2 years
 2-4 years
 4-6 years
 6-8 years
 8-10 years
 10 years or more

Part Three: Specific Information relating to environmental analysis, design, plan implementation and organizational performance

Directions: for each of the statements below, please circle the number that best describes how much you agree or disagree with the statement: strongly disagree (SDA), disagree (DA), Neutral (N), Agree (A) and Strongly Agree (SA)

N	Item	Response category				
		SA=5	A=4	N=3	DA=2	SDA=1
1.	Environmental Scanning (internal):					
	The organization had bench mark scanning					
	The organization had formal mechanisms of analysis					
	The organization had conducted Strength and Weakness analysis					
	There is wide management participation in determining your organizational strengths					
	Different stakeholders have participated					
	Both strength & weaknesses well identified					
2.	External Environment Analysis					
	Both threats and opportunities were scanned					
	There have been formal mechanisms to scan the environment					
	There was a wide range of participation					
3.	Mission statement:					
	Organizational mission statements were stated					
	The mission is long-term in nature					
	Awareness has been created on the mission statement					

	The organization has formalized the mission statement					
4.	Organizational Objectives & Goals:					
	Statement of goals and objectives were designed					
	Both short-term and long-term were spelt out					
	The organization develops goals and objectives continuously					
	Objectives are SMART					
	Different management levels have participated					
5.	Vision					
	Statement of vision were designed					
	Vision were SMART					
	Different management levels have participated					
6.	Values					
	Statement of values were designed					
	The organization develops Values continuously					
	Different management levels have participated					
7.	Designing Strategic Planning:					
	Concerned bodies have participated					
	The required budgets were put on spot					
	The results of strategic planning process were clearly spell out- what will be done, when and by whom					
	Possible risks were forecasted					
	Long-term implications were scanned					
	Alternatives are developed before a strategic plan is adopted					

	Alternatives were evaluated and the best ones were selected					
8.	Implementation of the plan:					
	The right unit has been created for implementation					
	The right persons were put at the right place					
	Required resources were put on spot					
	The plan was broken down into short term & medium term time period					
	The activates were aligned with the strategy					
	Implementing units are authorized					
9.	Monitoring and evaluation:					
	Participatory oversight has been made during implementation					
	There is continuous review and evaluation of the strategic plan					
	Performance indicators are put in place					
	The indicators are clear & valid					
	Are employs held accountable					
	The good performed person/ organization were rewarded					
	Strategic plans suitable to organizational objectives and goals					
10.	Reform and Strategic Planning					
	Strategic planning was aligned with the BPR					
	Strategic planning was aligned with the BSC					
	Strategic planning was aligned with the change army					
11.	Strategic Planning and its Impact on Organizational Performance:					
	As a result of Strategic Planning, people with the required merits were employed					
	The organization is able to secure adequate number of employees to all posts					

	The organization is providing the required services within short period of time					
	Operational procedures and service delivery processes are simplified and have become accessible					
	Units/departments in the organization do not procure before conducting inventory analysis					
	Strategic planning was to increase organizational performance					
	Strategic planning was to increase organizational out put					
	Strategic planning was to increase organizational efficiency					
	Strategic planning was to increase organizational effectiveness					
	As a result of strategic plan implementation the organization is able to significantly reduce operational costs					
12.	Challenges Encountered During Strategic Planning Design, Implementation & Evaluation					
	Complex, rapidly-changing environments can render plans obsolete before they are completed.					
	Managers were reluctant to establish goals for themselves and their units.					
	Initial problems in planning often result in a negative image of planning.					
	Organizational resources may also be an obstacle to effective planning.					
	Effective planning can be consuming and expensive.					
	Over-estimation of resources and abilities					
	Ineffective attempts to gain the support of others					
	Under-estimation of time, personnel, or financial requirements failure to follow the plan					
13.	The Contributions/Role of Strategic Planning for Organizational Performance					

Provides clearer focus for the organization					
Bridges staff and management					
Helps in building strong teams					
Provides a glue or bond to management					
Produces great satisfaction among planners around a common vision					
Enhances organizational performance					
Solves major problems					
Helps to communicate those goals and objectives to the organization's constituents					
Develop a sense of ownership of the plan					
Ensure wise use of resources as per priority					
Provides a framework for informed change					
Provides clearer focus for the organization					
Bridges staff and management					
Helps in building strong teams					
Provides a glue or bond to management					
Produces great satisfaction among planners around a common vision					
Enhances organizational performance					
Provides clearer focus for the organization					
Bridges staff and management					
Helps in building strong teams					
Provides a glue or bond to management					

14. Dear respondent, if you have any information relating to the design and implementation of Strategic Planning and its impact on the organizational performance, please, do not hesitate to state.

Annex III: Interview Guide addressed by Higher Officials

Addis Ababa University

College of Business and Economics

Department of Public Administration and Development Management

Master's Program in Public Management and Policy

Dear respondents;

My name is Bekele Ketema, a graduate student at Addis Ababa University. Currently, I am conducting master's thesis entitled: **“The Contribution of Strategic Planning to Organizational Performance: Achievements and Challenges”**. The purpose of the study is to fulfill the partial requirement to accomplish Master's in Public Management and Policy. To this effect, this semi-structured interview guide is designed to collect pertinent information relating to the topic.

Dear respondents, the quality of this research is very much dependent up on the data you may provide. Indeed, the researcher would like to assure you that the data collected will be used only for academic purpose and will be kept confidential.

Thank You in advance!

Bekele Ketema

April 2015

Part One: Personal Data

1. Sex: Male Female

2. Respondent's age in year

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Above 51

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4. Educational Status:

10th or 12th graduate

TVET/Certificate

Diploma Holder

BA/BSC holder

MA/MSc holder

PhD

5. Position held:

Administration/top-level management

Middle level management

Any other, please specify: _____

Part Two: Specific information

Interview Guide

1. Do you have awareness about Strategic planning before its implementation?

2. Factors led to the adoption implementation of Strategic Planning

3. Who participated in the development of Strategic Plans?

4. For how long that your organization has been engaged in the implementation of Strategic Plan?

5. Would you briefly explain the course/processes of designing the plan?

6. Would you briefly explain the course of implementing the strategic Plan? Who involved and what facilities were availed?

7. Would you identify and explain achievements made, challenges faced and opportunities created as a result of Strategic Plan Implementation?

8. Would you explain the process of monitoring and evaluation if conducted?

9. Did the strategic planning was aligned with reform (BSC, BPR, change army)?
