



**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF PROJECT MANAGEMENT**

**The assessment of the Alignment of Project Design and
Implementation with Strategic Management in Bank of Abyssinia**

Prepared by: Metasebia Mengistu

A Final project submitted to the school of graduate studies of Addis Ababa University School of Commerce department of Project Management in partial fulfillment of the requirements for the degree of MA in **Project Management** in AAU School of Commerce

MARCH, 2021

ADDIS ABABA, ETHIOPIA

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Prepared by: Metasebia Mengistu

Advisor

Bahran Asrat (PhD)

MARCH, 2021

ADDIS ABABA

DECLARATION

I declare that the project entitled “The assessment of the alignment of project design and implementation with strategic management in Bank of Abyssinia ” is my original work and has not been presented for a degree in this university or any other university and that all sources of material used for the project have been duly acknowledged.

METASEBIA MENGISTU

DATE: March, 2021

SIGNATURE: _____

Statement of Certification

This is to certify that Metasebia Mengistu has carried out her project work entitled: “The assessment of the alignment of project design and implementation with strategic management in Bank of Abyssinia ” is her original work and is satisfactory for submission of the award of Masters Degree in Project Management.

ADVISOR: BAHRAN ASRAT (PHD)

SIGNATURE:_____

DATE: MARCH 2021

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Prepared by: Metasebia Mengistu

Approved by Board of Examiners Committee:

Examiner

Signature

Examiner

Signature

Advisor

Signature

Acknowledgment

First and most I would like to give Special praise to my Lord, who helps me in all walks of my life despite my challenging character and endless sins. He is always there to give me hand, please always rely on his endless mercy and love.

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ACRONYMS/ABBREVIATIONS

APM: Association of Project Management

BOA: Bank of Abyssinia

CEO –Chief Executive Officer

CESA: Continental Education Strategy for Africa

EPMO: Enterprise Project Management Office

PMO: Project Management Office

PM: Project Management Office

PMI: Project Management Institute

SD: Standard Deviation

SM: Strategy Management

SSA: Sub Saharan Africa

SOW: Statement of work

SWOT: Strength, Weakness, Opportunity and Threat

Abstract

This research aims to study the alignment of project design & implementation with strategy management that is critical for optimality of portfolio of projects in view of the adopted strategy by any entity. The general objective of the study to assess the extent of the alignment of project management process with strategy management process of BOA. The specific objective of study is to study the alignment of project conception with strategic themes of the organization, the alignment of project feasibility with corresponding strategic objective, alignment of project implementation plan with functional plan of pertinent operational unit, the alignment of project monitoring & evaluation with strategy. This research has taken BOA as case organization, which is under strategic transformation to assess the practical alignment of the PM and SM process that are owned by distinct Departments. The study adopts descriptive research design in order to assess perspective of its respondents that are 38 in number, who have high level of involvement in the two closely related processes. Overall, findings of the research indicate that there is limited participation of concerned Departments particularly at early stage of project life cycle. This limits the desired level of alignment of the two critical processes that in turn affects project performance. Moreover, these concerned parties lack one unifying party (particularly for non –IT related projects) that coordinate and collaborate them towards common goal/vision of the organization i.e. the ultimate goal of every project of BOA. Consequently, the study proposes plausible solutions for the identified gaps that enable BOA to realize its vision effectively and efficiently.

Key Words: project initiation, project feasibility, project implementation plan, project monitoring & evaluation, Strategy themes, Strategic objective, strategy monitoring and evaluation.

CHAPTER ONE

1. Introduction

This is an introductory chapter that cultivates the base for the study. Accordingly, it indicates the basic problem/loophole that the study aims to address. In addition, it shows related studies have not lectured the gap in same manner. Furthermore, it clearly states the research questions the study aims to answer. At same time, it depicted the importance of the study for different audiences.

The chapter states how consequent chapters of the study will be organized thereby summarizing the basic content of the study. Moreover, it points out the limitation of the study.

1.1. Background of the Study

In this era of dynamism and globalization, one of the determinate factors for a sustainable development of an organization is adaptation to persistent change and development in the surrounding environment. This implies that an entity shall strive to benefit the most and lose the least from constant upcoming changes, which is critical not only to be competent but also for surviving in a market. This can be achieved by identifying and developing competitive advantage of an organization that enables to benefit the most from changing internal and external factors. Internal factors may include technologies or system adopted by a company, operational procedures or processes, internal policies, organizational initiatives, and changes in management priority and etc. On the other hand, external factors include competitions among companies in the same industry or peer companies, globalization that increases political, economic, socio-cultural, technological, legal, and environmental dependency among countries.

The need for responsiveness to change has become clear as globalization has become more pronounced after cold war (1990s). This implies that change is inevitable and unavoidable, therefore, managing resistance to change is critical to remain competent in the market. Outstanding organizations these days are those with leaders, who have adopted project management approach. Accordingly, they bring together series of projects that correspond to different line of functions/businesses in their organization as a tool of introducing a desired change. Consequently, they give different degree of priority to the initiated projects in order to

allocate resources based on their importance. Finally, they ensure the projects' fitness in the system or an organization's strategy based on effective monitoring and control. (Itigi FM 2015).

According to PMBOOK 2013, "a project is a transitory effort that aims to create a unique product, service, or result." Every project offers a unique product, service, or result to its respective client. For example, school buildings can be constructed with the same or similar materials and by the same or different teams. However, each building as a project remains unique with a different location, different design, different circumstances and situations, different stakeholders. Thus, it can be concluded that a project is quite different from on-going work effort/routine tasks, which are generally a repetitive processes that follow an organization's existing procedures thereby producing ordinary products to a client organization. On the other hand, project gives new product/service/ enhanced or new process of operation to its client that in turn builds the capacity of the client to compete in ever changing environment. The transitory nature of a project doesn't apply to end results or outputs of a project, which are instruments of introducing sustainable change or development for the targeted population. For e.g. a school building will nurture a number of generations. In short, project is an instrument of introducing sustainable change or development within a given period of time that builds competitive advantage of a client to fit the prevailing and expected situation .(PMBOOK 2013).

Project as means or tool of development shall be managed in organized way to attain the targeted outcome-sustainable development; otherwise, they will be too costly. According to APM body of knowledge 7th edition, "Project Management is the application of processes, methods, skills, knowledge and experience to achieve specific project objectives according to the project acceptance criteria within agreed parameters. Project management has final deliverables that are constrained to a finite timescale and budget." Therefore, PM is a time bounded process that strives for accomplishment of ultimate project's output. According to, Martin Barnes (APM president 2003-2012), "as its most fundamental, project management is about people getting things done". It basically involves understanding importance of project output & project resource requirement (in terms of quality, time and resources), developing business case to justify investment, preparation of action plan, forming and motivating project team, executing the planned tasks, managing risk & changes ,monitoring progress against action plan and provision of project deliverables. According to Paul Naybour (2014) , the process of

project management are phased into five stages ,which include initiation (business case development),requirements (defining a project resource requirements in terms of time, quality ,financial and non-financial),planning (developing action plan for a project at hand),Execution(implementing the planned actions),closure (provision of project deliverables and documenting lesson learned) .

There are five major cause of project failure that can be summarized as percentage of total causes of failure. These include: project initiation related causes of failure (40%), project management operational related failure (30%), and organizational leadership related failure (15%), project management leadership related failure (9%) and external factors (6%).Thus, project initiation related failures are the most dominate cause of project failure that have 14 distinct causes out of which 7 are related to high level strategy formulation and portfolio definition. These include change in sponsor strategy, unrealistic expectation /estimation, problem related to technology, incomplete requirement, poor project definition and no user/owner involvement and poor sales or marketing links. These seven causes of project failure strongly depict that project managers have not been involved in the pre-execution project phases. Nevertheless, they can be at least substantially mitigated, if an appropriate competent project professional had been heavily involved in the initial stage of project management. The engagement of project managers in early phase (project initiation) establishes a strong linkage between the discipline of project management and strategy management. This is crucial for defining a right set of project portfolio for the realization of a formulated strategy. Therefore, it can be concluded that most dominate cause of project failure that is related with project initiation can be addressed by aligning the two important processes i.e. project management and strategy management, as projects are tools for implementing a strategy. (Okereke 2017)

Overall, strategic management and project management are very essential disciplines that determine, where an organization ought to be based on its competitive advantage and market opportunities & threats thereby ensuring sustainable competency in this dynamic and globalizing world. Nevertheless, the effectiveness of each discipline is dependent on degree of their alignment as a strategy plans to take a company from A (current position) to Z (vision), which can be attained by success of its subsets i.e. a number of projects that takes an organization (A - B, B -C -y-z). At same time, the success of each project is dependent on its fitness to

corresponding vision of an organization that is planned to be achieved by the corresponding strategy. Therefore, it can be concluded that successful alignment of strategy & project management is determinate factor for impactful projects that add values to a strategy. Nevertheless, the practicality of the desired alignment has been confronted by number of factors that need to assessed and addressed to benefit the most from this approach, which is the ultimate target of this research. (Tharp, J. 2007).

1.2 Background of BOA

Bank of Abyssinia is the third private bank opened in Ethiopia next to Awash International Bank and Dashen Bank. Due to the free market structure, private banks started emerging in to the market under the bank business proclamation No. 84/94. Bank of Abyssinia was established on February 15, 1996 with 131 shareholders, 32 workforces and with only 1 branch. Furthermore it had a subscribed capital of 25 million and authorized capital of 50 million, whereas it's paid up capital was just birr 17.8 million. Currently, it has increased its capital hundred-fold from ETB50 million to ETB 5.5 billion.

Currently, BOA has over 561 branches in the country, it serves over 3.3 million customers. BOA has well-structured financial service system, which is connected through the T-24 core banking system. Furthermore, it has 633 ATM machines placed in different locations to enhance its accessibility. (Bankofabyssinia.com, 2021).

BOA has strived to be a leading organization in the industry by facing the challenging intense competition through best fitting strategy that enables the realization of its vision. This is depicted by the current vision of the Bank: "To be the Best Bank in East Africa by the year 2030". The corresponding strategic themes of BOA are growth, operational excellence and digitalization. Accordingly, the Bank has developed 12 strategic objectives bases on its strategic themes. The role of each operational unit in the implementation of the strategy was cascaded using balanced scorecard approach, which is characterized by its four perspectives: customer satisfaction, profitability, efficient and effective process and learning & growth. Consequently, a number of projects have been generated toward the actualization of its strategic objectives.

Under the newly formulated strategy of the Bank in past 1 and half year, BOA has executed about 9 IT related projects. Furthermore, it has achieved outshining performance particularly in resource/deposit mobilization. At same time, the introduction of interactive teller machine makes the Bank pioneer in the local industry. Nevertheless, the effectiveness of a project is highly dependent on collaboration and coordination of all concerned parties of the Bank. Particularly, the alignment of strategy management and project management function is a paramount importance for fitting short term objectives (project) with its long term goal (strategic objective).BOA had changed its organizational structure following its formulation of the current strategy, upon which it forms project management department (PMO) for its IT related projects. The Department has 4 division managers, among which 3 of them are project managers and one is business analyst. The Department is administratively and functionally accountable to chief Information Officer. On the other hand, BOA has established strategy management Department, which is directly accountable to vice president –finance management. Thus, this paper studied the alignment of the project management with strategy management at different phases of the processes.

1.3 Problem Statement

According Knights (2019), the strategic management of project, is “thinking about projects in light of their connection to strategic objectives of a company.” Strategic project Management has gained a paramount importance in this era dynamism, as a company is overloaded by number of projects that are expected to contribute to actualization of its strategic goal (objectives). A strategy is determined based on an organization’s competitive advantage, market opportunities & threat, in prevailing and expected environment such as economic, political, and social as well as culture. Thus, the success of a project is determined by degree of its alignment with strategic objective of a company. It is obvious that less fitting projects will be either subjected to scope creep or it can be totally abandoned before its completion that is too costly particularly in view of scarcity of resources and intense competition in a market. (Knights 2019).

The conceptual framework that depicts the interdependence between the two disciplines (strategy & project management) is well established in pertinent literatures. Nevertheless, its practical implementation is challenged by number of factors such as unclearly defined strategic objectives and senior management resistance as executives are usually concerned about decentralization of

power. This is because strategic project management would demand top executives to delegate decision-making to project managers, which will in turn affect their power and influence. (Rao, R. 2007)

This study has addressed obstacles in implementing strategic project management in banking sector that is characterized by intense competition. It focuses on relationship of strategy and project management function as well as their cooperation with executive management and concerned business line /end users. It has shown importance of involvement of top management in project management process for understanding & ensuring strategic benefit of a project at hand. At same time, it initiates the enrolment of project managers, strategist and concerned business unit at early stage of project management particularly during project design. This helps the sector to focus on the end result of a project thereby ensuring realization of the desired impact from executing a project. It assures effective scope management (hindering scope creep) by assessing the change proposed in relation with its contribution to strategic objective of an entity. In short, the study strives to strengthen the alignment of the two functions by identifying and addressing loopholes for coordination and collaboration.

According to Stuart Easton (2019), project failure is a major source of frustration in most organizations globally. This can be envisaged by the following data: most (85%) of organization have PMO (PMO research report 2016); nevertheless, only 37% of them deliver their project on time (wellington); project that failed to deliver its end result has remained above 30% for about 6 consecutive years; the most dominate reason for their failure (37%) is lack of alignment to corporate goals. (PMI report 2017). On the other hand, PMI reported that projects that are aligned with strategy are more successful, as more than half of them (57%) of them are more likely to achieve their goal, half of them are more likely to finish on time, while 45% of them finish on budget.

The August 2012 edition of Project Management Journal had a research paper about why international development projects are failing in Africa. The paper presented 4 reasons why projects fall into development traps and ultimately run the risk of failure. These are: one size fits all (characterized by prescriptive approach and standardization of procedure, which disregards local environment), lack of accountability for ultimate result, (focus on short term outcome such as utilization of fund and efficiency and less attention to the ultimate/strategic goal such as

millennium development goals), inadequate project management capacity and cultural issues. Among the four reasons all except inadequate project management capacity explains the need for alignment of project to prevailing environment such economic, political, socio -cultural and environmental issues. In other words, the project shall not be prescribed without considering the prevailing situation based on which a strategy is developed either at organizational level or country level. This implies that strategic alignment of a project ensures its success as it fits project in prevailing environment. (A. Ika, 2012)

Several reasons are attributed to the failures of renewable energy projects in SSA. The authors of failures & generic recommendations towards the sustainable management of renewable energy projects in Sub-Saharan presented the main reasons attributed to these failures that include: the political agenda of the financing government, the process of awarding research and development projects, the strain of participating stakeholders, inadequate planning, and the public acceptance and inclusion of the beneficiaries as stakeholder. Most of reasons described above have linkage with the strategy adopted by the respective sub-Saharan countries that have political (political agenda), economic, and cultural aspects (as reflected by public acceptance). This shows the projects failure can be mainly explained by lack of their alignment with strategy adopted by SSA countries. ((Eugene C.X. Ikejamba*, Peter B. Mpuan, Peter C. Schuur, Jos Van Hillegersberg 2016)

The lesson learned from independent evaluation on the implementation of UNIDO integrated Program in Ethiopia (2009) shows that success of the program is primarily dependent on the coordination between national and project steering committee as they are critical for the alignment of the program objective with government policy and strategy that defines priority sectors.

BOA has a distinct department for Project Management and Strategy Management, which indicates its emphasis for strategic transformation thorough its impactful strategic projects. Nevertheless, the task and responsibility of each Department as depicted by its respective job description of its senior staff lacks common point that indicates their limited indirect role in the 2 closely related processes that are expected to be aligned. This is practically depicted by task assigned & accomplished by SM Department that is mainly focused on monitoring & evaluation of operational and project related performance of the Bank periodically. Accordingly, it can be

inferred that the initial stage of project i.e. project initiation and planning is mainly decided at high level (by executive management) without the participation of critical professionals such as Project managers and Strategist that in turn affects the desired level of alignment of the two critical processes . Thus, this study tries to assess the extent of alignment of the two processes of BOA as it is critical for success of a project. Based on its assessment result, it recommends plausible solutions for effective alignment of the two processes.

In view of the above discussion, this study tried to address the following research questions.

1.4 Research Questions

1.4.1. Does BOA align identification of plausible projects with its strategic themes?

1.4.2 Does BOA align project feasibility with its respective strategic objective?

1.4.3 Does BOA align project implementation plan with functional plan of the pertinent operational unit?

1.4.4 Does BOA align project monitoring & evaluation with its strategy monitoring and evaluation?

1.5 Research Objectives (general and specific)

The general objective of the study is to assess the alignment of project design and implementation of BOA with its strategy management.

The specific objective of the study includes the following:

1.5.1 To assess the alignment of identification of plausible projects with strategic themes.

1.5.2 To assess the alignment of feasibility of projects with corresponding strategic objective.

1.5.3 To assess the alignment of a project implementation plan with functional plan of pertinent operational unit.

1.5.4 To assess the alignment of project monitoring & evaluation with strategy monitoring and evaluation.

1.6 Significance of the Study

Generally, the study has identified bottlenecks in managing project strategically, and it proposed plausible solution; this will limit potential project failure that is very costly in view of scarcity of resources and intense competition in this era of globalization and dynamism.

The study has contributed to realization of the vision of BOA that can only be attained by a set of projects that match strategic objectives of the Bank.

The research signified the importance of aligning strategic management and project management by showing their practical interdependence, which goes beyond the conceptual linkage of the two critical processes i.e. well established in relevant literatures.

At same time, it has pointed out for researchers to assess a success of a strategy based on its breakdown into plausible projects that ensure its practical implementation.

1.7. Scope of the Study

The study has covered IT related projects of Bank of Abyssinian in given period of time (past 1 and half years of the current strategy: (June 2019-Dec 2020) that are centrally managed Project Management Department. The study focuses on level of alignment of the projects with strategy management upon their design and implementation.

The theoretical framework of the study has covered basic features of project management and strategic management, the importance of strategic management & project management, the project management cycle versus strategic management cycle and the interrelationship between project management & strategic management.

The empirical framework reviewed practical evidences that depicts the importance of alignment of the two functions namely project and strategy management.

The study has further assessed the practical alignment of the two functions by interlinking the processes of the two functions based on the experience of BOA.

1.8 Limitation of the Study

The research focused on specific/Banking industry particularly by taking a single private Bank (BOA); this limits the applicability of its recommendations unless they are customized to a prevailing situation.

1.9 Organization of the Study

The study is organized into five chapters, which are described below: Chapter 1 is an introductory chapter that shows basically the importance of the study and it basically include background of the study, statement of the problem, research questions, scope and significance and limitation of the study; Chapter 2 is literature review that summarizes pertinent theoretical and empirical writings; Chapter 3 covers research methodology ,which defines basically research design, sampling techniques, sources and tools of data collection; Chapter 4 presents the findings of the research and chapter 5 : summarized the research findings and derive conclusion.

1.10 Definition of Basic terms

Project:” temporary endeavor undertaken to create a unique product, service, or result.” Source: <https://www.pmi.org/about/learn-about-pmi/what-is-project-management>

Project Management: “is the application of knowledge, skills, tools, and techniques to project activities to meet the project requirement.” Source: <https://www.pmi.org/about/learn-about-pmi/what-is-project-management>

Strategy:” is a well-defined roadmap of an organization. It defines the overall mission, vision and direction of an organization. The objective of a strategy is to maximize an organization’s strengths and to minimize the strengths of the competitors.” Source: <https://www.coursehero.com/file/p7f8oui/Strategy-is-a-well-defined-roadmap-of-an-organization-It-defines-the-overall/>

Strategy Management:” all about identification and description of the approaches that managers can carry so as to achieve better performance and a competitive advantage for their organization. Source:“<https://www.managementstudyguide.com/strategic-management.htm>

Life cycle of Project: “is the series of phases that a project passes through from its initiation to its closure.” Source:<https://www.invensislearning.com/articles/pmp/what-is-project-life-cycle-and-its-main-characteristics>

Strategic management process: “the process of decision making and planning which leads to the development of an effective strategy to help achieve organizational objectives.”. “Source: <https://www.iedunote.com/strategic-management>.

Competitive advantage: “are factors that allow a company to produce goods or services better or more cheaply than its rivals. These factors allow the productive entity to generate more sales or superior margins compared to its market rivals.” Source: https://www.investopedia.com/terms/c/competitive_advantage.asp

Globalization: “is the spread of products, technology, information, and jobs across national borders and cultures. In economic terms, it describes an interdependence of nations around the globe fostered through free trade.” Source:

<https://www.investopedia.com/terms/g/globalization.asp>

Dynamism:” continuous change, activity, or progress; vigor.”

Source: <https://www.yourdictionary.com/dynamism>

A project charter: ‘is a formal, typically short document that describes your project in its entirety — including what the objectives are, how it will be carried out, and who the stakeholders are. It is a crucial ingredient in planning out the project and it is used throughout the project lifecycle”. Source: <https://www.wrike.com/project-management-guide/faq/what-is-a-project-charter-in-project-management/>

Project Scope statement:” is an outline of the entire project, including any deliverables and their features, as well as a list of stakeholders. It will also include any major project objectives, deliverables and goals, based on which a project success is measured. “Source: <https://www.projectmanager.com/blog/project-scope-statement>

Milestones:” is a specific point in time within a **project** lifecycle used to measure the progress of a **project** toward its ultimate goal. In other words, it's a reference point that marks a major event or a branching decision point within a **project**.” Source: <https://www.wrike.com/project-management-guide/faq/what-is-a-milestone-in-project-management/>

Statement of work (SOW): “is a formal document that defines the entire scope of the work involved for a vendor and clarifies deliverables, costs, and timeline”. Source: <https://www.wrike.com/project-management-guide/faq/what-is-statement-of-work-in-project-management/>

Mean: “is the average or the most common value in a collection of numbers. In statistics, it is a measure of central tendency of a probability distribution along median and mode.” Source: <https://corporatefinanceinstitute.com/resources/knowledge/other/mean/>

Standard Deviation “is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance.”Source: <https://www.investopedia.com/terms/s/standarddeviation.asp>

Work break down Structure: “deliverable oriented hierarchical decomposition of the work to be executed by the project team to accomplish project objective and create the required deliverables.” Source: <https://www.pmi.org/learning/library/applying-work-breakdown-structure-project-lifecycle-6979>

CHAPTER TWO

2. Literature Review:

This chapter review and summarize pertinent theoretical and empirical literatures on research topic that are organized as follows: the first section deals with definition & important features of PM & SM, second section deals with importance of PM and SM, Section 3 is about the process/cycle of PM and SM and section 4 is about the interrelationship and integration of PM & SM, Section 5 establish the conceptual framework of the study, and section 6 review relevant empirical evidences.

2.1 Meaning & features of project management and strategic management

2.1.1 Project Management & Its Basic Features

Project Management is a process that ranges from project conception to its closure. In other words, it is an organized path that begins with origination of project idea and ends upon realization of final deliverable of a project. It has peculiar features that emanates from the very nature of a project. Project Management Institute (PMI) defines a project as “a temporary endeavor undertaken to create a unique product, service, or result.” This definition highlights basic attributes of a project: it uniqueness indicate that it is different from daily operation of an entity that produce a standard output. The term temporary indicates that project has a starting and ending point. The effort of a project is directed to attain a result (for e.g. new product, service, improved process, introduction of new system /application). These basic attributes implies that a project is bounded by number of constraints that are interdependent with each other, these include time (specified starting and ending point), quality (specification of the product /service to be produced) and amount and quality of resources allocated to the endeavor (budget constraint).Therefore, PM is a system of directing set of activities that are important for the production of unique product/service /processes within the expected standard ,deadline, and allocated resources. (PM BOK 2013)

Projects have been undertaken since the earliest days of an organized human activity such as hunting for obtaining meat for the community in prehistoric ancestors; this endeavor has grown to more complex projects such as Apollo project (that aimed to send man to moon). The main

point is that either in simple or complex project, the essence of a project management is identifying and organizing a set of activities that are critical for the attainment of a targeted result. The practical data that is summarized by Standish Group CHAOS in 2009 proves that failure to take an organized path is too costly, as 44% of the projects during the year were challenged either by cost or schedule overrun coupled with lower quality standard. At same time, 24% of the projects were totally cancelled and never used. (Watt 2014)

Project management is planning, executing, monitoring and controlling a set of activities towards the achievement of a project's output by employing relevant knowledge, skills and tools. Thus, project management is teamwork, as it requires set of experts from different fields of specialty. Teamwork is critical for project management as it encourages creativity and risk taking that is critical for production of new product/service or processes. In addition, teamwork eases conflict resolution and build trust among the teams, this will in turn enhance their capacity to solve problem as they complement each other genuinely. On the other hand, this set of experts need a leader that collaborates and coordinate them towards a common goal i.e. a project's output. This leader or project manager shall ensure team engagement in project activities by empowering team members through delegation based on their capability. He shall also provide right resources at the right time to execute their assignment. At same time, he/she shall set and acknowledge realistic expectation from his/her team members and recognize their contribution to a project's output. (Harrin 2020)

Project manager, as leader of a number of experts from different areas of specialty, needs wide area of knowledge that can be broadly classified as hard and soft skills. The hard skills refer to technical skills that are necessary for technical aspect of a project such as scheduling, budget preparation and work breakdown structure. The soft skills are related with management of human resource particularly team members, sponsor, executive management and operational units that are part of a project. According to Aliet Ondiek, (2015), the most common hard skills are: contract and procurement management, risk management; monitoring & evaluation, budgeting and scheduling, project planning. In addition, a project manager is expected to have expertise about a sector or business line that a project focuses on coupled with applicable standard & regularization in the particular business line. For e.g. a project manager, who is

assigned for a project that automate a bank's manual process, shall have basic knowledge about banking operation coupled regulatory requirement of the particular sector.

The basic soft skills every project manager needs include: leadership (it involves motivation and inspiration of team members), team building (enhancing bondage among team members), communication (open communication from top to down & bottom-up and active listening),decision making (adopting different styles based on availability of time and trust),political and cultural awareness of project environment ,conflict management (dealing with opponent wisely or optimally) and coaching (identification of capability of team members and utilize it optimally in a project work).(Lewis, Y. R. & Boucher, L. (2012)

The importance of projects develops project management into working body of knowledge known as PMBOK, which is developed by PMI¹ (project management institution). According PM BOK 5th edition 2013, the 10 knowledge areas include : managing integration (directing activities to towards ultimate goal of a project), managing scope (defining the coverage of a project), time management as per schedule of a project, managing cost (as per a project's budget),managing quality (as per predefined quality standard) ,managing human resource (planning ,hiring, and developing and managing team),managing communication (communication planning for distribution of right information to right audience /stakeholders using the right means of communication at the right time),managing risk (address bottlenecks /uncertainties that affect a project 's progress proactively),managing procurement(purchase of best fitting resource at fair price and administering contract with a vendor) and stakeholders management (identification of stakeholders based on their level of influence and interest in a project and address their need accordingly.)

In this era of dynamism, a company may carry out a set of projects at time to cope up with intense rivalry in the market. These set of projects of an organization share resources; and some of them are interdependent. This indicates the need for coordination and collaboration among the owners of projects of an organization. Accordingly, PMO is a department or a group in an institution that is responsible for centralized and coordinated management of all projects of an institution. Thus, PMO standardizes the PM process of a company by developing common

¹ Nonprofit organization of professionals that promote best practice in project management.

templates and procedures. It also prioritizes projects based on their linkage with corporate strategy, optimize resource utilization and resolve conflicts among ongoing projects. It maintains employees' data in relation with their skills of PM as well as accurate & updated project data. As a central coordinating organ, it promotes communication, monitor projects' progress; and it traces their effect on schedule, budget and resource allocation based on interdependencies of projects at hand. Furthermore, it gives hand for project managers and his team in administrative and operational issues. (Holicky 2020)

2.1.2 Meaning & Basic Features of Strategic Management

Strategy has become common concept in this contemporary era that is characterized by dynamism and globalization, which in turn result intense competition in any industry. Thus, an organization needs to take a "right path" i.e. strategy not only to be competent but survive in its respective industry. It is clear that identification of the right path needs both internal and external assessment to develop competitive advantage of an entity in accordance with the expected market opportunities and threats.

The definition of strategy by different authors is given as follows: according to Chandler (1962), "a strategy is the definition of the long-term goals and objectives of a company, the adoptions of actions, and the allocation of necessary resources for the achievement of the objectives." For Andrews (1971), "a strategy is a model of the objectives, policies, purposes, goals, and plans to achieve them addressed in such a way that they define in which business the company is or will be." According to Porter (2008), "a strategy is to select the set of activities in which a company stands out to establish a sustainable difference in the market; the differentiation depends the activities chosen and how they are carried out. "

According to Pearce and Robinson (1988), "SM is set of decisions and actions resulting formulation and implementation of plans designed to achieve a company's objectives." Fed R David (1997) defines SM as "a process of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its objective." From the above definition, the three basic elements of SM process shall be noted, which include strategy (environmental) analysis, strategic formulation, and strategic implementation.

According to Ohmae (1982), the word competitive advantage distinguishes strategy planning from all other kinds of business planning. This implies that without competition there will be no need for a strategy. The main purpose of strategy, is to enable a company to gain sustainable advantage over its competitors. “Thus, corporate strategy is an attempt to alter company’s strength relative its competitors in most efficient way.” Overall, it can be concluded that a strategy is a plan or a path that ensures the attainment of sustainable competitive advantage for an organization, which enables it to win the intense rivalry with its peers.

According to Chiavenato (2009), there are four fundamental elements in the strategy that include: vision, mission, values and principles and objectives. The vision answers to the question what an organization ought to be in the coming years or the desirable state of the organization; the mission addresses main reason/purpose of an organization existence. Thus, the mission defines the business line of an organization, the needs that are addressed, and the targeted market. The values define the set of principles, beliefs, and rules that guide the management of an organization. Strategic objectives indicate the outputs that are planned to be achieved in a particular period of time. Overall, any organizational strategy must define the right path that the company must take in order to get where it wants to be in the future or realize its vision.

According to authors such as Král and Králová(2016) creation of a strategy starts from the analysis of the environment surrounding a company. According to Nikulin and Becker(2015) ,the most commonly used method for analyzing the surrounding environment is the SWOT analysis, which allows to determine strengths and weakness of a company as well as the opportunities and threats that the market offers in the scope of an organization’s operation .

There are different types of strategy based on their coverage, which include Corporate Strategy, business strategy, functional and operation strategy. Corporate strategy is general strategy of an organization, which has number of business lines or functionalities. It defines the possibilities of future positioning of a company with simple inspiration message. Business strategy is the same as Corporate strategy except its domain, which is a single business i.e. it aims to produce a successful performance in a specific business line. (For e.g. domestic Banking Strategy) Functional strategy defines processes and actions; thus, it responds to how things must be done. (For e.g. Marketing Strategy, Risk Management and Human Resource Management Strategy). Moreover, operation strategy focuses on identification of competitive advantage that

differentiates a company from its competitors. (For e.g. a targeting a particular segment of a market or the entire public. (Dincer 2020)

Some of the common basic features of SM Process is discussed as follows: Strategy management is a concise process that needs the involvement of Top Management. This can be reflected by cross operational and functional strategic decisions that can be understood and authorized by top management. The process requires commitment of large amount of resources over long period of time. For e.g. a decision for opening a number of Branches overseas. The SM process strongly affects the success of an organization as it depicts its competitive advantage as well as its image. The process is future oriented i.e. it needs to anticipate the expected market opportunities and threats and develop the competitive advantage an organization correspondingly. It affects a number of business lines or functions of an organization that basically emanates from reallocation of responsibilities and resources. It structures a decision making in an organization by directing them towards ultimate & common organizational goal. (Geektonight.com Entrepreneur/Marketer /Student Guide December 2020)

2.2 The Importance of Strategic Management and Project Management

2.2.1 The Importance of Strategic Management

Strategic Management has become increasingly crucial in this era of dynamism i.e. full of uncertainty due to ever changing and globalization world. The condition makes SM mandatory rather an option to survive in a market. This implies that an organization shall work for attainment of sustainable competitive advantage not only to be competent but to survive in the market.

The SM is important for any organization because: it discharges high level responsibility for board of directors and top management; consequently, it enforces them to think about the future of their company rather than being focused with daily business issues and problems. It establishes a framework for decision making from top to bottom; thus, it confirms all decisions of an organization at different level complies with a strategy of an organization, which is critical for success of an organization; it enables an organized and objective assessment of an organization progress periodically ,which will based on the attainment of strategic objectives; and it develops organizational perspective rather focusing in one line of business or function in

an organization ,all line of businesses /functions strive collaboratively and coordinately for success of their organization. This enhances the interaction among business units or functional units thereby building their problem solving capacity. Furthermore, it shapes individual's behavior to match an organization's effort. At same time, SM establish framework of communication for an organization among its different business units or functions. (Robinson 2015)

Research on strategically managed organizations confirmed that such institutions have depicted better financial performance in terms of profitability, sales, and productivity. The adoption of SM enhance organization's awareness about external threat such as competitor's strategy, this will in turn enhance employees' productivity thereby making them responsive to change or development. On the other hand, it points out opportunities in the market for e.g. new area of investment. It also enhances the awareness of an organization about its weakness and strength. Furthermore, it will facilitate optimum resource allocation by distinguishing priority issues. It enhances risk management culture of an organization by identifying and mitigating potential threat of its ultimate goal. Overall, SM enables an organization to be proactive by anticipating changes in the external environment and planning to benefit most and lose least by building its internal capacity correspondingly. (Bizedu 2017).

In general, in this hypercompetitive and dynamic environment, SM is critical for an organization to anticipate changes and develop competitive advantage correspondingly; this will ensure its long term survival and growth. Thus, it enables an organization not only outperform its competitors but enhance its overall performance. (Olanipekun, Abioro, Akanni, Arulogun, Rabiun 2015)

2.2.2 The Importance of Project Management

Every endeavour of an entity either routine or unique has ultimate goal that can only be realized through an organized approach. The routine activities of an organization are well guided or organized by its corresponding operational policy, procedures or manuals. Similarly, projects as unique endeavour shall be managed cautiously in organized fashion to attain its result or introduce the desired change .This makes PM essential process that directs a unique and value adding effort to its ultimate goal.

According to Aston (2020) good project management practice aligns project objective with strategy of a Company. This ensures a deliverables of an organization is value adding based on the business opportunity & threat as well as strength and weakness of an organization; this will build its competitive advantage over its rivalries. Consequently, each value adding deliverable adds up to actualize strategic goals of an organization. In short, project management is an important basic tool for executing or implementing a strategy. Therefore, the best practice of PM goes beyond checking the iron triangle of a project i.e. delivering output within the allocated time & budget and predefined quality standard or scope. In addition, project management brings leadership (project Manager) to a project that directs to its ultimate goal by defining clear responsibility & accountability, by inspiring and motivating and coaching team members as well as addressing potential bottlenecks. Moreover, PM ensures realistic and objective planning based on the availability of resource and timeline. It is also important for ensuring quality standard of deliverables. It develops risk management culture of organization thereby addressing potential threats proactively. PM ensures effective monitoring and controlling practice based on achievement of ultimate impact of a project. This in turn makes possible timely remedial actions before the actualization of potential risks. In addition, it makes an organization a learning entity; as an organization takes a number of reforms based on ups and downs encountered throughout a project cycle. (Aston 2020)

According to Joy Gumz (2018),” Operations keeps the lights on, strategy provides a light at the end of the tunnel, but project management is the train engine that moves the organization forward.” An entity that wants to reach the end of tunnel shall take the train and starts its engine. In other words, an organization that want to realize it vision shall plan in terms of a set of projects that transform it to attain its vision. PM will enhance internal communication and team work by carrying every team member in a train that takes to end of the tunnel. According to the Economist Intelligence Unit survey (2009), “90% of global senior executives ranked project management methods as either critical or somewhat important to their ability to deliver successful projects and remain competitive.” Therefore, PM is crucial determinate factor of a competitive advantage since it focuses on value adding tasks.

According to Sid Dhiman (2020),” Project management has a vital role to play across all types of business, big and small.” Specifically, it customizes effective change management by addressing issues that demands a change; this crucial nowadays as consistent change & development is major challenging factor that must be addressed for organizational or even professional excellence. Moreover, PM helps an organization to plan and schedule the desired change effectively that in turn ensures optimal resource allocation and cost minimization coupled with optimum quality standard. In addition, PM ensures collaboration and coordination among all stakeholders through effective leadership, which in turn builds up team spirit of all involved parties from the introduction of the planned change to its accomplishment.

2.3 The Process of Project Management and Strategic Management

2.3.1 Process of Project Management /Project Life Cycle

Managing a project systemically or in organized fashion involves number of stages or phases i.e. project life cycle. Project life cycle is a path a project takes from its beginning to its end. Project life cycle is a roadmap that gives clear direction to project teams, which enable them to trace their ongoing responsibility throughout the cycle. At same time, it develops productive communication among project team members. Moreover, it provides bird’s eye view for project manager over the entire project. In addition, it promotes transparency for all stakeholders of a project by defining the ultimate goal of a project and their means of achievement, and the potential obstacles in the path and their plausible solutions. (Pavlov 2019)

2.3.1.1 Project initiation

According to Chand (2020) there are four main phases of a project cycle that are describes in the subsequent sections:

Project initiation is preliminary but critical stage that begins by defining the problem to be addressed and identifying plausible options (projects).Secondly, it assesses the feasibility of the selected option /project in in addressing the issues based on the prevailing environment. Finally, you develop a business case that proves the fitness of the chosen project/option in terms of its gain and costs to a client organization.

This phase in particular involves the following 5 sequential steps: the first step is feasibility study that involves understanding business problem to be addressed and selecting feasible project (in terms of prevailing legal, regulatory, economic, socio –cultural, political environment). Second step is identification of project scope that defines its depth .This involves determination of project specific goals, features, functions, tasks with deadline and cost. The third step is identification of project deliverables, which are final product /service of a project. The fourth step is identification stakeholders of project: identification of parties, who are either concerned /interested in a project or can influence its progress. The final step in project initiation phase is development of a business case where you develop statement of work (SOW) and structure your project team. (This step proves the benefit of a project outweighs its cost).

2.3.1.2 Project Planning

This is the second phase of project cycle that makes a project ready for implementation. This is possible by break down SOW into a number of tasks and activities and prepares their corresponding schedule for timely completion of a project.

This second phase of project cycle involves five steps that are described as follows: the first step is preparing project plan this involves identification of important tasks and activities with their interdependency and preparation of time frame. At the same time, communication plan shall be prepared as communication is critical both internally within project team members and externally with stakeholders of a project thereby determining the right time and means of communication. The second step is establishing work flow documents: this arrange tasks and activities orderly based on their interdependency, which will serve as a guide throughout the project cycle. The third step in this phase is budget estimation that estimates cost of all resources that are required such as labor, equipment, materials, this is critical for controlling the expense of a project throughout life cycle of a project. The fourth step is gathering resources: this step is critical to ensure the availability of right resources at the right time. It basically involves the formation of project team either internally or externally and equipping them with right resources to execute their tasks appropriately. The fifth step is anticipating potential risks: this step identifies potential risks and threats of a project thereby preparing contingency plan to address them.

2.3.1.3. Project Execution

The third phase of the cycle is execution: this is critical phase of a project that commence practical implementation of project. It also involves monitoring and controlling of a project progress based on the established budget, schedule and quality standard.

This phase has also five steps that are described as follows: it involves assigning of resources of the right quality and quantity at the right time to every task and activity of a project; and, it subsequently distribute the tasks among the team members fairly to ensure quality of work. The second activity is briefing the project team basically on the importance of their assignment for the achievement of the project ultimate goal. The third activity of this phase is communicating project team and stakeholders as per communication plan of a project. The fourth activity of this phase is monitoring quality of work, this will enable project managers to identify defects timely and make the necessary corrective measures accordingly before the problem gets out of hand. And fifth activity is monitoring budget; this ensures that we are on the right track by comparing and contrasting value of tasks accomplished at a particular point with the budget allocated to a particular tasks of a project. The activities under this phase particularly (3-5) are not sequential rather they are ongoing throughout this phase.

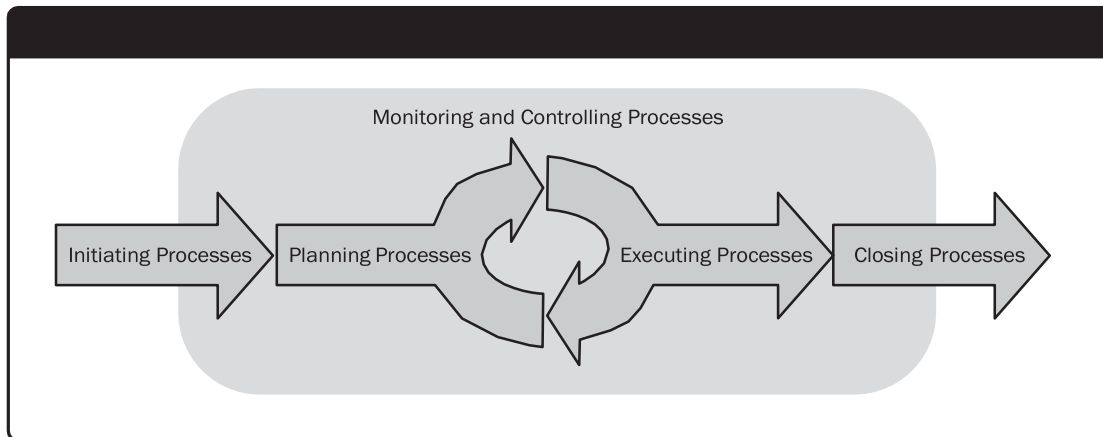
2.3.1.4 Project closure

This is the final phase of a project that mainly involves provision of final deliverables to a client company, releasing resources and documentation of important information for future projects.

The detailed steps under this phase include: analyzing project performance: this assures that projects deliverables meet the ultimate project objective while sustaining project budget and schedule. The Second activity is evaluating project team performance: keep record of each team member performance based on timeline and quality of work. The third activity is documentation of project closure: the document shall address all aspects of a project (quality, budget, schedule, risk & anomalies with actions taken) and this shall be provided to key stakeholders at signing-off a project. The fourth activity is post implementation review, this is critical for documenting lesson learned for future studies. The final step is accounting for used and unused resource where unused ones can be allocated for future projects.

N.B Please note that all the steps are not sequential rather they may coincide with each other. In some literatures, we find that monitoring & evaluation has been taken as distinct phase of project life cycle, which makes project life cycle phases 5 in number.

Figure 2.3 1 single phase project (adapted from **Project Management Institute. PMBOK® Guide) – Fifth Edition 2013)**



2.3.2 Process of Strategic Management

Strategy is a path to success that can make our dream/vision reality. But, how do we identify & develop that path and walk on that path to capture our ultimate goal? This indicates that we need to take series of steps or process i.e. all about SM process. Strategic management is not a set of rules, rather it is philosophy or a way of thinking that shall emanate from top to down. Thus, the top management shall adopt strategic thinking thereby initiating the need to change & transform to cope up in this dynamic environment. Consequently, they shall engage their employees in the transformation process.

According to Clayton (2019) SM has five stages that are briefly described as follows:

2.3.2.1 Clarification of Vision

At this stage, an organization shall clearly understand its vision by decomposing into long term and short-term objectives. At same time, it shall identify possible approaches for attaining those

objectives. The basic objectives of an organization shall be reflected in its mission statement that states the ordinary reason for its existence.

2.3.2.2 Gathering Information

An organization shall collect comprehensive information both internally and externally thereby identifying both enabling and disabling factors for actualizing its goals/objectives. Thus, it can employ (SWOT analysis); and, this will help an organization to recognize its own strength and weakness. At same time, it captures externally opportunities and threats.

2.3.2.3 Formulate Strategy

At this stage, we have established where we want to go, we have also assess possible paths to get there through SWOT analysis. Thus, we are ready to choose the right path as we have identified the most enabling and disabling factors towards the achievement of our ultimate goal or vision. Accordingly, the focus areas for attaining our ultimate goal effectively and efficiently will be defined i.e. strategic themes, which will be later decomposed into a number of strategic objectives. For e.g. A service targeting a particular segment of a customer base. Nevertheless, alternative approaches shall be developed as business and economic environment is changing constantly nowadays.

2.3.2.4 Strategy Implementation

This is a phase that makes strategy ready for action, this is critical since a best strategy without careful implementation & preparation will be worthless & costly. It basically involves amending organizational structure to match with the formulated strategy. For e.g. a company that adopts customer centric service needs a Relationship Managers, who work closely with the targeted segment of customer base. The second most important action at this phase is assigning duties and responsibilities for different line of businesses/functions of an organization in alignment with its ultimate/strategic goal. (Objectives) The third step is securing fund /resource for executing the formulated strategy.

At this point, the strategy is ready to be executed based on the designated duties & responsibility to each functional/business units. Thus, each function/business unit shall formulate their objectives based on the designated responsibility and, consequently they shall search for plausible options in addressing those objectives. This forces them to focus on strategic

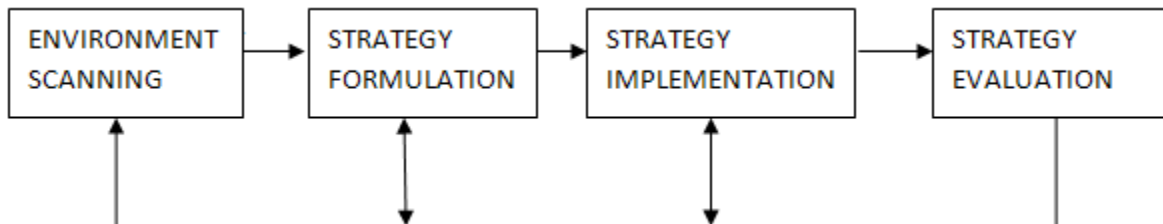
transformation rather being occupied with routine operation. Consequently, projects will be initiated to bring about the desired change that in turn enable each functional/business to play its role for a success of the adopted strategy.

2.3.2.5 Strategy Evaluation & Control

This phase involves performance measurement against strategic target of an entity based on selected parameters for a particular strategic objectives. At same time, environmental assessment is carried out both internally and externally by focusing on factors that affect the progress of a strategy. This assessment will help to capture substantial change in the business environment that may require strategy reformulation. The assessment shall be documented as it helps future strategic initiatives.

In most literatures, SM process is depicted to have four phases that starts from environmental scanning (SWOT) analysis. Nevertheless, it is critical to understand where we want to go before a searching a road that take us to our targeted point. Thus, the first phase, which is clarification of vision is important for consequent phases.

Figure 2.3 2 : Strategic Management process four basic steps: (adopted from Management study guide 2015)



2.4 The interrelationship & integration of project management and strategic management

The interrelationship between project management and strategic management can be easily understood by distinguishing project management from program management. Project Management is all about initiating ,planning, executing, and controlling a set of activities or tasks to produce designated product/service/process within given period of time, budget and predefined quality standard. For e.g. Construction of building or automation of a process. On

other hand, program management, is an effort to coordinate the planning, execution and controlling of a multiple projects of an organization. These days a company entertains a number of projects to cope up with ever increasing dynamic and globalizing world. The linkage of those projects is the common strategic vision & goals of the organization; thus, program management strives to accomplish the shared strategic vision of a company. In other words, program management provides bondage among a set of projects of an organization to attain sustainable development or competitive advantage.

The key difference between program and project management is their scope: program management focuses on the broader strategic objectives of a company, which is common for all projects of the respective company. On the other hand, project aims at realization of one of sub-objectives of grand strategy objective based on the designated responsibility/role for a particular business line or a function or composite of functions. Thus, it can said that a project is a subset of a program while program is a subset of a strategy; thus, a strategy is the universe for both project and program. They complement each other as program is the means of executing a strategy while project is means of executing a program. (Roach 2020).

The importance of program management for execution of strategy can be envisaged from development of PMO to EPMO (Enterprise Program Management Office). This development indicates that program management develops into portfolio management, where program management deals with similar projects such as IT related projects of an organization. On the other hand, portfolio management deals with different portfolio of projects such as IT related projects and construction projects of a particular company as two different set of portfolio of projects. This implies that the office direct all portfolio of programs towards the ultimate goal i.e. strategic transformation. In addition, it addresses the obstacles of every program and; it also standardizes the process of program and project management of a company (Alexander 2019)

The two critical disciplines that are strategy management and project management are integrated as depicted by strategic project management sub-discipline of project management that is recently developed, which applies “strategic lens” to a set of projects at hand. According Pavel Kukhnavets (2018), the main idea behind the concept of Strategic Project Management understanding business aspects of a project thereby tracing how they support a strategy, rather

than just being focused on traditional issues such as time, budget, and project's output quality standard. Project management is a process that controls a project from beginning to end while a strategy is a roadmap chosen for realization the vision of an entity. Accordingly, strategy without projects is just a “useless doc collecting dust”. This is because strategy cannot be operationalized without projects. In other words, strategy defines a vision i.e. long term objective/goal that can't realized without accomplishment short term objectives(project objectives) that collectively direct an organization to its vision. At same time, projects without strategy are waste of time and actions losing their request, since they don't have ultimate or sustainable developmental effect, despite their consumption of a significant amount critical resources of a company.

According to Dan Knights (2019), strategic project management is critical because it ensures: project is initiated based on their fitness to an organization's strategic objectives, resource are allocated based on the importance of a project to the achievement strategic goal of an organization thereby giving priority to strategic projects. Furthermore, it simplifies decision making in a project management as the main focus and ultimate goal of a project at any point in time is strategic goal of an organization. At same time, it supports close monitoring and evaluation of strategy based on the performance of strategic projects.

2.5 Review of Empirical Evidences

The articles & professional books on strategic project management such as “strategic project management “by Paul Roberts (2012) and an article “What Project Strategy Really Is: The Fundamental Building Block in Strategic Project Management” by Peerasit Patanakul and Aaron Shenhar (2011) acknowledged that strategic project management has gained acceptance; nevertheless, it not yet widely & clearly used in project implementation practically. Thus, empirical evidences for strategic project management are limited & are not deeply rooted as it is recent phenomena.

According to,Juliano Denicol, Andrew Davies, Ilias Krystallis(2020), Mega projects are delivery model used to produce large scale complex and one –off capital investment in variety of public and private sectors (with total cost of nearly 1 billion US dollar).This is obviously risky and a complex large project ,which is difficult to manage and achieve its original objective. Each Mega project is decomposed into many interrelated projects that are organized as a program. The

assessment of Mega project failure had been clustered into 6 themes that are briefly described as follows: strategic misrepresentation of the truth in seeking own interest by executives, lack of unifying long term vision & inadequately defined responsibility & accountability, inadequate risk assessment that corresponds its complexity, intra & inter-organizational misalignment that results behaviors driven to individual goals rather than collective vision & objectives, inability to achieve an alignment among conflicting /competing priorities, goals and interests of its stakeholders and poor supply chain management due to inadequate understanding interdependency intra & inter organizationally and external environment.

All of the above themes emphasis the importance **of** integration and engagement that in turn facilitate alignment , which is possible by unifying and inspiring vision /goal that mutually benefit all stakeholders that in turn motivate all parties to take their role seriously for realization successful completion of projects. This can be envisaged by the achievement of high-performing organizations like Toyota, where their achievement is based on level of integration, coordination, and management of components of a spare production system, involving multiple parts, extending from product planning through manufacture, supplier coordination, and assembly to the customer. Thus, lack of unifying vision/goal to which all projects' objectives of the program should be aligned is major reason for the program failure. (Womack et al., 1990).

The World Bank project that aimed to improve the productivity of 120,000 small-scale farmers in Nicaragua by 30% in 16 years depicted the importance of integration through short result oriented initiative for successful completion of a complex project. The underperformance of the project was corrected shortly by short term result oriented initiatives. This makes the progress of the project measurable periodically and it also initiated ownership and engagement. Overall this results orientation is important for three reasons; first, it allows project planners to test whether the activities in the overall plan will add up to the intended result and revise plans as required. Second, it produces real benefits in the short term. Third, the short term results motivate and energize team members for the ultimate goal of the project. (Matta and Askenas 2003)

The article on “sustainable partnership through bottom to top approach projects” assesses contemporary practices and emerging trends in the cooperation landscape by taking the case of partnership between Addis Ababa University and the University of Leipzig of Germany that adopted bottom top approach. This bottom top approach is depicted by general objectives of the

cooperation, which is ideally based on continental or national policy frameworks such as the Continental Education Strategy for Africa (CESA 16-25) or the Ethiopian Education Development Roadmap. The success of the partnership is depicted by its development that is described as follows: the cooperation began as a medical partnership; subsequently, it has started implementation of two social science study courses in Addis Ababa. Moreover, the two universities have started to offer a joint masters and doctoral program with a special emphasis on peace and security in Africa that scaled up their cooperation .Overall, it can be concluded that success of the partnership is due its projects that are aligned with local strategic objectives such as CESA's Strategic Objective 9 and Ethiopia's Education Development Roadmap.(Schmäling and Odenbach 2019)

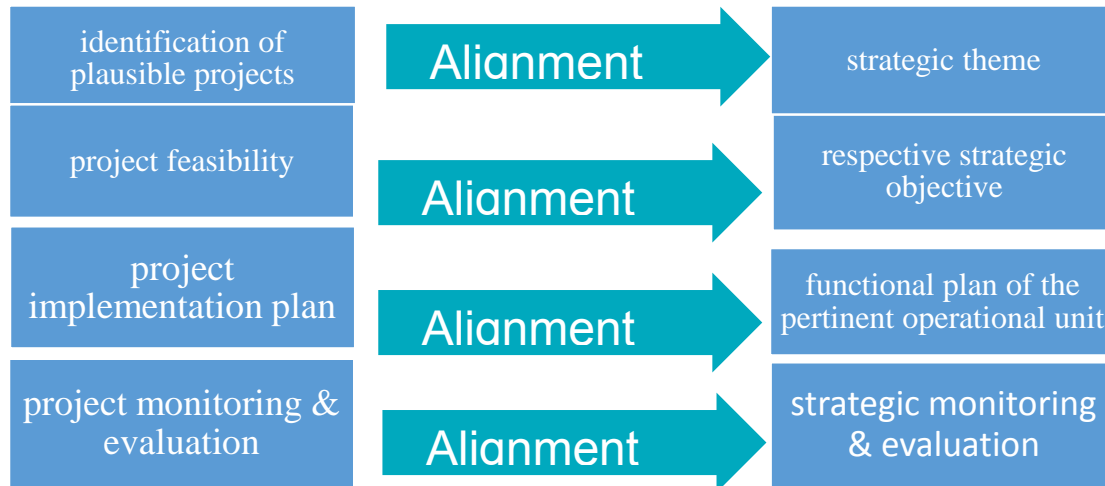
The guide to project life cycle (2012) by FAO aims to improve strategic focus of FAO's projects and programs based on result management principle that enable FAO meet international standard and support effective country programming. This brings better alignment of projects' objectives to national development goals, and FAO'S corporative strategic objective, which mutually benefits all stakeholders. This result oriented & mutual beneficial approach is strong motivation factor for effective project management.

In general, it can be concluded that project needs a mother to nurture it: a mother knows her child well (his /her internal strength & weakness) as well as external (threat & opportunities), accordingly, she will lead her child to fit and compete best in the prevailing and expected environment. Similarly, a strategy is a mother for a project that fits it at the right track; as a result, it ensures the optimality and sustainability of its outcome. If a child neglects his mother advice, he/she is planning his/her failure, likewise if a project disregards its client's strategy, it is planning its failure.

2.6 Conceptual Framework

The focus of this research is the alignment of project design and implementation with strategy management. This can be easily envisaged (from figure below) that align the process of project management with strategic management process at decisive stages. (Each process is addressed in section 2.3 above). This clearly points out project is basic instrument for executing a strategy.

Thus, a project that is not aligned with strategic objective of an organization is wastage of scarce resource, which will have strong implication on overall performance of an institution.



Adapted from PM world journal VII issues I

CHAPTER THREE

3. Research Methodology

This chapter defines the type of the research design &, the structure of a study, timeline of the research and research approach. Furthermore, it describes the research variables and it also defines the focus of the study with targeted population. It also determines sampling techniques and the sample size and composition. It also indicates data collection and analysis method used by the study. Finally, it confirms the reliability and validity of the analysis and incorporate ethical consideration during the execution of the study.

3.1 Research design

Research design represents the major methodology driving the study, being distinctive and specific research approaches, which are best suited to answer the research question (Catherine, 2007).

The main purpose of this research is to assess the alignment of project initiation, planning and implementation with strategy management. It particularly assesses principles of strategic management at different phases of project cycle of BOA.

It adopts descriptive research design to describe project management practice of the case organization (BOA) at different phases in relation with corresponding strategy management process. In particular, it assesses critical stage of project life cycle by focusing on its values of its respective strategy management process thereby testing its alignment with corresponding strategic issues.

The literature review in the preceding chapter indicated that the recent development on PM Profession led to development sub- discipline i.e. strategic project management that forms the link between projects of a company and its corresponding strategic objectives. Consequently, the principles/values of the case company on strategic issues upon managing projects indicates the extent of implementation strategic project management .The study assess these values at different milestones of project life cycle of BOA to ultimately determine disabling factors in implementation of strategic project management successfully. The first particular point of interest is a value given (alignment) to vision/strategic themes of the Bank upon identification of

plausible projects. The second point of focus is the alignment of feasible project with corresponding strategic objective of the Bank. The third point of attention is the alignment of project implementation plan with functional plan of pertinent operational unit. The fourth and final point of focus is alignment of project monitoring & evaluation with strategy monitoring and evaluation.

The structure of the study is case study as its main focus is practical implementation of strategic project management by taking a case company under strategic transformation. It assesses the case company based on following applicable survey tools: self-administrated questionnaire and interview. The self-administrated questionnaire initiates the sample to express their feeling on the subject matter freely. This is substantiated by interviewing the senior management particularly of project management and strategy management function of the case organization.

The timeline of the study is cross sectional as it studies the practice of project management in relation with strategy management practice of the case organization within given period of time rather than over period of time.

The study adopts mixed research approach as it analysis it's closed ended quantitatively using statistical parameters. This is supported by open ended or interview questions that depicted a qualitative approach that targets to capture attitude of senior management of the two critical departments.

3.2 Description of study variables

Project initiation: “the first phase of a project’s life cycle where the opportunity or reason for the project is identified and a project is developed to take advantage of that opportunity. “

Project feasibility study: “determine the viability of an idea, such as ensuring a project is legally and technically feasible as well as its economical and operational fitness based on its requirement.”

Project implementation plan: “breaks down a project into the distinct steps required to accomplish a particular goal with particular owner and due date. “

Functional Plan:” a detailed plan of a department based on the corporate strategy of its corresponding organization. “

Strategic theme: “A strategic theme is an area in which your organization must excel in order to achieve your vision. It incorporates the four perspectives of balanced score cards, which include financial, customer, internal process and growth.”

Strategic objective: “It is a business need that can be defined in quantifiable and measurable terms. It answers a question how much and when. “

Project objective: “it describes the desired results of a project, which shall be specific and measurable basically in terms of time, budget, and quality constraints.”

Project Monitoring & evaluation: “is ongoing and periodic assessment of a **project**’s towards its ultimate output and impact respectively. “

Strategic monitoring & evaluation “is ongoing and periodic assessment of a strategy towards its ultimate strategic objective and goal”.

3.3 Description of study area and target population

The study focuses on project management function and strategic management of function of the Bank. Particularly, it studies the process of project management & strategic management jointly as they are executed practically by the two departments (project management and strategic Department) in coordination with pertinent departments/functional units coupled with the support of senior management.

The target population is all senior staff (ranging from the Director to senior Officer) of project management and strategy management Department, human resource development Department (due to its enrollment in recent projects; moreover, it is responsible to prepares job description of every unit in the Bank) and risk management & compliance Department (a consultant to every project), which are totally 38 in number.

3.4 Sampling Technique/Methods and Sample Size

The study employs census sampling technique that is a statistical method that studies all the units or members of a population as they are limited number of staff that are closely involved in PM and SM decisive stages. The composition of census is all staff ranging from the director division managers, and senior officers of the respective departments ,which is given below: 12 of them are from project management and 5 of them are from strategy Department and 13 of

them are from Human Resource Development Department , 8 them of are from risk & compliance Department.

3.5 Data Collection – Source, Types, Instruments

The research is mainly based on primary data as the concept of strategic project management is recent developed concept or phenomena.

The primary data had been collected based on survey (structured questionnaire) from the selected employees to obtain the real feelings, opinions and comments regarding the alignment of projects' objective with strategic objectives of the Bank. This will be substantiated by interview of senior management of particular business lines.

All of the study variables had been addressed through questionnaire, which was substantiated through interview.

This is supported by secondary data that include company's portal, brochures, company's website, Internet for further elaboration of the background of the Bank and recent developments. Furthermore, it reviewed relevant documents such as current strategic planning documents, functional plan of a representative department and corresponding project plan, and monitoring & evaluation report of representative project and current strategy of the Bank.

3.6 Data analysis

According to section 3.1, the research adopts descriptive research design, particularly, it tries to assess the practical implementation of two processes strategy and project management, where the former contributes for the effectiveness of the later.

Among the common descriptive statistics parameters, the study employs two basic factors namely Mean and Standard deviation to assess the closed ended questions. This is supported by the interview questions that target the senior management of two concerning Departments of BOA: Strategy Management and project Management.

3.7 Reliability and validity analysis

The data is collected using census sampling that targets all knowledgeable employees in particular business lines; which is further elaborated through discussion with senior management of same functions. Furthermore, it was supported by secondary data on background and recent development of the Bank.

The internal consistency and reliability of Likert scale questionnaire was checked using the Cronbach-Alpha test coefficient through SPSS software version 25, has scored 0.895. Thus, the test result supports the presence of internal consistency among the items thereby confirming its reliability and acceptability.

The first section of the questionnaire that deals with alignment identification of plausible projects of BOA with strategic themes of BOA scored Cronbach-Alpha test coefficient of 0.67, which is acceptable.

Table 3.7 Reliability Statistics

	Reliability Statistics	
Section of questionnaire	Cronbach's Alpha	N of Items
Section 1	.670	6
Section 2	0.721	6
Section 3	0.769	8
Section 4	0.803	9

The second section of the questionnaire that deals about alignment of project feasibility with corresponding strategic objective scored Cronbach-Alpha test coefficient of 0.721, which is also acceptable.

The third section of the questionnaire that deals with alignment of project implementation plan with functional plan of pertinent operational unit scored Cronbach-Alpha test coefficient of 0.769, which is commendable.

The fourth section of the questionnaire that deals with alignment of project monitoring and evaluation with strategy management scored Cronbach-Alpha test coefficient of 0.803, which is also commendable.

3.8 Ethical Consideration

The data collections tools had been distributed to volunteer respondents to whom the purpose of the study is explained clearly. The data collected were kept confidential, it had been used only for academic purpose. This can be envisaged from its questionnaire that makes identity of its respondent optional. The collected data are presented genuinely with no adjustment and the consequent interpretation was made objectively.

CHAPTER FOUR

4. Data Analysis and Interpretation

This chapter analyzes the result of the research findings based on data collected through close ended questionnaire, which is also further substantiated through interview questions and review of relevant documents. As indicated in chapter 3, the study adopts descriptive research design; accordingly, it employs descriptive statistics using SPSS software version 25. Particular, among the various descriptive statistics parameters the study focuses on **Mean and Standard deviation** to analyze and interpret the findings of the research. The output of the study is presented in table form, which is extracted directly from the software. This is followed by the pertinent analysis and interpretation of the result based on selected parameters.

4.1 Response Rate

The research has taken a census from 4 different departments of BOA that has close involvement in SM and PM process of the Bank namely SM Department, PM Department, Human Resource Development Department and Risk Management & Compliance Department. The total size of the census is 38, among which all responded the questionnaire willingly. At same time, two planned interviews had been conducted successfully with director of PM and SM of the Bank. Therefore, it can be concluded that the response rate of the research is 100%.

4.2 Structure of the respondents

This section describes the composition of respondents based on following factors: gender, educational background and experience in BOA.

Table 4.2 Profile of the respondents

Factor				
Gender	86.8% male	13.2% female	-	-
Educational background	84.2% Masters degree holder	15.8% B.A degree holder		
Experience in BOA	Above ten years 47.4%	Above 5 years but less than 10 years :15.8%	Above 1 year but less than 5 years:28.9%	Less than one year :7.9%

The sample composition gender wise is described as follows: 33 of them are male while 5 of them are female. This implies that 86.8% of the sample is male while the remaining 13.2% of them are female. This indicates males dominate project management and strategy management function of BOA, which needs decentralization based on potential female candidates.

Among total sample, 32 of them are masters' degree holder while the remaining 6 are degree (Bachelor) holder. This implies 84.2% of sample is represented by masters 'degree holder, which depicted commendable educational background of sample of the research. This makes the sample reliable particularly to give objective and matured responses.

The composition of the sample based on the experience in BOA revealed that 7.9% of the sample have less than one year experience in the Bank that is lowest composition, which is followed by employees with experience with five or more years but less than 10 years that represents 15.8% of the sample. On the other hand, employees with experience of one year and more but less than 5 years comprises 28.9% of the sample. More importantly, employees with 10 or more years of experience represent 47.4% of the sample. Therefore, it can be concluded that employees that have worked with BOA for long period of time dominates the sample that in turn make their response reliable.

4.3 The alignment of identification of plausible projects with strategic themes of BOA

This section and subsequent 3 sections explain the research findings on the alignment of project design and implementation with strategy management based on the Linkert scale questionnaire, which is set as follows: **1**: strongly disagree, **2**: disagree, **3**: uncertain, **4**: agree and **5** strongly agree. The fact is also substantiated based on the responses of the interview questions and review of relevant documents.

This section in particular addresses the alignment of identification of plausible projects with strategic themes based on 6 questions that depicts its practicality.

As per the table 1 below, among the relevant 6 questions, 4 of the questions have Mean value above 4 with corresponding SD deviation below 1. According to Kafumann(2014) SD=standard deviation ≥ 1 indicates a relatively high variation, while a $SD < 1$ can be considered low; this ensures the representativeness of Mean value of each statement. Consequently, it can be

concluded that the sample agree on the 4 premises. On the other hand, the remaining 2 question have vale less than four but greater than 3 with corresponding SD below 1.This indicates that respondents have doubt about the 2 premises.

Table 4.3 Strategic theme versus conceivable projects

Strategic theme against identification of plausible projects			
	N	Mean	SD Deviation
Top mg role identification of plausible project	38	4.47	.725
Strategy mg role identification of plausible project	38	3.76	.913
PM role identification of plausible project	38	4.13	.844
Operational unit role identification plausible project	38	3.55	.760
connection between strategy formulation identification plausible project	38	4.37	.714
connect b/n ST theme and Criteria determination of plausible project	38	4.42	.826

The question with the highest Mean is top management role in identification of plausible project with Mean value of 4.47 (that is almost equal to 5 depicting strong agreement of the sample).The second question with highest Mean is about determination of plausible projects based on strategic themes of the Bank with Mean value of 4.42 that is followed by question about categorization of identification of plausible project as one of tasks under strategy formulation ;and the last question with Mean value greater than 4 is PM department role in identification of plausible project that scored Mean value of 4.13.

The two questions with Mean value lower than 4 is strategy management department & pertinent operational unit role in identification of a plausible project. This designates that sample has

uncertainty about the involvement of SM Department and operational unit role in identification of plausible projects.

In general, the findings indicates that PM in case of BOA has become an instrument of implementing a strategy, which is a path for sustainable development based on competitive advantage rather than means of solving operational problems. Therefore, PM addresses high level/strategic issues with involvement of executive management .Accordingly, projects have been basically initiated during strategy formulation. On the other hand, this development lacks integration as it has not involved concerned units particularly SM department and pertinent operational units adequately. This is important as each unit has critical role in initiating the fittest plausible projects in accordance with its specialty in the respective business line. For e.g. a functional strategy such as Human resource Management strategy and Risk Management strategy that emanates from corporate strategy can be best implemented by the involvement of the concerned Departments. This is because they are well customized with current practice of BOA in particular business line against the best practice thereby identifying loophole to be filled easily. This in turn will enable them to initiate the fittest project under their domain. Furthermore, their involvement will ensures ownership and commitments towards the achievement of strategic and project objectives of BOA.

The interview with director, strategy management reveled the same as he had stated that the Department has indirect role in PM process, where their role focus on ensuring that all strategic initiatives of the Bank are assigned to concerned organ of the Bank. Consequently, the strategy Management department assures the preparation and execution of action plan of the concerned units towards the actualization of designated strategic initiative of the Bank. At this point, it is clear that the participation of strategy management is important in determination of plausible projects as can be envisaged by its role in SM process particularly strategy implementation (refer section 2.3.2.4) ,where tasks and responsibilities are assigned to different business lines or functions in accordance with corresponding strategic initiatives. Consequently, SM Department will ensure the project plausibility based it's alignment to designated strategic initiative of particular unit.

The interview with Director, Project Management indicated that the involvement of PMO commences at the stage of business case development following the initiation of plausible

project and determination of their feasibility. According to Holicky (2020), PMO gives priority to projects based on their contribution to corporate strategy of the Bank, this implies a business case development by the PMO of the Bank analyzes the strategic benefit and cost of a project thereby choosing the most beneficial projects strategically.

4.4 The alignment of feasibility of projects with pertinent strategic objective

This section assesses the alignment of feasibility of a project with pertinent strategic objective based on the response of the sample on 6 relevant questions as follows:

Table 4.4: Strategic Objective against determination of feasibility of project

Strategic Objectives versus determination of feasibility of project			
	N	Mean	STD Deviation
Top mg role determine feasibility of project	38	4.39	.718
Strategy mg department role to determine feasibility of project	38	3.95	.868
pm role determine feasibility of project	38	4.26	.554
operational unit role determine feasibility of pertinent project	38	3.66	.708
connect b/n final task of Strategy formulation and feasibility of project	38	4.13	.704
Determination of project feasibility based on strategic objective of BOA	38	4.45	.645
Valid N (list wise)	38		

According above table, 4 of the questions about the relationship between strategic objectives and feasibility of project, have Mean value above 4, while 2 of them have mean value below 4 but above 3. At same time, standard deviation of all of the questions are below 1 depicting the representativeness of the Mean value.

The 4 statements with mean value above 4 depicted respondents' agreement about the stated fact that are described as follows: The statement with highest Mean value is project feasibility determination based on strategic objective of the Bank with mean value of 4.45, which is followed by top management role in determination of feasibility of project with Mean value of 4.39. The third statement with Mean value of 4.26 is PM department role in determination of feasibility of a project. The fourth statement with Mean value above four i.e. 4.13 is a proposition that categorized the determination of project feasibility as one of finalizing task during strategy formulation.

The 2 statements with Mean value below 4 but above 3 reflects a certain degree of uncertainty among the respondents about the stated facts; these include Strategy Management Department and concerned Operational unit role in determination of project feasibility.

Overall, section 4.3 and 4.4 depicted that there is inadequate involvement of strategy Management Department and concerned operational unit at early stage of project life cycle.

The fact is supported by the interview with director of project management Department, who confirmed that there had been operational units with no information/idea about strategic initiatives or resulting strategic projects that are designated/cascaded to them. Particularly, they recognized the same surprisingly upon communication of a project implementation plan. This confirms that there is no satisfactory involvement of concerned operational units upon determination of feasibility of pertinent projects.

Moreover, as indicated in section 4.3 Director, Strategy Management Department confirmed that the department focuses on monitoring and controlling output of strategic projects. This is subsequent to conformance that all strategic initiatives /projects are cascaded to concerned operational units. Nevertheless, it is quite clear that the participation of strategy management department as specialist and consultant is paramount importance at this early stage of project life cycle to determine best fitting project in accordance with strategy map of the Bank. Particularly, the department has significant role in determining plausibility of a project based on their contribution to realization of a strategic objective. This can be envisaged from Clayton (2019) article on SM phases particularly at stage of strategy implementation that cascades strategic initiative to the respective responsible operational units. Moreover, it is good to note that participation of operational unit in determination of feasibility of projects under their domain is

critical as they are specialist to find an optimal project that addresses the gap between the current practice of the Bank and best practice in a particular business line.

4.5 The alignment of project implementation plan with functional plan of pertinent unit

This section deals about the alignment of project implementation plan with functional plan of pertinent operational unit .It encompasses 8 relevant questions, which Mean and Standard Deviation are given in the table below.

Table 4.5 functional plan against project implementation plan

Functional plan against project implementation plan			
	N	Mean	SD
Top mg role in scheduling feasible project	38	4.39	.755
Strategy mg role scheduling feasible project	38	3.97	.822
PM role scheduling feasible project	38	4.11	.764
Operational unit participation scheduling pertinent project	38	3.79	.741
Timely communication of schedule of pertinent project for operational unit	38	3.95	.804
Functional plan incorporates project scheduled at right time during a year	38	4.24	.590
Strategy mg dep ensures the inclusion of pertinent project in the functional plan of operational unit	38	4.08	.749
Connection b/n approval of functional plan and inclusion of pertinent project	38	3.84	.754
Valid N (list wise)	38		

There are 4 questions with Mean value above 4, while there are another 4 questions with Mean value < 4 but > 3 . All of 8 questions have SD below 1 that confirms the representativeness of the Mean value.

The 4 questions with Mean value > 4 confirms the respondents' agreement on stated facts that are described as follows: the statement with the highest Mean (4.39) is top management role in scheduling or prioritizing the feasible projects. This is followed by propositions that states that functional plan of operational unit incorporates project scheduled at right time during a year with mean value 4.24. The third statement with high Mean value (4.11) states that PM Department role in scheduling feasible projects. The last statement with Mean value (4.08) confirms the respondents' agreement about Strategy Management Department role in ensuring the inclusion of pertinent project in corresponding operational unit's functional plan.

The four questions with mean value < 4 but > 3 that reflects uncertainty of respondents about the stated fact are presented as follows: the question with lowest Mean (3.79) is about the participation of operational units in scheduling pertinent projects. The second lowest Mean is 3.84, which is about the approval of functional plan of operational unit based on inclusion of pertinent projects in the plan. This is followed by proposition that states strategy department role scheduling feasible projects with Mean Value (3.97). The fourth question with Mean value of 3.95 is about the timely communication of a final project schedule to pertinent organs of the Bank.

This section, likewise the preceding 2 sections, indicates strategy management department has not been involved adequately in scheduling and prioritizing the feasible projects of the Bank. At same time, it shows the limited participation of operational units in scheduling pertinent projects in their corresponding business line. Furthermore, the operational units have not been informed timely about the schedule of a project under their domain or area of specialization. In addition, findings indicates that inclusion of pertinent projects have not been considered critically upon the approval of functional plan of operational units.

Overall, the findings indicate that decision about projects prioritization is centralized at executive or top management level. Consequently, the decision on scheduling feasible projects' scheduling is also unified at PMO or PM Department level. Moreover, the schedules of pertinent projects are not timely communicated to the concerned operational units, which is critically for making

necessary preparation. In addition, the inclusion of pertinent projects have not been usually checked upon the approval functional plan of operational units.

The participation of strategy Management Department in prioritizing the portfolio of projects of the Bank is critical, as the Department ensures that schedule of the strategic projects of the Bank matches its strategy map i.e. visual presentation of strategic objectives of company based on their interdependence. A strategy is path that one shall take to attain its vision; moreover, that path is composed of number of interdependent steps that must be taken sequentially to reach end of the path (vision) effectively and efficiently. Accordingly, Strategy Management Department ensures that we are taking the right step (planning and executing right projects at the right time) toward the ultimate goal of the Bank by prioritizing portfolio of project in accordance with strategy map. This can be envisaged from Clayton (2019) article on SM phases particularly at stage of strategy formulation i.e. a formulated strategy choose a path that is composed of series of steps (projects) ,hence , the involvement of Strategy Managements in project scheduling ensures that we are taking the right step that leads us to our ultimate goal.

The involvement of concerned operational unit is critical in scheduling the relevant projects under their domain, this because projects share critical resources from concerned operational units that may challenge routine operation unless it is planned in coordinated and collaborated fashion initially. The failure to communicate the final schedule of relevant projects to concerned organs at right time might worsen the condition, as operational units may be requested to share critical resource without making any necessary preparation. This in turn may result lack of commitment and ownership of operational unit about the proposed project work.

4.6 The alignment of project monitoring and evaluation with strategy management

This section tries to depict the alignment of project monitoring and evaluation with strategy management based on the response of the sample on 9 relevant questions, whose output is given below:

Table 4.6: Strategy against Project Monitoring and Evaluation

Project monitoring & evaluation against strategy monitoring & evaluation			
	N	Mean	SD
Top management examine project progress based on strategic objective	38	4.34	.815
Project progress report timely communicated to strategy mg dep't	38	3.74	.860
PM managers submit unbiased and timely project progress report to PMO	38	3.76	.675
Evaluation of strategy is based on accomplishment of feasible project	38	4.05	.613
PMO assess the interdependence among project to trace the impact of progress one on others	38	3.76	.634
strategy mg identify the impact of rescheduling and scope change of project on corresponding strategic objective of the Bank	38	3.74	.724
Annual functional plan of operational unit is adjusted based on progress of pertinent project.	38	4.08	.673
strategy reformulation and failure of critical feasible projects	38	3.47	.862
Project Managers are responsibility for inspiring his teams based on strategic objective of boa	38	4.26	.644
Valid N (list wise)	38		

Among the 9 questions, 4 of them have Mean value above 4 while the remaining 5 have mean below 4 but greater than 3. At same time, the standard deviation of all of the question are below 1 depicting the representativeness of the Mean Value.

The first question with the highest Mean value of 4.34 is top management assessment of project progress based on their contribution to strategic objective of the Bank. The second question with higher value of Mean is 4.26 that states project manager responsibility for inspiring his/her team

based on strategic objectives of the Bank. The third statement with Mean value of 4.08 is functional plan of an operational unit is adjusted based on the progress of pertinent projects. The last statement with Mean value > 4 , is evaluation of strategy based on accomplishment of feasible projects. The agreement of sample on the above four statements indicates that the monitoring & evaluation of a strategy mandates the monitoring & evaluation of feasible and strategic projects. Furthermore, the discussion with Director, Strategy Department indicated that the content of strategy monitoring & evaluation report is basically categorized as financials and non-financial, where the non-financial part deals about progress of relevant projects during the period of reporting based on time, budget and predefined quality standard.

The 5 statements with Mean value $<$ than 4 but $>$ 3 depicted uncertainty of the respondents about the stated facts, which are described as follows: strategy reformulation is related with failure of critical projects with Mean value of 3.47, which is followed by the statement that proposes progress report of projects are timely communicated to strategy Management Department with Mean value 3.74. Furthermore, the proposition about strategy management Department role for identification of the impact of project scheduling on the corresponding strategic objective registered equivalent mean value. The last two propositions with equal Mean value of 3.76 stated the following facts: project managers report progress of a project unbiasedly and timely to PMO, while second one is about PMO assessment on the interdependence of projects to trace the impact of a project's progress on related projects.

Overall, it can be observed the following major factors contribute to inadequate proactive identification of advancement toward the achievement of strategic objectives of the Bank based on its tools of execution (projects) that are listed as follows: unsatisfactory enrolment of strategy management Department during project prioritization as explained in preceding section 4.5, which is critical to correspond schedule of portfolio of projects to strategy map of the Bank and, project progress report that concentrates on the performance of individual project based on 3 iron triangle (schedule, budget, and quality) without sufficiently indicating its impact on subsequent or simultaneous projects that in turn affect resultant strategic of the Bank . As per our discussion with Director Project Management, the major content of Project Progress Report includes the following: overall status of a project, activities performed in detail, schedule of a project, outstanding issues, project potential risk and issues.

In general, it can be inferred that strategy monitoring & evaluation report cannot enforce quality and timely project progress report due to limited role of strategy management Department in prioritizing projects of the Bank in accordance strategic map of the Bank. This makes the evaluation of project based on their contribution to corresponding strategic objective of the Bank difficult. In short, it can be inferred that though strategy monitoring and evaluation mandates project monitoring and evaluation; however, it has not adjusted its content to result oriented in accordance with the accomplishment of the intended strategic objective of the Bank.

According to Nadwa Muyuka (2015), “project monitoring is a regular systematic collection and analysis of information to track the progress of a project or program implementation against pre-set targets and objectives.” On the other hand, “project evaluation is an objective assessment of an ongoing or recently completed project, program or policy, its design, implementation and results. More importantly, it analyzes why intended results were or were not achieved, assesses specific casual contributions of activities to results.” As indicated in the preceding paragraph, project progress report of BOA is mainly focused on project monitoring; while post project implementation or evaluation is usually overlooked, which is critical to trace the impact of project that has direct link to its contribution for corresponding strategic initiative or objective of the Bank.

CHAPTER FIVE

5. Summary, Conclusion and Recommendation

In this chapter the major findings of the study are summarized or highlighted based on the major objective of the study. Accordingly, a conclusion is drawn based on the emphasized outputs of the research. This is followed by plausible recommendation to address the identified gaps effectively.

5.1 Summary of the Findings of the research

The focus of the study is to show the importance of managing project in alignment with the adopted strategy of an organization. It selected four major points or milestones of project cycle and assess the values given for corresponding strategic issues of BOA at particular phase.

The first phase is about the alignment of identification plausible projects with strategic themes of the Bank. The findings of the research indicated that strategic themes /vision has been taken into account as projects are conceived at high level or executive management level particularly upon the formulation of strategy .However, it lacks adequate coordination or communication as it has not participated concerned parties adequately that limits desired level of alignment of the two critical processes i.e. PM and SM particularly in identification of optimal plausible portfolio of projects in view of its strategy.

The second phase is alignment of feasibility of a project with pertinent strategy objective. The output of the research indicated that project feasibility study of the Bank takes into account strategic objective or initiative of the Bank. Nevertheless, it lacks collaboration with concerned operational units the Bank, as it has limited room of participation for selecting or commenting on feasibility study of a project under the area of specialization. At same time, the participation of Strategy Department is minimal, which is also critical to ensure that we are choosing the right tool to execute our strategy. This will affect the desired level of the alignment of the two processes as PM professionals, strategist and user (concerned operational unit) have very limited role particularly during determination of feasible projects.

The third phase is about alignment of project implementation plan with functional plan of concerned operational unit. The assessment at this stage indicated that there is limited

participation of operational units in determination of schedule of projects under their domain to match with corresponding functional plan. At same time, the final schedule of those projects are not timely communicated to concerned operational units. The finding indicated that involvement of strategy management Department is limited upon prioritizing set portfolio of projects, which is critical to match the portfolio of projects to strategic map of the Bank. This indicates that project implementation plan is not adequately aligned with functional plan of pertinent operational unit.

The fourth phase is about alignment of project monitoring and evaluation with strategy of the Bank. The finding of research indicated that strategy monitoring & evaluation have not yet contributed for effective or result oriented project monitoring and evaluation. This is mainly associated with inadequate correspondence of a set of projects to strategic map of the Bank. This implies that if there is adequate correspondence (if set of projects have been ranked based on their contribution to pertinent strategic objective.), a project's monitoring & evaluation or progress report will focus on end result or the contribution of a project towards the corresponding strategic objective as well as the interdependent strategic objectives of the Bank. Thus, project monitoring and evaluation practice of the Bank has not considered the contribution of a project to the adopted strategy.

5.2 Conclusions

The following major points can be concluded from the findings of this research:

BOA has commenced to manage its project strategically by initiating project in view of its strategic goals and objectives. Nevertheless, the practical implementation of strategic project management has the following gaps:

5.2.1 Project conception

It is high level or strategic issue for Bank, which is centrally addressed by executive or top management of the Bank in light of its strategic themes but without adequate participation of concerned parties. Thus, it can inferred that there is inadequate level of alignment of project conception with strategic themes of the Bank.

5.2.2 The determination of feasibility of project

The determination of feasibility of project is based on its contribution to relevant strategic objective of the Bank, which is also centralized decision of executive management, this centralization limits the level of alignment of project feasibility with corresponding strategic objective.

5.3.3 The project portfolio

The Bank project portfolio has not been re-arranged or categorized based on strategy map of the Bank. This limits the alignment of project planning with corresponding functional strategy.

5.4.4 The annual functional plan

The annual functional plan of concerned operational unit has not been considered adequately upon the preparation of project implementation plan that corresponds to the particular unit. This indicates there is limited alignment of functional plan of operational unit with pertinent project implementation plan.

5.5.5 Project monitoring and evaluation

Project monitoring and evaluation focuses on a project's schedule & budget rather than ultimate impact of a project, which is linked to one of strategic objectives of the Bank. Thus, project monitoring and evaluation has not yet been aligned with strategy management of the Bank.

In general, the implementation of strategic project management of the BOA lacks basically satisfactory coordination and communication of among the concerned organs of the Bank namely top management, strategy management Department, project Management Department and Concerned Operational units or Departments. Moreover, the decision making at early stage of project life cycle is centralized at top management or executive level particularly without adequate participation of the corresponding functional or operational units and strategy Management Department. Therefore, it can concluded alignment of project design and implementation with strategy management of the Bank needs improvement for actualizing strategic transformation of the Bank through impactful projects.

5.3 Recommendation

The research proposes the following recommendation based on the major findings and conclusion of the research that are elaborated in the above 2 sections.

BOA has started to manage its project strategically as projects are initiated in accordance with the formulated strategy; nevertheless, the practice of the Bank is characterized by limited participation of concerned organs particularly corresponding operational/functional units and strategy Department at early stage of project life cycle. Therefore, BOA shall strive for satisfactory participation of all concerned parties to enhance alignment of project design and implementation of the Bank with its strategy.

This improvement is possible by nominating Chief Project Management. The chief will act as intermediary between concerned departments/functional units and executive management of the Bank. Accordingly, he/she will communicate the conceived projects at high level to concerned organs of the Bank particularly to the respective functional unit and strategy Department thereby requesting their comments and suggestions. These (their comment and suggestion) in turn will be taken as an input by top management for determination of feasibility of Projects. This is important for alignment identification of right portfolio of feasible projects with strategy themes and objectives of the Bank respectively.

The Chief project Management will properly plan the feasible project in coordination with strategy Management Department based on strategic map of the Bank. At same time, he shall communicate tentative schedule for projects for concerned organs of the Bank thereby requesting their suggestions. Finally, he will communicate the final project schedule to pertinent parties in the Bank, which ensure their readiness and engagement for coming project works consequently, project managers, Strategy Management and other operational units participate satisfactory in PM decision of the Bank since conception and planning of pertinent projects. This addresses the potential factor for project failure by enhancing the ownership and engagement of all parties in a project work. This will ultimately enhance the desired level of alignment between PM and SM processes particularly at planning stage i.e. ensuring project implementing plan with pertinent functional plan.

The Bank shall develop its PM Department that deals about only IT related projects to Enterprise Project management in addressing the gap of coordination and collaboration that mainly result from poor communication among different organs of the Bank. The EPMD shall work closely with strategy management department to trace the portfolio of project according to strategy map of BOA. This will adequately align a functional strategy with pertinent project implementation plan. In addition, the EPMD as central Body shall communicate the traced projects to all concerning parties timely. This is critical as some of strategic initiatives of the Bank may not initiate IT related project rather they may be addressed by a project team of two or more Departments of the Bank. In addition, the administration of buildings that has been constructed by BOA shall be coordinated centrally as they affect other domain of projects. This clearly indicates the Bank entertains different portfolios of projects that need to be managed in coordinated manner centrally to ensure the alignment of project implementation plan with corresponding functional plan.

The Bank shall upgrade or revisit its structure of strategy Management Department either at chief level or reorganized the department to be accountable directly to chief executive officer thereby acting as consultant to the CEO on subject matter or strategic issues. It is recalled that currently Strategy Management is functionally and administratively responsible to Vice President – Finance Management, which may undermine its role in SM process, which is also depicted by the research findings.

The chief project management shall follow-up post implementation of projects thereby monitoring and controlling a project's targeted impact or its contribution to strategic objectives /initiatives. This is possible by designating a particular party especially end users of a project output to prepare post- implementation (evaluation report) in collaboration with corresponding project Manager periodically. This will assure the alignment project monitoring and evaluation with strategy management of the Bank

5.4 Suggestion for future studies

Overall, the research points out the importance of project management for practicality of a strategy that shall be supported by subsequent studies. This is because a project is a child of a strategy and it is clear that a mother's vision can only be actualized when her children become,

who she wants them to be in the future. This implies that a strategy can be realized through implementation of pertinent projects, which shall be proven by future studies.

In addition, the applicability of the recommendations of the study can be substantiated by sampling two or more companies under strategic transformation.

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Questionnaire

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

Questionnaire

I am a graduate student at Addis Ababa University School of Commerce and currently I am conducting a research for the completion of my masters in Project Management. This project work is a study to assess the, integration of strategy management for effective project management the case Bank of Abyssinia.

Your willingness and cooperation in giving reliable information is well appreciated and the information you provide will be used only for academic purpose and will be kept in strict confidentiality.

If you need further information about this study, or have problem in completing this questionnaire please contact me via +0983311480 or metasebiamengistu@gmail.com. There is no need to write your name.

Thank you!

Section A

1. Respondent ID (optional) _____

2. Department _____

Please mark your answer with an “X”.

3. Sex Male 0 Female 0

4. Service year(s) in BOA < 1 year 0 >=1 and <5 years 0

 >=5 and < 10 years 0 >= 10 years 0

5. Educational Background

Certificate 0 Diploma 0 Degree 0

Masters 0 PHD 0 Other _____

SN	Questions	1	2	3	4	5
Alignment of Project Identification AGAINST VISION /Strategic themes of BOA						
1	Top/executive Management of have critical role in identification plausible projects					
2	Strategy Management Department has critical role in identification of plausible projects					
3	Project Management Department has critical role in identification of plausible projects?					
4	Concerning operational unit has critical role in identification of plausible projects under their domain?					
5	One of critical task under strategy formulation is identification of plausible project?					
6	One of the essential criteria for determining plausible solution is the connection between project output/impact and strategic theme of BOA /vision of the Bank					
Alignment of PROJECT FEASIBILITY & STRATEGIC OBJECTIVES						
7	Top/executive Management of have critical role in determination of a feasibility of a project					
8	Strategy Management Department has critical role in					

	determination of feasible project					
9	Project Management Department has critical role in determination of feasible project					
10	The concerning operational/functional unit has critical role in determination of feasibility of pertinent projects					
11	One of finalizing task under strategy formulation is determination of feasible projects that are tools for executing a strategy					
12	The criteria for determining feasibility of a project has interrelationship with strategic objective of the Bank.					
SN	Questions	1	2	3	4	5
Alignment between Project plan (scheduling) & functional plan of operational unit						
13	Top Management has critical role in prioritizing/scheduling the feasible projects					
14	Strategy Management Department has critical role in prioritizing/scheduling the feasible projects					
15	Project Management Department has critical role in prioritizing/scheduling the feasible projects					
16	The concerning operational units participate in scheduling the pertinent projects under their domain					

17	The final schedule of pertinent projects are timely communicated to concerning operational units					
18	The annual functional plan of an operational unit incorporates the relevant projects that are scheduled during the particular fiscal year					
19	Strategy management Department ensures the inclusion of pertinent projects in a functional plan of the concerning operational units at right time during a year					
20	One of criteria for approving the annual functional plan of an operational unit is the inclusion of pertinent project scheduled for a fiscal at the right time during the year					
Alignment between project m& e and strategy M& e						
21	Top Management assess project progress report by focusing its direction towards realization of the targeted end result in connection with grand strategic objective of the Bank.					
22	Project progress reports are timely communicated to strategy management Department					
23	Project Managers prepare & submit unbiased & timely project progress report to Project Management Department					
24	The periodic evaluation of a strategy express the progress towards strategic objectives of the Bank in terms of the accomplishment of feasible projects scheduled during the period.					
25	Project management Department assess the interdependence among projects at hand ,particularly it traces the impact of					

	progress of one on simultaneous or subsequent projects both in terms of time and scope as well as budget /other resources .					
26	Strategy Management Department identifies the impact of rescheduling or amendment on scope of a project on pertinent strategic objectives that may demand adjustment on corresponding strategic objectives either in terms of time or content or both.					
27	Annual functional plan of concerning operational unit is adjusted based on the progress of pertinent project under execution.					
28	Strategy reformulation are related with the failure of critical feasible projects					
29	Project Managers are responsible for inspiring him teams based on the ultimate goal/impact of a project by linking with strategic objective of the Bank.					

What do you suggest for effective integration of Project Management function with strategy management of the Bank?

Thank you, for taking your time!!!

INTERVIEW GUIDE FOR Director strategy Management & project Management

Dear Interviewee,

First of all I would like to thank you for your willingness to respond to my questions. My name is Metasebia Mengistu; I am a Masters of Art student in Project Management at Addis Ababa University School of Commerce. As part of my MA project work, I am studying the Integration of strategy management for effective project management and I have taken the case of Bank of Abyssinia for my study. This interview is made so as to have more in depth on the matter under study.

Thus, I kindly request you to answer all the questions with due care assuring you that all responses will be used only as an input for this study.

Director, Strategy Department

1. From the year of establishment onwards how many times BOA formulate strategy ?
2. Can you mark the turning point in strategic transformation process of BOA that contribute to current stand of the Bank? What are basic lesson learned from the achievements?
3. Can you mark the turning point in strategic transformation process of BOA that hindered the planned development? What are the basic lesson learned from the bottlenecks?
4. It is known that BOA had formulated two strategies in the past five years please compare & contrast their vision, mission and basic values of each strategy
5. Compare and contrast organizational structure of each strategy particularly in relation with strategy management and project management function in the Bank.
6. What are the basic difference between former business intelligence Department and current strategy Management Department (based on their function)?
7. What are basic difference between former RMO (result management office) and current project management Department? (based on their function)

8. Who are parties involved in the formulation of strategy of the Bank? Compare & contrast the two latest strategies.
9. What are the basic tasks that are performed under strategy formulation? Please compare & contrast latest strategies.
10. Do you attach different degree of importance among strategic objectives of the Bank?
11. Do you establish the relationship among strategic objectives of the Bank particularly their interdependence?
12. What are the basic steps in preparation of strategy monitoring and evaluation report? Please compare and contrast the two latest strategies.
13. Please describe the general content of strategic monitoring & evaluation report (compare and contrast the two strategies)
14. What factors can bring about strategy reformulation of the Bank partially (e.g amendment are required on particular strategic objectives of the Bank either in terms of schedule, content/specification or resource allocation)
15. What are basic factors reviewed in the determination of performance of operational in contrast to its corresponding annual functional plan? Do you have equal weight for routine task and project related task?
16. Does strategy Management function has a direct /indirect role in a project life cycle that involves project initiation, (identification of plausible & feasible project), project planning, project execution and project closure. Please compare the latest two strategies of the Bank.

Director, Project Management Department

- 1) Who are parties involved in project initiation of the Bank? Please compare and contrast the latest two organizational structure of the Bank.
- 2) What are basic criteria for identification of plausible projects and determine their feasibility? Is there any newly incorporated criteria lately?
- 3) How do you prioritize a set of projects at hand? Is there basic criteria that you use?
- 4) At what stage of project cycle is project manager is nominated?
- 5) Who is involved in project planning? How do you incorporate the project task with routine tasks of the concerned operational units?
- 6) What are critical success factors that are employed in monitoring and evaluation a project progress?
- 7) Please outline the major content of project monitoring & evaluation report.
- 8) To whom do you submit progress report of a project?
- 9) What factors determine rescheduling, scope change, project cancellation/or in short change from original project plan? Who is the responsibly body for approving the amendment? Is the impact of the change is traced to interdependent projects and ultimately the relevant strategic objective of the Bank?
- 10) Do you ensure change in project original plan is incorporated into functional plan of relevant operational unit? When?
- 11) How are conflicts particularly over resource sharing among on –going project are handled?
- 12) Do you link project evaluation result with pertinent strategic objective of the Bank? IF YES, Is this a common practice or is it exceptional/currently introduced?
- 13) What are the common tasks and responsibilities of a project manager?
- 14) How do you describe an effective project manager?

15) How do you describe effective project management?

16) How do you describe the success rate of projects of the Bank? Please answer by comparing and contrasting project under lately reformulated strategy and projects under the current strategy of the Bank. (In short, what are the number of projects executed per each strategy? How many of them were completed successfully?)