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**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**

**The Influence of Strategic Management Practices on Organizational  
Performance: Examining the Mediating Roles of Organizational  
Culture and Employee Engagement: The Case of Ethio-telecom**

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**November, 2024**

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**A Thesis Submitted to Addis Ababa University, College of Business & Economics, In Partial Fulfillment of the Requirements for the Degree of Masters in Business Administration (MBA)**

**Addis Ababa University**

**Addis Ababa, Ethiopia**

**November, 2024**

## **Declaration**

I hereby declare that this work entitled “The Influence of Strategic Management Practices on Organizational Performance: Examining the Mediating Roles of Organizational Culture and Employee Engagement: In the case of Ethio-telecom ”is my own work and , to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, except where due acknowledgment has been made in the text.

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## Statement of Certification

This is to certify that the thesis entitled, “The Influence of Strategic Management Practices on Organizational Performance: Examining the Mediating Roles of Organizational Culture and Employee Engagement: In the case of Ethio-telecom” was carried out by Biru Eshete under the supervision of Workneh Kassa (PhD) submitted in partial fulfillment of the requirements for the degree of Master of Business Administration complies with the regulations of the University.

**Workneh Kassa (PhD)**

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**Name of the Advisor**



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**Signature**



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**Date**

**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSINESS AND ECONOMICS**

This is to certify that the thesis entitled, "The Influence of Strategic Management Practices on Organizational Performance: Examining the Mediating Roles of Organizational Culture and Employee Engagement: In the case of Ethio-telecom" was carried out by Biru Eshete under the supervision of Workneh Kassa (PhD) submitted in partial fulfillment of the requirements for the degree of Master of Business Administration complies with the regulations of the University.

**Approved by the Examiners**

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## Abstract

*The aim of this study was to investigate the influence of strategic management practices on organizational performance and examine the mediating role of organizational culture and employee engagement in Ethio-telecom. The target population for this study comprised the employees of Ethio-telecom, from which a sample of 280 participants was drawn. Primary data were collected using a structured questionnaire, with 217 completed responses used for the analysis. The study employed a stratified sampling technique, ensuring that respondents were randomly selected from each stratum. A mixed research design, incorporating both explanatory and descriptive elements was used, with a focus on quantitative analysis. Descriptive statistics, such as mean and standard deviation, along with structural equation modeling were applied. Data analysis was conducted using SPSS version 25 and SPSS AMOS version 23. The reliability of the data was assessed using Cronbach's Alpha. The study revealed environment scanning, strategic formulation, strategic implementation, and strategic monitoring and evaluation had a significant positive influence on the organizational performance of Ethio-telecom. Besides both organizational culture and employee engagement effectively mediate the relationship between strategic management practices and organizational performance. Ethio-telecom demonstrates strong strategic management practices and a conducive organizational culture, characterized by active employee engagement and responsiveness to the business environment. Despite recent market changes and heightened competition, Ethio-telecom has maintained a strong position. This research suggests that Ethio-telecom should further enhance the capacity of lower-grade staff to contribute to strategic planning, ensure thorough oversight and support for internal advisors and external consultants, and continuously refine its strategic management practices, organizational culture, and employee engagement. These measures will help sustain its competitive edge and further strengthen organizational performance. This study offers valuable insights for other companies and serves as a significant resource for future research.*

**Keywords:** Strategic Management Practices, Environment scanning, Strategic formulation, Strategy implementation, Strategy monitoring and evaluation

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## **List of Acronyms and Abbreviations**

Acronym/Abbreviation	Full Name
CEO	Chief Executive Officer
EE	Employee Engagement
NIB	Nib International Bank
NISCO	Nyala Insurance Share Company
OC	Organizational Culture
OP	Organizational Performance
RBV	Resource Based View
SF	Strategic Formulation
SI	Strategic Implementation
SM	Strategic Monitoring and Evaluation
SEM	Structural Equation Modeling
STMPs	Strategic Management Practices
SWOT	Strength Weakness Opportunity and Treat
SPSS	Statistical Package for Social Science

# Chapter One

## 1. Introduction

### 1.1. Background of the Study

The world is becoming increasingly complex, and organizations are evolving concurrently (Chang & Andreoni, 2020). Many industries have changed as a result of globalization. As the demand for high-quality products and services increases, organizations must engage in continuous improvement to meet these expectations (Pambreni et al., 2019). Strategic management has been viewed as the most crucial technique that distinguishes organizations from one another (Nkemchor& Ezeanolue, 2021). Modern management is responsible for the formulation and implementation of an effective strategic management plan in the presence of numerous dynamic and competing forces (Manzoor et al., 2015). Organizations must constantly improve their performance to compete successfully in this turbulent environment (Ojha et al., 2021). This can be done by reducing costs, developing new products and procedures, and enhancing quality, productivity, and time to market (Otieno & Theuri, 2016).

Strategy is used by organizations to achieve their objectives with the intention of long-term success. It is a pattern or plan that unifies the schedule of a company into a single, cohesive whole. A strategy can also be thought of as an activity plan outlining how a company will achieve a long-term objective. Strategic management is focused on the long term and is designed to maximize the potential for enhanced development (Borchers & Enke, 2021). It is also comprehensive, significant, and mostly related to the highest monitoring level, where the firm's vision, goal, and culture are determined (Barbosa et al., 2020). Analysis and controls of the organization and the industry sectors that the organization is involved with are part of a continuous process (Okechukwu& Hubs, 2022). Strategic management allows the evaluation of a company's competitive advantage and outlines objectives and ways to satisfy all current and future competitors (Kumar, 2021). Competitive advantage is what keeps great organizations ahead of their competitors (Fainshmidt et al., 2019). According to Rothaermel (2012), a company with a competitive advantage outperforms other industry competitors financially (Otieno & Theuri, 2016). All organizations, no matter who they are or what they do, employ strategic management techniques to make sure they fit in with their surroundings (Nkemchor& Ezeanolue, 2021).

Strategic management involves the decisions and actions that lead to assessing, formulating, implementing, monitoring, and evaluating plans aimed at achieving an organization's vision,

mission, strategy, and strategic objectives within its operating environment (Phiri et al., 2019). The nature of competitive success based on service delivery, which depends on the actual performance management of individual firms, is changing as the globe has evolved into a global community made up of unpredictable changes and uncertainties (Adom et al., 2016). Organizational leaders can align the internal organizational environment with changes in the increasingly unstable business world in which firms operate by using the management strategy known as strategic management. A managerial attitude that prioritizes global market strategic flexibility, and the capacity to accept and take advantage of change is essential for organizational effectiveness (Kabeyi, 2019). To provide services, it is necessary to adopt new organizational structures, global mindsets, and highly innovative and strategic techniques of strategy design and implementation (Otieno & Theuri, 2016).

While many businesses have distinct business strategies because of varied industries, company sizes, and goals, one thing they all have in common is the requirement that their employees be fully informed of those strategies. According to Borchers & Enke (2021), it's critical to successfully communicate the corporate business strategy to employees to make sure that every stakeholder is aware of the organization's objectives, where its long-term plans will take it, and how it intends to get there. Employees not having clear knowledge of their company's strategy is one of the most prevalent problems affecting firms. The best employees are those who are driven, capable of managing themselves, and well-trained, but this cannot be achieved until workers are kept as informed as possible. It is crucial to explain to staff members how their work will play a crucial part in the success of the firm in addition to the organization's overarching business strategy (Hussien, 2022).

According to Lister et al. (2014), improving organizational performance and gaining a competitive edge requires a solid strategic management approach. Although strategy execution is a crucial procedure to get correctly as part of strategic management; up to 95% of attempts to implement strategies in Africa fail (Fikadu, 2018). According to Niven (2008), 70% of CEO failures are the result of poor strategy implementation. Niven (2008) supports the claim by citing a Center for Creative Leadership study that was published in the Harvard Business Review in 2005 and reveals that 40% of CEOs fail within the first 18 months (Hussien, 2022).

Before October 6, 2022, Ethio-telecom operated in a monopoly telecommunication market. After October 6, 2022, Safaricom Ethiopia which consists of a group of telecom operators'; Safaricom

from Kenya, Sumitomo Corporation from Japan, British International Investment from the United Kingdom, and Vodacom from South Africa joined the Ethiopian telecommunication market. Ethio-telecom has embarked on the implementation of a three-year strategic plan since July 2019, having the acronym BRIDGE, which is short for the strategic focus areas of ensuring the best customer experience, building a reputable brand, providing innovative products and services, developing a people-oriented learning organization, growing in financial capacity, and bringing excellence in operations. After new operators joined Ethiopia Ethio-telecom started in 2022 embarked on a new strategy which is called LEAD which was implemented within three years. Therefore, this study examines the strategic management practices of Ethio-telecom and investigates their impact on organizational performance, specifically in light of new competition. Additionally, it explores the mediating role of organizational culture and employee engagement in this relationship, offering a comprehensive analysis of how strategic initiatives are influenced by and shape the internal cultural dynamics of the organization. This research is essential for understanding how big companies like Ethio-telecom can adapt to significant market changes while maintaining or improving their performance.

## **1.2. Statement of the Problems**

The business environment in which Telecommunication companies operate is dynamic and turbulent with constant and fast-paced changes that often render yesteryear strategies irrelevant (Orwa et al., 2022; Wasiu, 2022). Strategic management must be used to continuously match organizational values and capabilities with shifts in the competitive environment to pursue high organizational performance in dynamic situations (Yan, 2022). Companies' top executives and decision-makers must continually consider the future of their companies from a strategic perspective. The instability in the environment makes it necessary to identify relevant strengths, opportunities to seize, threats to be countered, and weaknesses to be overcome (Dahir et al., 2019). According to Abera (2017), strategic management has become the heart of any organization. Organizations are adopting strategic management practices more frequently in the notion that better performance would result. According to Bryson (2004), stakeholders must be taken into account at every stage of the strategic management process, because success and survival depend on key stakeholders being satisfied in accordance with their perceptions of what is valued. A

strategic management system cannot be effective just by creating mission and vision statements or by identifying core competencies (Teklemikael, 2021).

Organizations are encouraged to transition from traditional strategic planning to a strategic management approach in today's challenging environment. Strategic management is considered a crucial and foundational process for achieving desired outcomes. However, only a limited number of organizations have established a comprehensive strategic management process that fully integrates all management processes and key functions to advance their strategic agenda (Abushabab, 2016).

According to Otieno & Theuri (2016) the challenge for public organizations (bodies) in Kenya in the past and currently is the successful formulation and implementation of strategies and strategic plans. Numerous organizations can make strategic plans, however, few can successfully implement these plans. Otieno & Theuri (2016), Wanyama & Aila (2022) noted organizations fail to implement up to 70% of their strategic initiatives. The inability to predict environmental reaction, overestimating resource competence, failure to coordinate, failure to secure the support of senior management, failure to secure employee commitment, underestimating the amount of time needed, and failure to adhere to the plan are just a few of the reasons why organization struggles to put their strategic plans into action.

Abushabab (2016) discussed many governmental organizations have made the effort to plan and manage strategically to create favorable results and outcomes, however, it is unclear to what degree these efforts are worthwhile. Furthermore, according to some studies Bianchi & Tomaselli (2015) and Poister (2010), the efforts made by many governmental organizations to engage in strategic planning are ineffective because they do not properly identify and develop the strategies that will help them achieve the desired results, put their strategic plans into action, or connect them to effective implementation strategies.

According to Adane (2021), although many organizations are now using strategic management more commonly and investing significant resources in the work, organizations still encounter common issues with strategic planning throughout document production that result in poor goal formulation. Poor goal-setting will result in unclear objectives for all organizational working units, which will obscure priorities and duties. As part of strategic management, strategy execution is also a key process that must be done appropriately; however, up to 95% of attempts to implement strategies in Africa fail (Fikadu, 2018). According to Niven (2008), 70% of CEO failures are the

result of poor strategy implementation. Niven (2008) supports the claim by citing a Center for Creative Leadership study that was published in the Harvard Business Review in 2005 and reveals that 40% of CEOs fail within the first 18 months (Hussien, 2022). Similarly, Mankins and Steele (2005) indicate that due to inefficiencies in the development and application of the strategy, nearly forty to sixty percent (40% - 60%) of the potential value of a strategic plan is never realized. This prompts the question of why this gap exists between conception and effective implementation. For organizations to successfully implement strategy and achieve sustainable strategic management, there is an immense gap for further in-depth research on the tools for efficiently implementing strategic objectives into action (Hlophe, 2017).

Musee (2018) examines the influences of strategic management practices on the performance of Public universities, the case study of Multimedia University of Kenya. According to the study, the university's achievement has been impacted by elements related to strategic leadership. Furthermore, the study showed that the institution's performance was influenced by strategic innovation.

Fikadu (2018) examines the strategic management practices of private commercial banks in Ethiopia. His study reveals that these banks tend to prioritize strategy formulation, while placing less emphasis on strategy implementation, evaluation, and control. Girma (2016) evaluates the strategic management practices of Nib International Bank. His study indicates that NIB pays insufficient attention to environmental scanning, which hinders its ability to formulate and communicate an effective strategic plan. Adane (2021) examines the strategic management practices of the Ethiopian Roads Authority. The study reveals several issues: a lack of trained professionals for environmental scanning, misalignment of the strategic plan with other economic sectors, insufficient rewards for employees and management who meet strategic goals, unclear monitoring and evaluation tools for assessing strategy implementation, and major challenges such as overambition and poor coordination among stakeholders. Teklemikael (2021) found that Commercial Nominees struggles with effectively communicating its strategic plan, and stakeholder participation is inadequate. Additionally, there is misalignment between strategic plans and individual work units, along with a lack of comprehensive performance measurements in the strategic plan.

Wasiu (2022) investigated the impact of strategic management practices on organizational performance of real estate businesses in Nigeria, Gaturu (2018) examine the influence of strategic

management practices on organizational performance of Mission Hospitals in Kenya, Yonas (2015) assess the practice of strategic management process: in the case of Nyala Insurance S.C. (NISCO), Girma (2016) assess of strategic management practice and implementation in the case of nib international bank, Mekonnen (2015) asses the strategic management practices; the case of Ethiopian insurance corporation and Adane (2021) assess the strategic management practices of different organizations, Negash (2020) examine the effect of strategic management practices on organizational performance at awash insurance company, Kebede (2020) investigate the effect of strategic planning on organizational performance in the case of NIB insurance share company, Afande (2018) examine the effects of strategic management practices on organizational Performance of Banks in Kenya, Noor ( 2016) investigate the effects of strategic management practices on organizational performance of Horn of Africa University in Somalia, and Kumar (2021) investigate the effect of strategic management practices on Performance of pharmaceutical companies in India, Tarekegne (2021) examine the influence of strategic management practices on firm performance: by considering the mediating role of knowledge management capabilities in Commercial Banks in Ethiopia).

This study aims to address several significant gaps in the existing literature. Firstly, it seeks to contribute to the field by focusing on the telecommunication industry, an area that has been relatively underexplored in previous research efforts. Secondly, while past studies have examined the impact of strategic management practices on organizational performance using multilinear regression analysis, they have failed to delve into the mediating factors that influence this relationship. Moreover, these studies have highlighted instances where companies exhibit subpar strategic management practices and subsequently experience poor organizational performance without providing a detailed explanation for the ineffectiveness of these practices. Additionally, the transition of Ethio-telecom company from a previously monopolistic market structure to a competitive environment presents a unique setting for investigation. This shift necessitates a comprehensive examination of the factors influencing strategic management practices and organizational performance within this new economic landscape. By filling these identified gaps in the literature, this study aims to broaden our understanding of the complexities inherent in strategic management practices and their implications for organizational performance in evolving market structures.

Therefore, this study aims to address the aforementioned gaps and make a significant contribution to the empirical literature by examining the relationship between strategic management, organizational culture, employee engagement, and their combined influence on the organizational performance of Ethio-telecom. To achieve this objective, the study will employ structural equation modeling (SEM) to elucidate both the direct and indirect effects of the mediator variable, shedding light on the intricate interplay between strategic management, organizational culture, and organizational performance. Through empirical evidence derived from this analysis, the study seeks to enhance our understanding of how these factors interact and shape the overall performance outcomes of Ethio-telecom.

### **1.3 Research Questions**

The study will answer the following questions.

- I. What strategic management practices, Organizational cultures and employee engagement are practiced in Ethio-telecom?
- II. Does organizational culture and employee engagement play a mediation role between strategic management practices and organizational performance in Ethio-telecom?
- III. Do strategic management practices influence the organizational performance of Ethio-telecom?

### **1.4 Objective of the Study**

#### **1.4.1 General Objective**

The main objective of this study is to investigate the influence of strategic management practices on organizational performance and examine the mediation role of organizational culture and employee engagement between strategic management practices and organizational performance in Ethio-telecom.

### **1.4.2 Specific Objectives**

- I. To assess strategic management practices, organizational culture and employee engagement of Ethio-telecom.
- II. To examine the mediation role of organizational culture and employee engagement between strategic management practices and organizational performance of Ethio-telecom.
- III. To examine the effect of strategic management practices on the organizational performance of Ethio-telecom.

### **1.5 Significance of the study**

The findings of this study will help Ethio-telecom in improving its strategic management. Practices. The analysis identifies the key areas where the strategic management process has weaknesses so that the company can further investigate them to maintain a competitive edge. Additionally, it will give companies an easily implementable evaluation framework for evaluating the strategic management process.

The findings of this research contribute to the field of strategic management by enhancing readers' understanding of the subject, particularly from the perspective of telecommunication companies. For academicians, the study can serve as some reference material for further research by other researchers in future studies, especially in the telecom sector.

### **1.6. Scope of the study**

This study investigates the influence of strategic management practices on organizational performance, with a specific focus on Ethio-telecom. The strategic management practices examined include environmental scanning, strategic formulation, strategic implementation, and strategic monitoring and evaluation. The study also explores the mediating role of organizational culture and employee engagement in the relationship between these strategic management practices and organizational performance. Organizational culture and employee engagement are considered the sole mediating variables in this context.

This study is geographically delimited to Ethio-telecom's operations within Addis Ababa, specifically focusing on the corporate offices. The target population includes employees from all divisions within these offices who are directly involved in strategic management activities

This study utilized a calculated sample size to make inferences about the population. Primary data collection was conducted using questionnaires. For data analysis, the study employed descriptive statistics, multiple linear regression, and mediation regression techniques.

### **1.7. Definition of Terms**

**Strategic management** involves the formulation and implementation of the major goals and initiatives taken.

**Organizational Performance (OP):** In this study, organizational performance refers to the effectiveness of an organization in achieving its vision, mission, and goals, assessed through both objective metrics and subjective measures such as customer satisfaction, waste reduction, and employee turnover.

**Strategy Formulation (SF):** In this study, strategy formulation is defined as the organizational process of developing the mission, objectives, strategies, and policies, starting with a situation analysis. This involves identifying a strategic alignment between external opportunities and internal strengths, while addressing external threats and internal weaknesses.

**Strategy Implementation (SI):** Here, strategy implementation is described as the process of executing policies and strategies through established procedures, budgets, and development programs. It involves translating strategies and plans into actions aimed at achieving strategic goals and objectives.

**Strategy Evaluation (SE):** In this study, strategy evaluation is defined as the assessment of the strategy implementation process, providing executives and managers with performance information related to programs, projects, and activities designed to achieve organizational goals and objectives.

## **1.8 Organization of the Study**

This research report has five chapters, which include the following:

The first chapter contains an introduction part; this includes a background of the study, a statement of the problems, research questions, the objective of the study, the significance of the study, and scope of the study, and the organization of the report. The second chapter presents theories and previous studies related to the topic (literature review). The third chapter contains the research methodology and design used in this study. It describes the type and design of the research; the subject and participants of the study; the data source used for the study as well as the data collection tools applied and methods of data analysis. In the fourth chapter data analysis, presentation, and interpretation were presented. In the fifth chapter, a summary of the findings was made from chapter four and the conclusion was also presented.

## **Chapter Two**

### **2. Review of Related Literature**

#### **2.1 Theoretical Review**

##### **2.1.1 Review of Concepts**

###### **2.1.1.1 Strategy and Strategic Management**

The word strategy has a long history in the military and is thought to have originated from the Greek word "stratego," which was created from the word stratus, which means "army," and ago, which means "to lead." Due to the post-war volatility and the turbulence that firms encountered, the importance of strategic business planning or practice became widely recognized in the 1940s and 1950s. Before this time, businesses had experienced some degree of stability. The groundwork for this was laid by authors like French industrialist Henri Fayol, who researched the management function in corporate organizations and proposed that all managers do a specific set of tasks that distinguish them from administrators(Wasiu, 2022).

A strategy is a comprehensive, well-coordinated plan of commitments and activities intended to capitalize on core competencies and secure a competitive advantage. Businesses choose from competing alternatives when deciding on a strategy. The chosen strategy reveals both the firm's intentions and its exclusions in this sense (Hoskisson& Hitt, 2007).

Strategic management is an examination of crucial organizational issues. Senior managers of the company exercise control over resources in the environment outside of it on behalf of the owners. The mission, vision, and assets are defined as part of this process. An alternative definition of strategic management is the choices and actions that should lead an organization to success and the accomplishment of its objectives, or, in a more simple sense, where companies are and where they are going(Embong et al., 2022). Strategic management supports the organization in this effort and helps assess a company's long-term performance. Setting long-term goals, implementing the plan, assessing its success, and regulating it are all aspects of strategic management (Rajnoha & Lorincova, 2015). In light of a company's internal strengths and limitations, the study of strategic management therefore places a strong emphasis on keeping track of and assessing external possibilities and dangers. The business policy used to be the original name for strategic

management. Strategic management includes such topics as industry analysis, environmental monitoring, and strategic planning(Ahmad et al., 2021).

An organization's long-term performance can be influenced by a set of administrative decisions and actions which is strategic management (Mohamed & Basar, 2023). Strategic management, which was formerly known as business policy, has come a long way by the combined efforts of researchers and practitioners. The art and science of developing, putting into practice, and assessing cross-functional decisions that help organizations accomplish their goals is sometimes referred to as strategic management(Khemesh, 2019). One of the management's efforts to deal with issues that develop in an organization's daily operations while attempting to accomplish organizational goals and objectives is strategic management(Mohammed & Rugami, 2019).

According to Williams et al. (2020), strategic management has been hailed as one of the most successful management techniques for boosting organizational performance through sound decision-making, methodical strategic design, and implementation, The private sector also used strategic management more frequently. Organizations that practice strategic management generally perform better than those that do not, according to Wheelen et al. (2018) evidence-based research. Many of the concepts and methods related to strategic management have been created and successfully employed by businesses as large as General Electric and as small as the newest startup. These ideas have evolved and been improved upon over time by academic researchers and business practitioners(Fikadu, 2018).

The issue of why some organizations flourishes while others fail is addressed by strategic management. Identifying the organization's current mission, objectives, and strategies, as well as the environment, opportunities, and threats it faces, its resources, strengths, and weaknesses, are all part of strategic management. Strategies are then developed, put into action, and the results are assessed (Gachuma& Karugu, 2018).

## **2.1.2 Review of Theories**

### ***a) Resource-Based Theory***

The resource-based model states that rather than the structural characteristics of the industry, variations in firms' performances over time are mostly attributable to their distinct resources and capabilities(Davis & Dewitt, 2021). This model further assumes that firms develop distinctive capabilities based on how they combine and use resources, that resources and capabilities are not

highly mobile across firms, and that the differences in resources and capabilities serve as the foundation of competitive advantage (Hitt& Ireland, 2019). Continuous use makes capabilities stronger and more challenging for rivals to comprehend and replicate(Grant, 2009). A capability must not be easily duplicated but also not be overly difficult to comprehend and manage to serve as a source of competitive advantage (Hitt& Ireland, 2019). According to the resource-based view (RBV), a unique collection of resources is essential for a corporation to maintain its competitive edge. The theory explains how entrepreneurs create enterprises using the resources and skills at their disposal(Alvarez & Busenitz, 2001). Enterprise resources including strategic capabilities like financial, physical, human, technological, reputational, procedures, information, and expertise can help businesses gain a sustainable competitive advantage. RBV's basic premise is that any company can achieve a sustained advantage by developing strategic capabilities and relevant resources that are precise, long-lasting, intangible, valued, uncommon, and impossible to replicate(Mohammed & Rugami, 2019).

#### ***b) Porter Generic Strategies Theory***

Michael Porter (1980) introduced this theory, outlining how a business can gain a competitive advantage within its chosen market scope through generic strategies. Businesses can adopt one of three or four tactics: focused, differentiated, or cost leadership. They can pursue one of two types of competitive advantage: reducing costs compared to rivals or differentiating based on customer-valued features to justify higher prices. Additionally, companies must choose between a focused strategy, targeting specific market segments, or an industry-wide approach, selling products across broader markets. According to Porter, the overarching strategy involves decisions about the nature and extent of competitive advantage, with goals centered on cost leadership, differentiation, or emphasis. These strategies can be applied by businesses of any size, from small enterprises to multinational corporations (Hitt& Ireland, 2019).

The simple and broad levels of organizational scope can be used to determine strategic positions using Porter's generic strategies. The industrial structure and positioning within the industry served as the foundation for Porter's model(Firoz Suleman et al., 2019). Cost leadership and distinctiveness were these tactics, while the third strategy centered on these first two. The firm's decision of competitive scope is its focus. This range makes a distinction between businesses that

target large industry segments and those that concentrate on specific niches. Due to low production costs and scalability advantages, cost leadership as a strategy enables the company to be a low-cost manufacturer and generate more profits than competitors (Islami et al., 2020). Because consumers frequently look for multidimensional qualities in a product to get the most utility out of it, Porter contends that businesses can successfully embrace numerous strategies by establishing different business units for each of the aforementioned methods (Kimiti, Muathe & Murigi, 2020). These can include a combination of a product's or service's quality, practicality, cost, and style, among other qualities (Mohammed & Rugami, 2019).

### **2.1.3 Strategic Management Practices**

#### ***a) Environmental scanning***

Understanding organizational resources and competencies, how each contributes to the creation of organizational strengths, and ultimately the creation of a competitive advantage, is necessary for effective strategic management. According to Alkhafaji & Nelson (2013), a strategy's success depends on how well it fits into the environment of the business. Scanning the environment is used for this. The first step in the entire strategic process is environment scanning or situational analysis. The term "environmental assessment" also refers to the examination and forecasting of the firm's pertinent markets, economies, and industry structures (Dhubow Noor, 2016). The process of gathering and using information about the circumstances, patterns, and connections that surround an organization to inform management's future decision-making is known as environmental scanning. By assisting in the detection of SWOT, it is essential to locate the primary difficulties facing organizations. One of the first phases in creating strategic plans should be the corporate appraisal, which should serve as both the foundation upon which the corporate objectives are built and the starting point for the strategic plan (Mekonnen, 2015).

Environmental scanning is a crucial planning step that must be carried out to collect all the data required to create effective strategies (Robinson, 2015). It is the process of examining how internal and external factors affect the organization and its capacity to pursue a particular course of action, to put it simply (Topalli, 2015). Analyzing the factors and forces that an organization's strategic alternatives are affected by but are often beyond its control is known as the external environment. To detect organizational dangers and opportunities, it is done by examining environmental elements at both the macro and micro levels. The term "macro environment" refers to the topmost

layer of the environment and is made up of extensive environmental elements that affect practically all organizations(Kaburu, 2018). SLEPT Analysis (Analysis of Social, Legal, Economic, Political, and Technological analysis) and PESTEL Analysis (Analysis of Political, Economic, Social, Technological, Environmental, and Legal elements) are two external environmental scanning tools that these authors suggest. The next layer inside the general environment is referred to as an industry or a sector, which is made up of several rivals(Teklemikael, 2021).

As a technique for analyzing the competitiveness of the environment, Michael Porter's five forces competitive model can be employed. The analysis of the external environment is essential for locating possibilities and risks (Mekic& Mekic, 2017). Understanding one's strengths and shortcomings requires conducting an internal environmental study. The examination of organizational Strengths, Weaknesses, Opportunities, and Threats summarises the most important aspects of the business environment and an organization's strategic competence that are most likely to have an impact on strategy creation. SWOT aids in determining an organization's fundamental competencies, or prospective strengths, and using those to seize opportunities, thwart threats, and pinpoint weaknesses so they can be lessened(Hashlamou, 2021). According to Asghar (2011), a SWOT analysis is essential for developing a solid strategy that is compatible with the organization's external and internal environments. By ensuring that chances are taken advantage of and threats are avoided, the SWOT analysis attempts to determine what needs to be done to keep the satisfying items and rectify the flaws (Hitt& Ireland, 2019).

### ***b) Strategic formulation***

The process of creating long-term plans to successfully address environmental opportunities and risks is known as strategy formulation. It begins when a leader tries to influence people's thought processes. It includes the formulation of a mission, a vision, a long-term goal that will be attained in the context of the stated mission, as well as a choice of tactics. A methodical, formalized technique for formulating strategies is strategic planning ( Negash, 2020).

By outlining an organization's strategic and operational goals and objectives, the strategic plan development phase seeks to decide the future direction of the organization. Analysis of both the internal environment, which includes variables that contribute to strengths and weaknesses, and the external environment, which includes opportunities and threat factors, is necessary to do this(Thongsookularn, 2019). The purpose of the internal analysis is to create a written account of

the most significant internal environmental change that has an impact on how the organization sets its goals, objectives, structures, and processes (Meesala, 2015). In the meantime, the organization's objective and mandate concerning people, properties, processes, and products are fulfilled by the analysis and assessment of the external environment. The formulation phase also includes determining the values, vision, mission, and development of the performance measures for evaluating how far the organization has executed the desired goals and objectives (Abushabab, 2016).

### ***c) Strategic implementation***

According to Dyer et al. (2020), strategy implementation involves translating a defined strategy into actionable steps necessary for effectively achieving organizational goals and objectives (Hussien, 2022). Strategic implementation focuses on turning strategy into reality, ensuring that conceived and planned initiatives are executed effectively. This process involves converting selected strategies into action and encompasses the methods and techniques used for execution. Krassnig, James, and Ribièrè (2011) define strategy implementation as the comprehensive measures, actions, and processes involved in embedding a newly established strategy within an existing organization. They view strategy implementation as a crucial process aimed at bringing plans to fruition. This includes assigning tasks and responsibilities to individuals or teams within the organization (Alkhafaji & Nelson, 2013). It entails translating the chosen strategies into actionable steps and encompasses the methods and techniques the organization employs to execute management's selected strategy (Adane, 2021).

Effective strategy execution involves translating the vision, communicating and aligning objectives, business planning, feedback and learning, and strong leadership. The success of a strategy relies on elements of human capital, including competencies and capabilities, budget management, accountability, and reward systems (Kimonyo et al., 2022). Lower-level managers play a crucial role in the implementation process, as they need to identify what is necessary for successful strategy execution and guide the process within their areas of responsibility. For execution to be effective, the strategy itself must be designed to be actionable. This can be achieved by breaking down long-term corporate objectives into operational short-term goals, developing specialized strategies for functional units or departments, and creating detailed action plans (Berthomier, 2020). Successful strategy implementation relies on engaging people, organizing

efforts, inspiring teams, fostering a strong culture, and ensuring alignment between the strategy and the organization's operations. Managers must determine the internal conditions required for effective execution, which includes addressing sensitive topics such as resource mobilization, restructuring, cultural shifts, technical changes, process modifications, and adjustments in policy and leadership (Negash, 2020).

#### ***d) Strategic controlling, monitoring and evaluation***

After developing a plan and putting it into action, the third and last stage of the strategic management process is strategic review. To consolidate the lessons acquired from its experience, management at this point examines the organization's performance, strategy, and progress. To guarantee the efficacy and efficiency of governmental organizations, strategy evaluation is at the top of governments' objectives (Kyriazoglou, 2020). To properly communicate the status of projects and programs and to guarantee that resources have been allocated and used in the right way, it is crucial to review strategy (Abdulwahab & Suwanmanee, 2022). By doing so, problems can be solved before they reach crisis levels (Fikadu, 2018). It is crucial to keep in mind that public organizations with top-notch strategic management components, such as strategy communication and clarity, employee involvement, and employee empowerment, are likely to have more sophisticated evaluation strategies with appropriate performance management systems. One of the key components of strategic management for the public sector is believed to be performance management (Abushabab, 2016).

Monitoring is the methodical gathering, analysis, and use of data from projects and programs for three fundamental purposes: learning from the experiences gained (learning function); accounting for the resources used and the results obtained both internally and externally (monitoring function); and making decisions (steering function) (Ondoro, 2017). It is also possible to describe it as a continuous evaluation that strives to give all stakeholders early access to detailed information on the advancement or stagnation of the assessed operations. It represents a failure to complete the activity's implementation stage. Its goal is to ascertain whether the outputs, deliveries, and timelines anticipated have been met so that remedial action can be made as soon as feasible to address any flaws (Harrison, 1991). It might be defined as the routine and systematic gathering of data from projects and programs for four key objectives. To draw lessons from past mistakes and make future practices and activities better; to hold both internal and external parties accountable

for the resources utilized and the results attained; to make well-informed decisions about the initiative's future; and to support the empowerment of the initiative's beneficiaries. Monitoring is a routine process that starts when a project or program is still in the planning stages. Results, procedures, and experiences from monitoring can be recorded and used as a foundation for directing decision-making and learning processes (Kuddus, 2019).

Monitoring involves comparing results to the plans. Evaluation is done using the information gathered via monitoring. Furthermore, monitoring is a continual assessment that attempts to give all stakeholders early, in-depth information on the advancement or delay of the examined activities that are now underway (Nesterak, 2018). It represents a failure to complete the activity's implementation stage. Its goal is to ascertain whether the outputs, deliveries, and timelines anticipated have been met so that remedial action can be taken as soon as feasible to address any flaws. Evaluation is the process of making the most systematic and impartial assessment of a project, program, or policy, whether it is continuing or finished. Making claims regarding their applicability, efficiency, efficacy, impact, and sustainability is the goal. It is possible to evaluate whether any adjustments need to be made at the project, program, or policy levels based on this information (León, 2015). As a result, evaluation serves both a learning role (lessons learned must be incorporated into future proposals or policy) and a monitoring function (partners and members assess how well policy is being implemented in light of the goals and resources that have been mobilized)(Otieno & Theuri, 2016).

#### **2.1.4 Organizational Culture**

According to a review of the literature by Samad et al. (2018), organizational culture and strategic management have separate relationships with organizational performance. The performance of employees is greatly influenced by organizational culture, which can lead to an increase in productivity and better organizational performance (Akpa, 2021). A strong culture has nearly always been viewed as a motivating factor for employees to perform better. Both strong and weak cultures have a significant impact on organizational behavior, but strong cultures place employees' goals side by side with management's objectives and work to improve overall performance. According to one study, enterprises with strong cultures saw increases in revenue of up to 765% between 1977 and 1988, compared to just 1% for those without performance-enhancing cultures (Girma, 2016).

Some businesses may benefit from their organizational cultures in terms of sustained financial performance. Organizations must fulfill the following three requirements to gain competitive advantages from sustainable culture: The culture must be beneficial and should support achieving high sales, low costs, and high margins, which increase financial value. The culture needs to be distinct and challenging for outsiders to copy. Different individuals and organizational outcomes, such as employee behavior, learning and development, creativity and innovation, knowledge management, and similar things, are affected by organizational culture (Getahun, 2022).

### **2.1.5 Employee engagement**

According to Macey and Schneider (2008) employee engagement is an organizational workplace approach that results in the correct conditions for every member of the organization for giving effective performance every day, being committed to the goals and values of the organization, and being motivated for contributing to organizational success. Others, such as Mone and London (2010) and Anitha (2014) stated that employee engagement refers to the positive behaviors as well as attitudes leading to enhanced organizational outcomes. According to Albdour and Altarawneh (2014), employee engagement is related to the employees' involvement and dedication towards their work and achieving the goals of the organization. Engagement is also defined as the way people incorporate their own finger print during the performance of their job, whether physically, cognitively, and emotionally (Abu Khalaf et al., 2019).

### **2.1.6 Organizational Performance**

The idea that an organization is an alliance of productive resources, such as human, physical, technological, and capital assets, to achieve a common goal has been the foundation for the concept of organizational performance (Phina, 2020). Market performance (sales, market share, etc.), financial performance (profits, return on assets, return on investment, etc.), and shareholder return (total shareholder return, economic value added, etc.) are the three distinct categories of business outcomes that make up organizational performance (Akinola, Kolawole Usman, & Tope Oluwaseun, 2022). The ability of employees to collaborate and carry out their tasks in a combined, coordinated manner is another factor that contributes to a company's success in addition to its economic performance (Khan & Huda, 2016). The phrase "organizational performance" is used to refer to past, present, and future events. In other terms, performance might refer to a finished task, a current event, or actions taken to get ready for future demands (Omotayo, Michael, & Andre,

2018). For instance, while profitability is not the real performance, it is sometimes seen as the ultimate performance metric. The efficacy, efficiency, and environmental responsibility of businesses are measured by standardized or regulated measures such as cycle time, productivity, waste reduction, and regulatory compliance (Okechukwu & Hubs, 2022). Performance also refers to metrics that measure how a specific request is handled or the act of performing, completing a task, or using knowledge as opposed to merely knowing it (Phina, 2020).

Performance inside an organization can take many different forms. It involves organizational effectiveness and performance in the workplace, both in public and commercial organizations. Since it is crucial to meeting stakeholders' needs and guaranteeing an organization's existence, organizational performance is influenced by a variety of elements (Yonas, 2015). Performance-based measures, such as operational performance, are suggested by Venkatraman and Ramanujam (1986). Boyne (2002), on the other hand, suggests five categories for measuring organizational performance: outputs, efficiency, service outcomes, responsiveness, and democratic outcomes. Swindell and Kelly (2005) compared citizen satisfaction with how well public organizations performed. Based on financial and value creation views, the Balance Scorecard (BSC) performance measure was established by Kaplan and Norton in 2006. In conclusion, both financial and non-financial, as well as subjective and objective viewpoints, have been used to analyze organizational performance measurements. To examine a comprehensive performance, this study adopts subjective perspectives from the internal management, employee perspective, learning and growth, and internal operation (Samad et al., 2018).

### **2.1.7. Influence Of Strategic Management Practices on Organizational Performance**

Franklin (2011) discovered an important connection between the effectiveness of non-profit and governmental organizations and their formulation strategy. The process of formulating a strategy has also been shown to be associated with greater organizational performance, whereas poor overall strategic management may lead to inefficient resource utilization and organizational instability. In Jordan, it has been demonstrated that formulation strategy enhances the performance of small and medium-sized businesses. Literature also showed that implementation strategy had a significant impact on how well both public and private organizations performed. Thus, organizations need to know and identify the most important elements or characteristics that are related to organizational performance. Samad et al. (2014) concluded that formulation strategy

(policies, vision, mission, goals, and strategic choice) and implementation strategy (organizational structure and strategy, human capital, culture, and leadership) are important for the performance of organizations (Samad, Alghafis, & Al-zuman, 2018).

There is less consensus on what a strategy is and much less consensus regarding what makes a successful strategy, even though most may agree that a firm's capacity to survive and grow depends on selecting and implementing a good plan. The number of books written about these ideas is almost as great as the variety of definitions that exist for them. Some of these forward-thinking businesses or businesses that put their mission first have seen sustained periods of high performance (Omotayo et al., 2018). Even though many of their mission statements imply that profit maximization, while a significant corporate objective, is not their fundamental purpose for being, these visionary enterprises achieved noticeably better returns than normal organizations. Instead, a common set of values and beliefs that guide daily decision-making serve as their major modes of justification (Michael & Omotayo, 2023). The pressure for short-term performance is tempered in these unique organizations by a broad commitment to values and beliefs that place a greater emphasis on a firm's long-term performance, whereas in other firms' managers may be tempted to abandon such values and beliefs to gain short-term advantages (Bianca, 2017).

Strategic evaluation looked at how well-suited the organization's goals were and whether or not its actions supported or disproved the key presumptions that underpinned the strategy. According to Rumelt (1980), a strategy should meet four major requirements. First, a strategy should not propose goals that are incompatible with one another. According to the author, a strategy that provides incoherent organizational goals and policies should be abandoned. Second, the strategy must be flexible enough to react to both significant internal and external changes, which the author referred to as consonance. A successful strategy should also give the team a competitive edge. A strategy should also be feasible, meaning that an organization should have the skills and resources necessary to implement it. Therefore, a plan must be assessed against these standards and deemed defective if it does not satisfy all of them (Kebede, 2020).

It is vital to regularly assess the effectiveness of an organizational strategy because the success of an organization depends on the quality of its strategy. Sometimes a strategy can be ineffective, subpar, or even detrimental to the goals of a company. Periodically evaluating a strategy both numerically and qualitatively is crucial, and it should be done in accordance with the hospital's objective. This is due to the fact that after a strategic decision has been made, it can be challenging

or even impossible to change course. An ineffective strategy may not only fail to produce the desired organizational objectives but also lead to catastrophe. However, these techniques of evaluating strategy have drawn heavy criticism because they measure strategy quality in terms of financial returns rather than the accomplishment of an organization's objective (Wasiu, 2022).

The goal of strategic control practices is to influence organizational behavior and the environment in which managers work. In addition, strategic control establishes expectations for organizational performance, defines overarching strategy, and fosters synergy among various business groups (Rupia & Rugami, 2022). When outcomes are still several years away, strategic control directs how a strategy is implemented. They support managers in making sure that innovation and originality among staff members ultimately benefit the company (Gaturu et al., 2017). According to Kuye (2013), the escalating globalization of markets and the rapid advancement of technology have put pressure on organizations to raise their profits by investing in corporate innovations. Effective strategic control procedures are tools that guarantee better strategic plan implementation and higher organizational performance. Belief Control practises strengthen an organization's fundamental principles and promote looking for more chances based on these principles. Managers offer the organizational a general direction and explicitly express the organization's basic values to stakeholders. Lever of strategic control theory contends that the practice will assist businesses in looking for fresh opportunities to add value (Chepkwei, Wanyoike, & Koima, 2018).

Strategic control, according to Ruefli and Sarrazin (1981), is about enhancing current organizational performance and predicting future organizational performance. In addition, strategic control emphasizes achieving present objectives as opposed to prior successes. This is because it takes a while to accomplish the desired strategic results, at which point it will be too late to implement any changes within the organization (Wasiu, 2022).

Standard components of strategic control include the articulation of strategic outcomes, strategic actions, techniques for monitoring progress, and an efficient approach for monitoring progress. Organizations working in complex environments with rapid change require a strong understanding of strategic control (George et al., 2019). According to Bakar et al. (2011), strategic control, as opposed to strategic planning, emphasizes an organization's capacity to make agreements with and adapt to changes in its environment. Strategic planning places emphasis on an organization's capacity to dominate its environment (George et al., 2019). While forecasting and the impact of the environment are prioritized in strategic planning, strategic control provides for the continuation

of strategic decisions even in the face of insufficient data. The use of strategic control procedures can help the implementation of strategic plans( Gaturu, 2018).

### **2.1.8 Influence of Organizational Culture on Organizational Performance**

The way an organization interacts with its internal and external environments in the quest for answers to issues like performance and survival depends on the culture that the majority of its members share (Akpa et al., 2021). According to (Fellows & Liu, 2013), culture influences behavior, and behavior alters culture. This encourages learning among organizational members and, as a result, the development of fresh solutions to the firm's performance-oriented concerns. The current study defines culture as the intricate network of fundamental beliefs, principles, and artifacts that make up an organization's identity using the positivist paradigm. Performance of organizations and the execution of strategic plans (Chepkwei et al., 2018). The prevalent leadership styles, communication, organizational procedures, structures, and systems, as well as each organization's distinctive concept of success, all give insight into the culture of a certain organization. Values and beliefs influence the creation of organizational structures and systems as well as how individuals interact with one another (Belkebir, 2022). On the other hand, organizational members' attitudes are impacted by structures and systems (Ahmad et al., 2021). Peters and Waterman (1982), Deal and Kennedy (1982), and Denison and Mishra (1995) all produced empirical data that links organizational culture with company performance in a good way. Strong organizational cultures, according to academics who argue in favor of the positive relationship between organizational culture and performance, are important for exceptional performance because they improve the consistency of organizational performance initiatives. Ott (1989), on the other hand, notes that organizational culture's impact on performance is dependent on other organizational elements, therefore its applicability may not be shared by all organizations. He makes it clear that culture is only useful as a factor in boosting performance when it is strong and in line with strategy.

According to Byles and Keating (1989), performance may be little affected by a culture that is not created. As a result, organizational culture's effectiveness is likely what determines its ability to boost performance. Strong cultures, however, may not always result in better performance, particularly when they conflict with crucial success variables. Quinn and Cameron (1983) identify additional issues with culture strength, stating that an imbalanced strength of several types of culture might be dysfunctional, with the consequent adverse organizational performance. As a

result, how well organizational culture aligns with strategy, structure, and other supporting organizational resources will affect performance. When the majority of organizational members adhere to shared values and ideas that are supported by the organization's leaders, the culture is said to be strong (Ahmad et al., 2021). On the other hand, a weak culture develops when the majority of organizational members reject the ideals and conduct that senior management espouses. Despite conflicting results that have been documented in the literature, we make the case that organizational culture helps implement strategy and provides protection from competitor imitation, which results in greater performance (Joseph & Kibera, 2019).

## **2.2 Empirical Review**

### **2.2.1 Global Evidences**

The impact of strategic management practices on the performance of Indian pharmaceutical enterprises was examined (Kumar, 2021). The study's conclusions demonstrated a favorable and significant relationship between strategic management practices and performance. The study found that performance requires strategic management to be effective. By creating plans and policies that are intended to achieve goals and then assigning resources to put those plans into action, strategic management gives overall direction. The ultimate goal of strategic management is to provide organizations with a competitive advantage over their rivals. According to the study's findings, strategic management entails constant planning, monitoring, analysis, and assessment of all requirements an organization needs to fulfill its mission and set goals. The study advised strategic supervisors to develop effective plans during a severe economic downturn, organizational cycles, a sharp fall in finances, or a malfunctioning of a corporation. The management should create a strategy that will benefit organizations both immediately and over the long run.

Sigane (2019) looked at how strategic management techniques affected organizational performance in businesses in Mogadishu. The study specifically looked at how telecom businesses in Mogadishu were affected by strategic resource management, organizational innovation, core competencies, and quality management practices. The study's sampling method was a non-probability sampling method, specifically judgmental or purposive sampling. Using Solven's formula, a sample of 50 people was chosen from the 100 people that made up the study's target group. The association between organizational performance for telecom businesses as the dependent variable and the independent variables organizational innovation, core competency, and

quality management practices was examined using a regression model. The findings show that organizational performance in telecom firms in Mogadishu is significantly and favorably impacted by strategic resource management, organizational innovation, core competency, and quality management practices. The findings show that organizational performance in the chosen telecom businesses in Mogadishu, Somalia, is significantly and favorably impacted by core competency, organizational innovation, and quality management practices. The report advised top telecom company managers in Mogadishu to capitalize on their core competencies and create technical innovation that creates a competitive advantage to strengthen the organization to become a market leader.

Wasiu (2022) looks at how organizational strategic management practices and approaches affect the success of Nigerian real estate firms. The researchers concluded that, regardless of their size, location, purpose, and field/sector of operation, strategic management practices are essential instruments for the success and sustainable existence of every firm. For an organization to reach its defined goals, aims, and aspirations and be able to stay in business, strategic management practice acts as a roadmap or guide.

Using Kenya Power as a case study, Dahir et al. (2019) examine the influence of strategic management practices on the organizational performance of state enterprises in Kenya. Data was gathered through questionnaires, which were then analyzed using statistical software, with findings presented in tables, bar graphs, and charts. The study employed a descriptive research design and utilized stratified random sampling to select a sample size from the target population of 250 employees at the organization. Results indicated that Kenya Power Limited's performance was affected by strategic leadership, technology and innovation, strategic outsourcing, and human resource management. The researchers recommend that organizations adopt strategic human resource practices, emphasizing the importance of hiring professionals for long-term performance and development, engaging in capacity-building activities for human resource management, and providing fair and equitable compensation for all employees.

### **2.2.2 National Evidences**

Negash (2020) explores the impact of strategic management practices on organizational success at Awash Insurance Company. Data was collected through a questionnaire and analyzed using

statistical techniques such as mean, standard deviation, correlation, and multiple regression analysis. The study's findings reveal that various elements of strategic management practices including environmental scanning, strategic formulation, strategic implementation, and evaluation and control are positively and significantly related to organizational performance; however, the influence of strategic implementation was found to be less significant. The results of this study were drawn because the performance of the insurance company was significantly impacted by strategic management practices. Strong emphasis should be placed on the strategic execution of goals through improved goal communication and reward systems. The advancement and effectiveness of evaluation tools should be linked to technology, and taking preventative corrective action will increase an organization's effectiveness.

Mekonnen (2015) outlines the EIC's strategic management procedures. Both qualitative and quantitative data were used in the study. Two organizational members who were heavily involved in strategic management were interviewed for qualitative data. Based on the questionnaires given to the management and staff, quantitative data was gathered. Strategic plans and instructions for budget preparation were used as secondary sources of data.

Kebede (2020) investigates how strategic planning affects Nib Insurance S.C.'s organizational performance. The study uses a descriptive research approach and has management and staff participants from several departments as its target population. 123 respondents were chosen from the Head Office to take part in this survey using the stratified sample technique. Structured questionnaires were used to gather primary data from NIB Insurance SC's managers and staff. Results indicated that employee participation and communication improved organizational effectiveness. It was suggested that top-level management at various insurance departments should involve employees to understand and share the organizational value which helps to create a team spirit and shared accountability. Participation of the concerned bodies in the process of designing strategic planning enhances the pace of improving organizational performance.

The strategic management methods used by the Ethiopian Roads Authority are described by Adane (2021). The study's findings revealed that the preparation of the strategic plan is not in line with the strategies of other economic sectors, employees and management are not rewarded for achieving the strategic plan, the strategy monitoring and evaluation tools based on which the

implementation of strategies are evaluated are unclear, and the major challenges are overambition, unexpected issues, unanticipated weather conditions, and poor customer service.

Nib International Bank's strategic management practices have been evaluated by Girma (2016)

. The original data was acquired using a straightforward random sample procedure, and descriptive statistics were employed to analyze the data. The study's findings showed that NIB's practice of presenting the strategy plan is subpar and that thorough stakeholder participation is not achieved. Additionally, it is evident that the Bank uses the results of its SWOT analysis ineffectively and that its strategic plan is not linked to work groups or specific tasks. The strategy plan lacks thorough performance measurements in terms of its performance indicators. The strategy plan lacks thorough performance measurements in terms of its performance indicators. If performance management is not connected with strategic management, work unit, and individual performance measurements are ineffective. As a result, it is advised that the bank improve the communication of its strategic plan, address its deficiency in using its analysis, balance its performance measures, and link those measurements with work unit and individual performances.

The strategic management methods used by private commercial banks in Ethiopia are evaluated by Fikadu (2018). Four exemplary private commercial banks in Ethiopia were chosen from a list of sixteen depending on the year they were founded using a systematic random sampling procedure. A proportionate sampling procedure was used to further determine the sample size from each chosen Bank. Finally, the sampled respondents were identified using a straightforward random sampling procedure. AMCES was chosen as the instrument for gathering data after receiving formal consent and consulting the adviser. When the tool's dependability was assessed, a Cronbach alpha score of 0.833 was obtained. 246 employees who participated in the strategic management process were chosen at random and given the questionnaire. The results showed that private commercial banks' results for strategy execution and assessment & control practices were below the mean score. The study concluded that private commercial banks place more emphasis on strategy design and less on its implementation, evaluation, and control. The study's final recommendation was that the Banks provide strategic implementation the attention it deserves in terms of board support and human resource competence, as well as review and control of the strategy in terms of performance measurement, communication, and prompt response to identified deficiencies.

### **2.3 Conceptual Framework and Hypotheses of the Study**

The conceptual framework of this study connects the independent variables, the mediating variable, and the dependent variable. The independent variables are strategic management practices, which include environmental scanning, strategic formulation, strategic implementation, and strategic monitoring and evaluation. The dependent variable is organizational performance. Organizational culture serves as the mediating variable, influencing the relationship between strategic management practices and organizational performance.

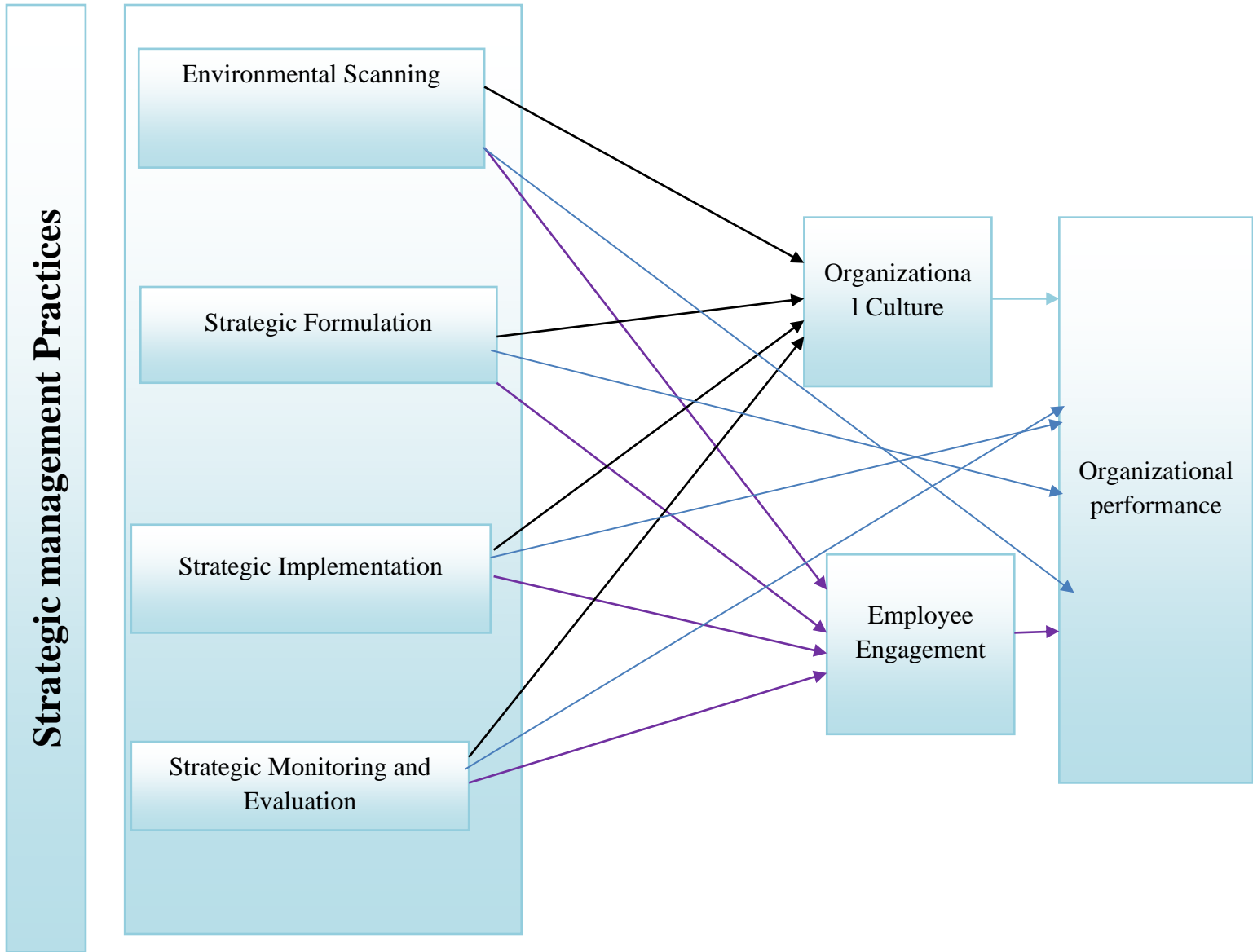


Figure 2-1 Conceptual framework

(Source: Compiled from the literature by the author, 2024)

### 2.3.1. Hypotheses of the Study

**H<sub>1</sub>:** Environment scanning has a positive and significant influence on the organizational performance of Ethio-telecom.

**H<sub>2</sub>:** Strategic formulation has a positive and significant influence on the organizational performance of Ethio-telecom.

**H3:** Strategic implementation has a positive and significant influence on the organizational performance of Ethio-telecom.

**H4:** Strategic monitoring and evaluation have a positive and significant influence on the organizational performance of Ethio-telecom.

**H5:** Environment scanning has a positive and significant influence on the organizational culture of Ethio-telecom.

**H6:** Strategic formulation has a positive and significant influence on the organizational culture of Ethio-telecom.

**H7:** Strategic implementation has a positive and significant influence on the organizational culture of Ethio-telecom.

**H8:** Strategic monitoring and evaluation have a positive and significant influence on the organizational culture of Ethio-telecom.

**H9:** Environment scanning has a positive and significant influence on employee engagement in Ethio-telecom.

**H10:** Strategic formulation has a positive and significant influence on employee engagement of Ethio-telecom.

**H11:** Strategic implementation has a positive and significant influence on employee engagement of Ethio-telecom.

**H12:** Strategic monitoring and evaluation have a positive and significant influence on employee engagement of Ethio-telecom.

**H13:** Organizational culture mediates the relationship between STMPs and Organizational performance

**H14:** Employee engagement mediates the relationship between STMPs and Organizational performance

## **Chapter Three**

### **3. Research Methodology**

#### **3.1 Introduction**

This chapter outlines the methodology employed in the study, detailing the methods, techniques, and procedures used to achieve the research findings. The research population, data collection, and sampling methods are described; then this chapter explains collection procedures, and issues related to the validity and the reliability of the instrumentation are discussed. Also, the data analysis process and the statistical tools used are explained.

#### **3.2 Research Design**

The study employed both descriptive and explanatory research design. Explanatory research is interested in understanding, explaining, predicting, and controlling relationships between variables. Explanatory studies go beyond description and attempt to explain the reasons for the phenomenon that the descriptive study only observed. In an explanatory study, the researcher uses theories or hypotheses to represent the forces that caused a certain phenomenon to occur. When the focus is on cause-effect relationships, the study can be explanatory explaining which causes produce which effects (Kothari, 2004). Descriptive research in contrast with exploratory research defines questions, people surveyed, and the method of analysis before the beginning of data collection. In other words, descriptive research defines the research aspects viz., who, what, where, when, why, and sometimes how of the research. Moreover, typical descriptive studies will be concerned with the assessment of attitudes, opinions, demographic information, conditions, and procedures (Creswell, 2012) The main objective of this study is to investigate the influence of strategic management practices on organizational performance and investigating the mediation role of organizational culture and employee engagement. Thus, the research employed a mixed research design (both descriptive and explanatory).

### **3.3 Research Approach**

The study used a quantitative research approach. A quantitative research approach is used to establish and study the relationship between two variables. It is used for the systematic and scientific investigation of quantitative properties and phenomena and their relationships. The objective of quantitative research is to develop and employ mathematical models, theories, and hypotheses pertaining to natural phenomena. It involves the use of computational, statistical and mathematical tools to drive results (Hair, Wolfinbarger, Money, Samouel, & Page, 2015). Thus, this study employed a quantitative research approach.

### **3.4 Target Population**

The target population for this study was employees of Ethio-telecom working at the corporate level within the company's corporate offices. Specifically, Directors, Managers, and Supervisors were the target population in this study. Directors, managers, and supervisors are the most appropriate target population for this study due to their integral roles in strategic management practices at Ethio-telecom. Directors are involved in high-level strategic planning and decision-making, making their insights crucial for understanding how these practices influence organizational performance. Managers are responsible for implementing strategies and ensuring alignment with organizational goals, giving them a direct perspective on the operational impact of these practices. Supervisors, on the other hand, oversee day-to-day activities and employee performance, which provides them with a unique view of how strategic management practices affect employee engagement and organizational culture. The corporate offices are organized into 22 divisions. The total target population of each division is detailed in table 3.1.

### **3.5 Sampling Design**

#### **3.5.1 Sampling Size Determination**

From the target population size, a representative sample of respondents was taken. To ensure the representativeness of the population Yemane (1967 sample size determination formula was used. Using the formula Yemane (1967), the sample size is determined as follows.

$n = \frac{N}{1+N(e)^2} = \frac{934}{1+934(0.05)^2} = 280$  respondents, by using this formula at 95% confidence level and 5% level.

280 samples are required to represent the population. Taking this point into consideration, 284 samples were selected as the actual participants of this study.

Table 3-1 Proportionate sample from each stratum

Division	Target Population				Sample(n)= target population in each division*Total sample/Total Target population
	Director	Manager	Supervisor	Total	
CEO	2	1	1	4	1
Communication	5	9	14	28	9
Customer Service	3	17	78	98	30
Finance	6	11	16	33	10
Customer experience and quality management	3	8	6	17	5
Facility and fleet	4	34	57	95	29
Fixed Network	4	18	55	77	23
Human Resource	9	4	17	30	9
Information Security	6	16	12	34	10
Information System	9	35	35	79	24
Internal Audit	8	7	12	27	8
Legal	2	3	6	11	3
Marketing	11	23	27	61	18
Mobile Money Business	3	10	21	34	10
Network Infrastructure	6	27	45	78	23
Physical Security	2	6	10	18	5
Service Operation Center	3	14	36	53	16
Strategic Planning and Program Management	3	10	11	24	7
Supply Chain	4	20	27	51	15

Telecom Excellence Academy	3	14	6	23	7
Wireless Network	4	17	36	57	17
Zone and Region Coordination	2		-		1
Target population total	102	304	528	934	
Number of samples	31	91	158	280	280

Source: Ethio-telecom HR, 2024

### 3.5.2 Sampling Technique

The participants of this study questionnaire were selected using a stratified random sampling method on the basis of the division. Within the strata, the researcher used simple random sampling is used to select respondents. Simple random sampling is important to avoid any bias in the research (Kothari, 2004). Thus, the researcher used proportionate stratified sampling in the division and then selected simple random sampling within the strata.

### 3.6 Data Sources and Collection Instruments

This study employed primary data sources to gather firsthand information directly from participants. Primary data was collected using a questionnaire. The questionnaire was designed to capture quantitative data. This instrument allowed for a comprehensive understanding of the subject matter by statistical analysis. The questionnaire as an instrument of data collection is used because it provides wider coverage to the sample and also facilitates the collection of a large amount of data. To collect sufficient data to answer the research questions, the researcher designed surveys to get quantified results. The items were developed based on previous empirical literature. The questionnaire has two parts; the first part is aimed at the collection of demographic information of the participants such as sex, age, marital status, education level, and position. The second part of the questionnaire consists of dimensions related to strategic management practices, organizational culture, and Organizational performance. The questions contain closed-ended questions with 5 Likert Scale from “Strongly Disagree” =1 to “Strongly Agree” =5. The questionnaire was developed by the researcher, and it is compared with peer-reviewed journals.

### **3.7 Data Analysis Methods**

#### **3.7.1 Descriptive Analysis**

Data collected from questionnaires was analyzed using both descriptive and inferential statistics with SPSS software version 25 (Statistical Package for Social Science). The descriptive statistics, including frequency distribution, percentiles, mean, and standard deviation, enabled the researcher to evaluate the strategic management practices, organizational culture, and organizational performance of Ethio-telecom.

#### **3.7.2 Econometric Analysis**

The study utilized a multilinear regression model to investigate the effects of strategic management practices on organizational performance. The relationships and significance between independent and dependent variables were assessed through correlation and regression analyses. Additionally, structural equation modeling (SEM) was employed to explore the mediating effects of organizational culture and employee engagement on the relationship between strategic management practices and organizational performance.

### **3.8 Reliability and Validity of the Instrument**

#### **3.8.1 Reliability of the Instrument**

A measuring instrument is deemed reliable if it produces consistent results. Cronbach's alpha serves as a coefficient of reliability, commonly used to assess the internal consistency of psychometric test scores for a sample of examinees. To evaluate the reliability of the data collection instrument, Cronbach's alpha was calculated. According to Zikmund, Babin, and Griffin (2010), scales with a coefficient alpha between 0.8 and 0.95 are considered to have very good quality, those between 0.7 and 0.8 are regarded as having good reliability, and coefficients between 0.6 and 0.7 indicate fair reliability. In this study, Cronbach's alpha values for all dimensions and overall scores were above 0.7, indicating that the instrument is reliable.

Table 3-2 Reliability Test

Variable Name	Number of Items	Cronbach's Alpha
Environmental Scanning	5	0.717

Strategic formulation	9	0.804
Strategic Implementation	8	0.779
Strategic Monitoring and Evaluation	6	0.785
Organizational Culture	8	0.726
Employee Engagement	9	0.861
Organizational performance	12	0.885
Overall	57	0.961

Sample Survey Analysis, 2024

### 3.8.2 Validity of the Instrument

Content validity refers to the extent to which a study accurately measures what it intends to measure. In simpler terms, it focuses on the precision of the measurement (John et al., 2007). All measures used to develop the instruments have demonstrated acceptable levels of construct and content validity in prior studies and were employed in this research with minor modifications. Furthermore, several measures were implemented to ensure the results were free from significant errors in the questionnaire design, including clear instructions, well-defined questions, an organized layout, and additional comments. A pilot study was conducted with 10% of the target sample to enhance the instrument's validity and reliability while minimizing measurement errors.

### 3.9 Ethical Consideration

According to Creswell (2012), researchers must respect both the participants and the research sites during data collection. In this study, the researcher upheld objectivity, courtesy, and high professional standards throughout the scientific process, ensuring there was no falsification, alteration, or misrepresentation of data for biased purposes. Ethical responsibility was a priority, which involved informing respondents about the study's purpose and how their information would be utilized. The researcher maintained strict confidentiality regarding the data collected, and respondents' anonymity was preserved to encourage participants to express their ideas freely and safely.

## **Chapter Four**

### **4. Findings and Discussion**

#### **4.1 Findings of the Study**

##### **4.1.1 Introduction**

This chapter presents the data analysis, the research findings or results, and based on the results the researcher gives a discussion on the findings and also gives interpretation of the results. To present findings and discussions on the influence of strategic management practices on organizational performance, as well as the mediating roles of organizational culture and employee engagement, the researcher utilized various tables and figures. The study results are discussed through triangulation with findings from the literature. The data analysis aims to achieve the study's objectives and address the research questions. This chapter presents and analyzes the data collected from respondents, focusing on the analysis, presentation, and interpretation of results using SPSS version 25 and AMOS 23.

##### **4.1.2 Response Rate**

As mentioned in previous chapters, a questionnaire was designed and distributed to employees of Ethio-telecom. Out of a total of 280 questionnaires, 63 were not completed correctly. Consequently, 217 questionnaires were properly filled out and returned, resulting in a return rate of 77.5%. The responses from these 217 employee respondents were successfully collected and used for analysis.

##### **4.1.3 General Information of the Respondents**

The first section of the questionnaire includes items related to the demographic information of the respondents. It gathers personal data such as gender, academic level, years of service, and current position within Ethio-telecom. The table below illustrates the demographic characteristics of the respondents.

Table 4-1 Demographic information of respondents

Demographic Variable		Frequency	Percentage (%)
Gender	Male	161	74.2%
	Female	56	25.8%
Age	20-30	63	29.0%
	31-40	112	51.6%
	41-50	21	9.7%
	Above 50	21	9.7%
Academic Qualification	Diploma	0	0.0%
	Bachelor	119	54.8%
	Master	97	44.7%
	PhD	0	0.0%
	PhD Candidate	1	0.5%
Experience	1-4 Years	28	12.9%
	5 -9 Years	84	38.7%
	10 – 20 Years	63	29.0%
	Above 20 Years	42	19.4%
Position	Director	24	11.1%
	Manager	70	32.3%
	Supervisor	123	56.7%

Sample Survey Analysis, 2024

The demographic data on gender indicates that out of the 280 respondents, 161 were male and 56 were female. Consequently, male respondents constituted the majority of the target population, accounting for 74.2%, while female respondents represented 25.8%. This suggests that there were significantly more male respondents. Table 4.1 shows 63 (29%) of the respondents were between 20-30 years old, 112(51.6%) were 31-40 years old, 21(9.7%) were between 41-50 years old the remaining 21(9.7%) were between 41-50 years old. This implies a higher number of the respondents were in the range of 31-40 years old. It can be seen from table 4.1 above that respondents hold a range of educational qualifications from Bachelor to PhD candidates. 119 of the sample group hold a bachelor which accounted for 54.8%, 97(44.7%) out of 217 respondents had completed a Bachelor's degree, and the remaining 1(0.5%) was a PhD candidate. Thus, a

higher number of the respondents have a bachelor's degree. Table 4.1 shows 28(12.9%) of the respondents have an experience of less than 1-4 years, 84 (38.7%) have an experience of 5-9 years, 63(37.29%) have an experience of 10-20 years, the remaining 42(19.4%) have an experience of more than 20 years. This implies a higher number of the respondents have an experience of 5-9 years. According to table 4.1, 123(56.7%) of the respondents were supervisors, 70(32.3%) were managers and the remaining 624(11.1%) were directors. This implies a higher number of the respondents were supervisors.

#### **4.1.4 Descriptive Statistics**

In this section, various statistical analysis tools, including mean and standard deviation, are utilized to evaluate the collected data. The summary of descriptive statistics for all assessed variables is based on a 5-point Likert scale, where "1" indicates "strongly disagreed" and "5" represents "strongly agreed." According to Zaidaton & Bagheri, an overall mean (M) score between 4.21 and 5.00 is classified as "strongly agreed" (SA), while scores between 3.41 and 4.20 indicate "agreed" (A). Scores from 2.61 to 3.40 are considered "neutral" (N), those between 1.81 and 2.60 reflect "disagreed," and scores from 1 to 1.80 represent "strongly disagreed." The details of the analysis are presented as follows:

#### 4.1.4.1 Descriptive Statistics Analysis of Environmental Scanning

Table 4-2 Descriptive statistics for environmental scanning

Item	Mean	Std. Deviation
We comprehensively analyzed internal and external factors	4.1198	.72930
We undertook proper stakeholder analysis before the corporate strategy was formulated	4.0691	.63085
A comprehensive analysis is done during the strategy formulation process	3.7972	.93065
We comprehensively identify the resources we have	4.1843	.50289
We comprehensively identify and determine the resources we need and have	4.0461	.59915

Sample Survey Analysis, 2024

According to table 4.2, Item 1, respondents agreed that Ethio-telecom comprehensively analyzes both internal and external factors, with a mean score of 4.1198. This score falls within the range of 3.41–4.20, indicating general agreement among respondents. The standard deviation of 0.7293 suggests low variability in responses. Therefore, it can be inferred that Ethio-telecom effectively analyzes these factors.

Table 4.2, Item 2, reveals that respondents believe Ethio-telecom conducts proper stakeholder analysis before formulating its corporate strategy. The mean score of 4.0691, within the range of 3.4–4.2, indicates agreement among respondents. The lower standard deviation of 0.63085 further suggests minimal variation in responses. Thus, Ethio-telecoms are seen as performing appropriate stakeholder analysis before strategy formulation.

In Table 4.2, Item 3, the mean score of 3.7972 reflects some uncertainty among respondents about whether Ethio-telecom undertakes a comprehensive analysis during the strategy formulation process. The standard deviation of 0.93065 indicates low dispersion in responses.

Table 4.2, Item 4, shows that respondents agreed that Ethio-telecom thoroughly identifies its existing resources, with a mean score of 4.1843. The lower standard deviation of 0.50289 suggests low variation in responses. This supports the conclusion that Ethio-telecom effectively identifies its available resources.

Finally, Table 4.2, Item 5, indicates that respondents believe Ethio-telecom comprehensively identifies and determines the resources it needs, with a mean score of 4.0461. The lower standard deviation of 0.59915 suggests consistent responses among participants. Therefore, it can be inferred that Ethio-telecom effectively identifies and assesses its resource requirements.

#### 4.1.4.2 Descriptive Statistics Analysis of Strategic Formulation

Table 4-3 Descriptive statistics of strategic implementation

Items	Mean	Std. Deviation
We have a clear vision, mission and organizational value statements	4.4194	.66262
We have clear strategic and operational objectives	3.9908	.95738
We have developed clear performance indicators	4.2627	.55289
We have clearly prioritized our performance indicators	4.0276	.76326
Staffs in lower grades have been involved in strategic planning development	3.9770	.84679
The internal advisors have played a significant role in strategic planning development	3.9539	.82647
The external consultants have played significant role in strategic planning development	3.8894	.80894
The evaluation of employees is based on largely on the contribution to the successful accomplishment of the strategic plan	4.2673	.56313
We involve stakeholders in strategic planning	3.6452	.74435

Sample Survey Analysis, 2024

According to Table 4.3, Item 1, respondents strongly agreed that Ethio-telecom has a clear vision, mission, and organizational value statements. The mean score of 4.4194, which falls within the range of 4.21–5.00, reflects this strong agreement. The standard deviation of 0.66262 indicates

low variation in responses, suggesting that Ethio-telecom's vision, mission, and values are well-defined.

Table 4.3, Item 2, reveals that respondents strongly agreed that Ethio-telecom has clear strategic and operational objectives. The mean score of 3.9908, within the range of 3.41-4.20, indicates widespread agreement. The standard deviation of .95738 is low, signifying minimal variation in responses. Thus, Ethio-telecom is perceived as having well-defined strategic and operational objectives.

In Table 4.3, Item 3, respondents strongly agreed that Ethio-telecom has developed clear performance indicators. The mean score of 4.2627 supports this strong agreement, with a standard deviation of 0.55289 indicating low dispersion in responses.

Table 4.3, Item 4, shows that respondents strongly agreed that Ethio-telecom has prioritized performance indicators. The mean score of 4.0276, along with a standard deviation of 0.76326, reflects strong agreement and low variability in responses.

Table 4.5, Item 5, indicates that respondents agreed that the staff in lower grades is involved in strategic planning development. The mean score of 3.9770 reflects this agreement, while the lower standard deviation of 0.84679 suggests a smaller variability in responses.

According to Table 4.3, Items 6 and 7, the respondents agreed on the role of internal advisors and external consultants in strategic planning development, with mean scores of 3.9539 and 3.8894, respectively. Both scores fall within the agreed range, indicating the significant contribution of these groups in strategic planning development.

Table 4.3, item 8 highlights that Ethio-telecom evaluates employees based on their contributions to the achievement of the strategic plan, as reflected in the mean value. Table 4.3, Item 9, indicates that respondents strongly agreed that Ethio-telecom involves stakeholders in strategic planning. The mean score of 3.6452, along with a standard deviation of 0.74435, supports this strong agreement and shows low dispersion in responses.

#### 4.1.4.3 Descriptive Statistics Analysis of Strategic Implementation

Table 4-4 Descriptive statistics analysis of strategic implementation

	Mean	Std. Deviation
We have clear vision, mission and organizational value statements	4.4194	.66262
We have clear strategic and operational objectives	3.9908	.95738
We have developed clear performance indicators	4.2627	.55289
We have clearly prioritized our performance indicators	4.0276	.76326
Staffs in lower grades have been involved in strategic planning development	3.9770	.84679
The internal advisors have played a significant role in strategic planning development	3.9539	.82647
The external consultants have played significant role in strategic planning development	3.8894	.80894
The evaluation of employees is based on largely on the contribution to the successful accomplishment of the strategic plan	4.2673	.56313
We involve stakeholders in strategic planning	3.6452	.74435

#### Sample Survey Analysis, 2024

According to Table 4.4, Item 1, respondents agreed that Ethio-telecom has effective communication for implementing strategic plans. The mean score of 3.9677, within the range of 3.41–4.20, indicates general agreement. The standard deviation of 0.47519, which is low, suggests minimal variation in responses. Therefore, it can be concluded that Ethio-telecom effectively communicates its strategic plans.

Table 4.4, Item 2, shows that respondents agreed there is a link between strategic planning and the decision-making process at Ethio-telecom. With a mean score of 3.8065, within the range of 3.4–4.2, and a standard deviation of 0.64503, the data supports the presence of this link with low variability in responses.

In Table 4.4, Item 3, respondents agreed that Ethio-telecom has sufficient staff for strategic planning implementation. The mean score of 3.7097 indicates this agreement, although the standard deviation of 0.63359 suggests some variation in responses.

Table 4.4, Item 4, reveals that respondents agreed that Ethio-telecom's strategic plan is well understood before significant actions are taken. The mean score of 3.8065, combined with a standard deviation of 0.76786, reflects this understanding with low dispersion in responses.

According to Table 4.5, Item 5, respondents agreed that Ethio-telecom has effective internal collaboration between most departments. The mean score of 3.9677 and a standard deviation of 0.64827 suggest that internal collaboration is effective, with minimal variation in responses.

Table 4.4, Item 6, indicates that respondents agreed that Ethio-telecom's operational objectives are implemented properly. The mean score of 3.49, along with a standard deviation of 0.64178, supports this with some variation in responses.

In Table 4.5, Item 7, respondents agreed that Ethio-telecom's strategic objectives are properly implemented. The mean score of 3.8065 supports this agreement, suggesting effective implementation of strategic objectives.

Table 4.4, Item 8, shows that respondents agreed that Ethio-telecom clearly explains duties, tasks, and responsibilities to lower-ranking staff. The mean score of 3.7419, along with a standard deviation of 0.91679, reflects this agreement, though with some variability in responses.

Table 4.4, Item 9, reveals that respondents strongly agreed that Ethio-telecom allows enough time for strategy implementation. The mean score of 3.9677 and a low standard deviation of 0.69647 indicate that respondents generally perceive adequate time for implementation with minimal variation.

Finally, Table 4.4, Item 10, shows that respondents agreed that Ethio-telecom has a proper organizational structure that supports strategic implementation. The mean score of 3.8387, coupled with a standard deviation of 0.57476, indicates effective organizational support with low dispersion in responses.

#### 4.1.4.4 Descriptive Statistics Analysis of Monitoring and Evaluation

Table 4-5 Descriptive statistics analysis of monitoring and evaluation

	Mean	Std. Deviation
We use proper tools for monitoring the implementation of strategies	3.9032	.64178
The standards based on which strategy implementation is evaluated are clear	3.9539	.79797
We have proper control over the implementation stage	3.6498	.79169
We have proper strategic planning evaluation at regulated intervals	4.0507	.74050
We evaluate and monitor every activity's progress	3.8433	.71580
We evaluate individual and overall performance based on our plan	4.1336	.51426

Sample Survey Analysis, 2024

According to Table 4.5, Item 1, respondents strongly agreed that Ethio-telecom uses appropriate tools for monitoring strategy implementation. The mean score of 3.9032, within the range of 3.41–4.20, indicates general agreement. The standard deviation of 0.64178 is low, suggesting minimal variation in responses. Thus, it can be concluded that Ethio-telecom effectively uses tools for monitoring its strategy implementation.

Table 4.5, Item 2, shows that respondents agreed the standards for evaluating strategy implementation at Ethio-telecom are clear. The mean score of 3.9539, within the range of 3.4–4.2, reflects this agreement. Although the standard deviation of .79797 indicates some variation in responses, it remains within a reasonable range. Thus, it can be inferred that the evaluation standards are generally clear.

In Table 4.5, Item 3, respondents agreed that Ethio-telecom has proper control over the implementation stage. The mean score of 3.6498 supports this view, and the standard deviation of .79169 suggests some dispersion in responses. Thus, Ethio-telecom is perceived as having adequate control over implementation.

Table 4.5, Item 4, reveals that respondents agreed that Ethio-telecom conducts regular evaluations of its strategic planning. The mean score of 4.0507 indicates agreement, though the standard deviation of .74050 reflects some variability in responses. This suggests that while evaluations are generally viewed as regular, there may be some differences in perception.

Table 4.5, Item 5, shows that respondents agreed that Ethio-telecom evaluates and monitors the progress of every activity. The mean score of 3.8433 indicates strong agreement, with a low standard deviation of .71580, suggesting minimal variation in responses. Thus, Ethio-telecom is seen as effectively monitoring and evaluating activity progress.

According to Table 4.5, Item 6, respondents agreed that Ethio-telecom evaluates both individual and overall performance based on its plans. The mean score of .51426 reflects this agreement, with a low standard deviation of 0.49248 indicating little variation in responses. Therefore, Ethio-telecom is perceived as effectively evaluating performance according to its plans.

#### 4.1.4.5 Descriptive Statistics Analysis of Organizational Culture

Table 4-6 Descriptive statistics analysis of organizational culture

	Mean	Std. Deviation
All sections in Ethio-telecom are committed to creating the required change.	3.8433	.87314
In Ethio-telecom, customers' input directly influences our decisions.	3.9862	.73585
In Ethio-telecom, we view failure as an opportunity for learning and improvement.	3.8618	.92259
In Ethio-telecom, innovative ideas and risk-taking initiatives are encouraged and rewarded.	4.0369	.64444
Ethio-telecom invests generously in advanced technology to enhance our performance	3.8618	.84943
The company can suitably manage conflicts between functions (or departments) and minimize resistance to changes in processes, when necessary.	3.9309	.70699
Alignment exists in the company between the strategic objectives of its functional areas (marketing, sales, production, and finance, among others).	4.0599	.59403

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Managers hold meetings with the aim of improving the integration of the flows of activities associated with the various functional areas of the business (marketing, sales, production, finance, others).	4.0645	.56559
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Sample Survey Analysis, 2024

Table 4.6 presents the descriptive statistics of organizational culture at Ethio-telecom. The mean value of 3.8433 indicates that Ethio-telecom is responsive to the business environment. They also agreed that customer input directly influences decisions and that innovative ideas and risk-taking initiatives are encouraged and rewarded. Additionally, the vision of Ethio-telecom is reported to create excitement and motivation among employees.

Ethio-telecom’s investment in advanced technology to enhance performance is reflected by a mean value of 3.8618. The company is also seen as effective in managing conflicts between departments and minimizing resistance to process changes, with a mean value of 3.9309.

Alignment between the strategic objectives of various functional areas (such as marketing, sales, production, and finance) is supported by a mean value of 4.0599. This alignment includes managerial meetings aimed at improving the integration of activities across these functions.

However, respondents were uncertain about whether failures are considered opportunities for learning and improvement, as this item did not receive a clear consensus.

#### 4.1.4.6 Descriptive Statistics Analysis of Employee Engagement

Table 4-7 Descriptive statistics analysis of employee engagement

	Mean	Std. Deviation
At my job, I feel strong and vigorous	3.9309	.90769
At my job, I am very resilient, mentally	4.0553	.68495
I am enthusiastic about my job.	4.1060	.64032
My job inspires me.	3.8571	.92939
I am proud of the work that I do.	4.1429	.54676
I find the work that I do full of meaning and purpose.	3.8295	.71586
I can continue working for very long periods at a time.	4.0138	.66304
I am proud of the work that I do	4.0323	.74154
When I get up in the morning, I feel like going to work	4.0000	.56928

Sample Survey Analysis, 2024

Table 4.7 shows the descriptive statistics of employee engagement. Accordingly, employees feel strong and vigorous during their job (mean= 3.9309), employees feel very resilient mentally (mean =4.0553), employees are enthusiastic about their job(mean=4.1060), their job inspires them, employees are proud of the work that they do (mean=3.8571), employees find the work that they do full of meaning and purpose (mean=3.8295) and employees can continue working for very long periods at a time (mean=4.0138),

#### 4.1.4.7 Descriptive Statistics Analysis for Organizational Performance

Table 4-8 Descriptive statistics analysis for organizational performance

	Mean	Std. Deviation
Customers are satisfied with the Ethio-telecom product/ service quality.	3.7419	.76239
Ethio-telecom has a good relationship with customers	3.7742	.75134
Ethio-telecom has recognizable image and favorable reputation by its customers	4.0000	.84437
Ethio-telecom has improved customer experience in recent years	4.1613	.72442
Ethio-telecom has improved its customer satisfaction in recent years	4.0968	.64178
Customers are served with in the standard delivery time (SDT) set by the company	3.6774	1.03060
Ethio-telecom has variety products/services for its customers	4.1935	.47077
Customers are happy by the company's after-sales service.	3.6129	.79198
Ethio-telecom focuses on continuous process improvement and optimization.	4.1290	.55439
Ethio-telecom provides sufficient training opportunities to enhance employees' skills	4.0000	.80508
Ethio telecom's revenue has increased	4.4194	.49459
Ethio telecom's profitability has increased in recent years	4.4839	.50090

Sample Survey Analysis, 2024

Table 4.8 shows organizational performance measures and the mean and standard deviation of respondents' responses. Organizational performance has four dimensions. These are customer perspectives, internal business perspectives, innovation & learning perspectives, and financial perspectives. Regarding customer perspectives, customers are satisfied with the Ethio-telecom

product/ service quality, Ethio-telecom has a good relationship with customers, Ethio-telecom has recognizable image and favorable reputation among its customers and Ethio-telecom has improved customer experience in recent years.

Concerning internal business perspectives, customers are served within the standard delivery time (SDT) set by the company, Ethio-telecom has a variety of products/services for its customers, and Customers are happy with the company's after-sales service, Ethio-telecom effectively manages its operational costs and resources and Ethio-telecom focuses on continuous process improvement and optimization.

Concerning innovation & learning perspectives, employees are given opportunities to explore new ideas and experiment with innovative approaches, employees are given opportunities to explore new ideas and experiment with innovative approaches, the people with whom employees work have the appropriate skill set to contribute to the company's success, Ethio-telecom provides sufficient training opportunities to enhance employees' skills and Ethio-telecom fosters a supportive environment for creativity and innovation.

Regarding financial perspectives, Ethio-telecom's revenue and profitability have increased, Ethio-telecom maintains strong cash flow and liquidity positions, and financial decisions are made with a focus on maintaining financial stability Ethio-telecom can manage economic uncertainties and challenges without difficulties.

#### 4.1.5 Correlation Analysis

Table 4-9 Correlation between STMPs, organizational culture, employee engagement, and organizational performance

		ES	SF	SI	SM	OC	EE	OP
ES	Pearson Correlation	1						
	Sig. (2-tailed)							
SF	Pearson Correlation	.757**	1					
	Sig. (2-tailed)	.000						
SI	Pearson Correlation	.743**	.779**	1				
	Sig. (2-tailed)	.000	.000					
SM	Pearson Correlation	.544**	.555**	.604**	1			
	Sig. (2-tailed)	.000	.000	.000				
OC	Pearson Correlation	.758**	.840**	.787**	.647**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
EE	Pearson Correlation	.629**	.663**	.641**	.512**	.663**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
OP	Pearson Correlation	.799**	.777**	.748**	.590**	.785**	.707**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 4.9 reveals a strong positive correlation between environmental scanning ( $r = 0.799$ ,  $p < 0.01$ ) and organizational performance. This indicates a significant and robust relationship, suggesting that as environmental scanning increases, organizational performance correspondingly improves. Consequently, it can be concluded that environmental scanning has a substantial and meaningful impact on organizational performance.

According to table 4.9, strategic formulation is positively correlated with organizational performance ( $r = 0.777$ ,  $p < 0.01$ ). This strong positive correlation is statistically significant, indicating that as strategic formulation improves, organizational performance also tends to increase. Thus, there is a robust and statistically significant relationship between strategic formulation and organizational performance, demonstrating that enhancements in the strategic formulation are likely to lead to better organizational outcomes.

As indicated in table 4.9 the correlation coefficient results of strategic implementation with Organizational performance ( $r= 0.748$ ,  $p<0.01$ ) correlated positively. This implies the presence of a strong relationship between strategic implementation and organizational performance which has a positive relationship with organizational performance which is statistically significant. Therefore, it can be deduced there is a strong positive relationship between strategic implementation with organizational performance.

From table 4.9, it can be seen that monitoring and evaluation ( $r=0.59$ ,  $p<0.01$ ) are positively correlated with organizational performance. This implies the presence of a moderate relationship between monitoring and evaluation with organizational performance which is statistically significant. And change in monitoring and evaluation has a corresponding effect on organizational performance. Therefore, it can be concluded that there is a moderate positive relationship between monitoring and evaluation and organizational performance.

As shown in the table 4.9, it can be seen that environment scanning ( $r=0.758$ ,  $p<0.01$ ) is positively correlated with organizational culture. This implies the presence of a strong relationship between environment scanning with organizational culture which is statistically significant. And change in environment scanning has a corresponding effect on organizational culture. Therefore, it can be concluded that there is a strong positive relationship between environmental scanning and organizational performance.

It can be seen in table 4.9 that strategic formulation is positively correlated with organizational culture ( $r=0.84$ ,  $p<0.01$ ) is a strong positive relation, and is statistically significant. This means an

increase in strategic formulation will increase towards organizational culture. Thus, there is a strong positive relationship between strategic formulations with organizational culture.

As indicated in table 4.9 the correlation coefficient results of strategic implementation with Organizational Performance ( $r= 0.787$ ,  $p<0.01$ ) indicate a correlated positively. This implies the presence of a strong relationship between strategic implementation and organizational culture which has a positive relationship with organizational performance which is statistically significant. Therefore, it can be deduced there is a strong positive relationship between strategic implementation with organizational culture.

From table 4.9 it can be seen that monitoring and evaluation ( $r=0.647$ ,  $p<0.01$ ) are positively correlated with organizational culture. This implies the presence of a moderate relationship between monitoring and evaluation with an organizational culture which is statistically significant. And change in monitoring and evaluation has a corresponding effect on organizational culture. Therefore, it can be concluded that there is a moderate positive relationship between monitoring and evaluation and organizational performance.

From table 4.9 it can be seen that environment scanning ( $r=0.629$ ,  $p<0.01$ ) is positively correlated with employee engagement. This implies the presence of a moderate relationship between environment scanning with statistically significant employee engagement. And change in environment scanning has a corresponding effect on employee engagement. Therefore, it can be concluded that there is a moderate positive relationship between environmental scanning and employee engagement.

It can be seen in table 4.9 that strategic formulation is positively correlated with employee engagement ( $r=0.663$ ,  $p<0.01$ ) is a moderate positive relation, and is statistically significant. This means an increase in strategic formulation will increase employee engagement. Thus, there is a moderate positive relationship between strategic formulations with employee engagement.

As indicated in table 4.9 the correlation coefficient results of strategic implementation with employee engagement ( $r= 0.641$ ,  $p<0.01$ ) indicate a positive correlation. This implies the presence of a moderate relationship between strategic implementation and employee engagement which has a positive relationship with employee engagement which is statistically significant. Therefore, it can be deduced there is a moderate positive relationship between strategic implementation with employee engagement.

From table 4.9, it can be seen that monitoring and implementation ( $r=0.512$ ,  $p<0.01$ ) are positively correlated with employee engagement. This implies the presence of a moderate relationship between monitoring and evaluation with employee engagement which is statistically significant. And change in monitoring and evaluation has a corresponding effect on organizational performance. Therefore, it can be concluded that there is a moderate positive relationship between monitoring and evaluation and employee engagement.

#### **4.1.6 Multilinear Regression Analysis**

##### **4.1.6.1 Multiple Regression Assumption Tests**

The key assumptions of multiple regression identified as primary concerns in this research include linearity, homoscedasticity, normality, and collinearity. This section will define each assumption, examine the consequences of failing to meet them, and outline methods for testing each assumption, along with the interpretation of the results.

##### **Linearity**

Linearity refers to the degree to which variations in the dependent variable are systematically related to variations in the independent variables. In this study, we evaluated the linearity of the relationship between employee performance (the dependent variable) and training (the independent variable), with organizational culture serving as a mediator. To assess this relationship, we generated plots of the regression residuals using SPSS V25 software. The Normal P-P Plot was utilized to assess whether the data followed a normal distribution by comparing the alignment of the data points to a reference line. The analysis revealed that the data points closely aligned with the reference line, indicating minimal deviation. Therefore, we can infer that the data is approximately normally distributed.

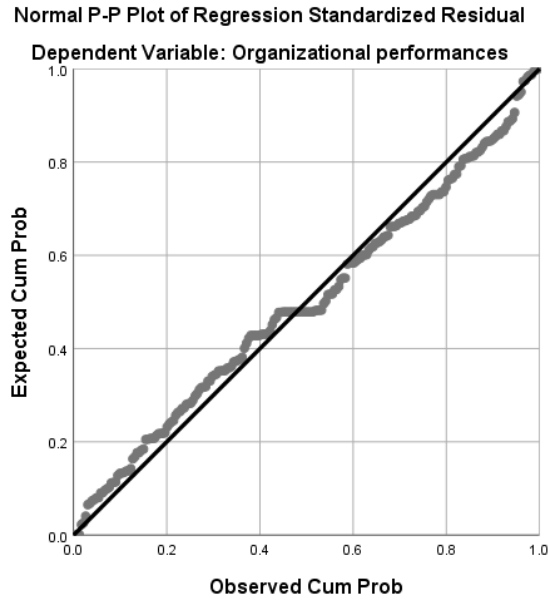


Figure 4-1 Normal P-P plot of regression of standardized residuals  
 Sample survey analysis, 2024

### Normality Tests

Table 4-10 Normality test using Z value of Skewness and Kurtosis

Descriptives			Statistic	Std. Error
Organizational performance	Mean		3.9474	.02635
	95% Confidence Interval for Mean	Lower Bound	3.8954	
		Upper Bound	3.9993	
	5% Trimmed Mean		3.9488	
	Median		4.0000	
	Variance		.151	
	Std. Deviation		.38812	
	Minimum		3.11	
	Maximum		4.89	
	Range		1.79	
	Interquartile Range		.42	
	Skewness		-.095	.165
	Kurtosis		.277	.329

Sample survey analysis, 2024

According to Cramer (1998), for data to be considered normally distributed, the Z values for skewness and kurtosis should fall between -1.96 and +1.96. In this case, the Z value for skewness is  $(0.165/-0.095)$ , which equals 1.73, falling within the -1.96 to +1.96 range. Conversely, the Z value for kurtosis is  $(-0.329/0.277)$ , which equals 1.18, also within the -1.96 to +1.96 range. This suggests that the data is normally distributed.

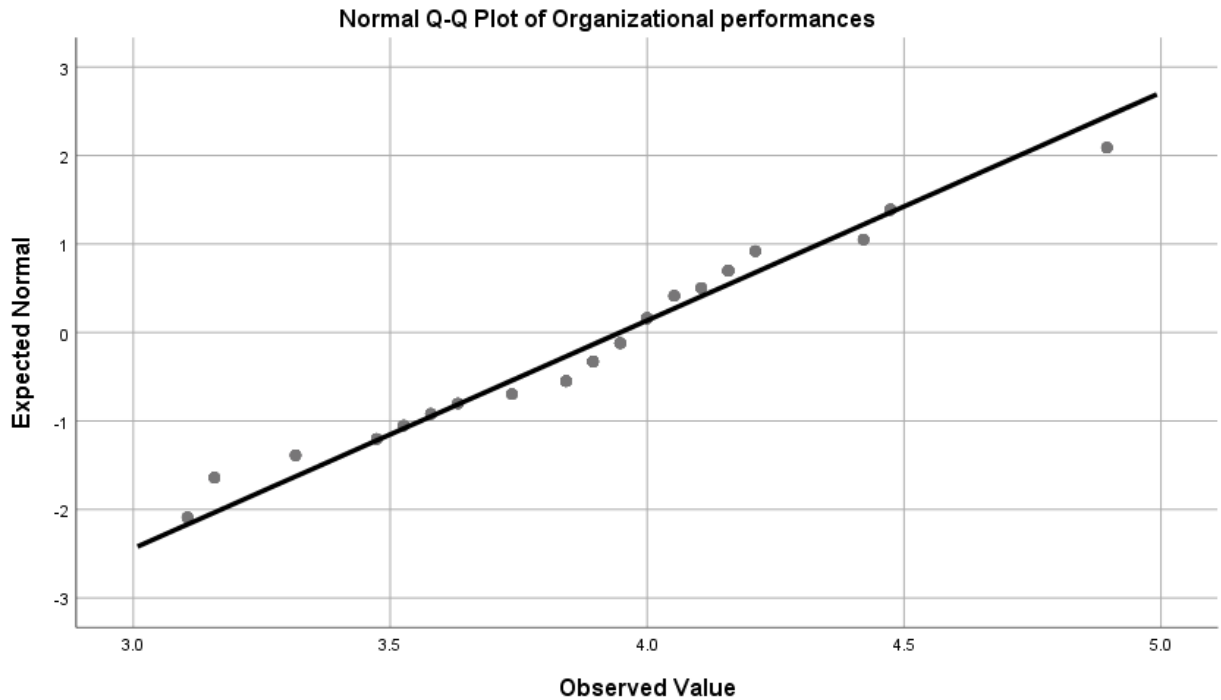


Figure 4-2 Normality test using Q-Q plot test  
Sample survey analysis, 2024

Figure 4.2 shows the dots are aligned along the line although not completely fit on the line which is approximate which implies the data are normally distributed.

### Multi co linearity Test

Multicollinearity occurs when two or more explanatory variables are highly correlated, making it difficult to determine which variable best explains the shared variance with the outcome. This situation may indicate that the variables represent the same underlying factor. To check for high correlations among explanatory variables, one can use a correlation matrix; correlations above 0.80 may signal potential issues. A more precise method involves using collinearity statistics

provided by SPSS, such as the variance inflation factor (VIF) and tolerance statistic, which assess the strength of relationships between explanatory variables. In this study, all correlation coefficients were below 0.80, indicating no multicollinearity concerns.

Table 4-11 Multi co linearity Test table

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Strategic monitoring and evaluation	.608	1.644
	Strategic formulation	.319	3.132
	Strategic implementation	.314	3.188
	Environmental scanning	.362	2.764

a. Dependent Variable: Organizational performance

Sample survey analysis, 2024

Before running the model, we tested for multicollinearity using the Tolerance and VIF (Variance Inflation Factor) tests. According to Pallant (2007), Tolerance measures how much the independent variables do not explain the variability of a specified independent variable, with values above 0.10 indicating no multicollinearity. Similarly, VIF, which is the inverse of Tolerance, should be less than 10 to avoid multicollinearity concerns. As shown in Table 4.11, all Tolerance values exceed 0.1, and all VIF values are below 10, confirming that the variables in this study are free from multicollinearity.

## Homoscedasticity Test

The residuals should not vary systematically with the predicted values by plotting the residuals against the values predicted by the regression model. It can be looking for any evidence that residuals vary in a clear pattern.

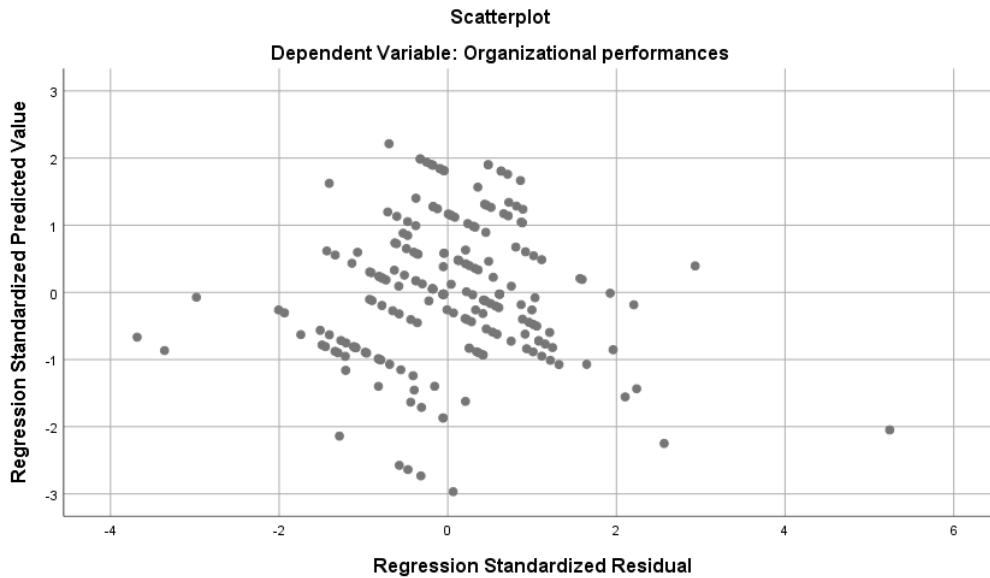


Figure 4-3 Homoscedasticity test using Scatter plot

Sample survey analysis, 2024

Figure 4.3 indicates that the data points are fairly randomly distributed, with a consistent spread of residuals across all predicted values. This suggests that the homoscedasticity assumption is generally satisfied. However, the data points do appear to funnel towards the negative end of the x-axis, indicating greater variability in the residuals at higher predicted values compared to lower ones. This presents a challenge, as it implies the model is more reliable for estimating lower values than for higher ones. When the homoscedasticity assumption is violated, transforming the outcome measure may be a viable solution.

#### 4.1.6.2 Multi Linear Regression Analysis

#### Multi linear regression Analysis of STMPs and Organizational Performance

Table 4-12 Multiple linear regression model summary

<b>Model Summary<sup>b</sup></b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.854 <sup>a</sup>	.730	.725	.24967

a. Predictors: (Constant), Environmental scanning, Strategic monitoring and evaluation, Strategic formulation, Strategic implementation

b. Dependent Variable: Organizational performance

Table 4-13 Multiple linear regression model summary with presence of control variables

<b>Model Summary<sup>b</sup></b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.870 <sup>a</sup>	.757	.750	.23784

**Predictors:** (Constant), Environmental scanning, Strategic monitoring and evaluation, Strategic implementation, Strategic formulation

**Control Variables:** Experience, Academic Qualification

**Dependent Variables:** Organizational performance

Sample survey analysis, 2024

As shown in table 4.12 the overall bundle of determinant factors of the four independent variables such as strategic implementation, environment scanning, strategic formulation, and monitoring and evaluation contributes 72.5 % ( $R^2 = 0.725$ ) for the dependent variable (organizational performance).  $R^2$  represents the amount of variation in the outcome that can be explained by the model, although the model includes multiple explanatory variables rather than just one. This suggests that 72.5 % of the organizational performance level in the company depends on the independent variables while the remaining 27.5% is determined by other unaccounted factors in

this study. As shown in table 4.14 the result  $F= 143.199$  which is greater than 1 and  $P<0.01$  it can conclude that the combination of practices has a positive effect on Organizational performance which is statistically significant. Thus, the overall bundle of independent variables has a role and statistically significant effect on organizational performance. On the other hand, in the presence of control variables of experience and academic qualification, the overall bundle of determinant factors contributes 75 % ( $R^2 = 0.75$ ) for the dependent variable (organizational performance) as shown in table 4.13. As indicated in table 4.15 the result  $F= 109.144$  which is greater than 1 and  $P<0.01$  it can conclude that the combination of practices has a positive effect on organizational performance which is statistically significant. Thus, the overall bundle of independent variables has a role and statistically significant effect on Organizational performance.

Table 4-14 ANOVAs

<b>ANOVA<sup>a</sup></b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.706	4	8.927	143.199	.000 <sup>b</sup>
	Residual	13.215	212	.062		
	Total	48.922	216			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Environmental scanning, Strategic monitoring and evaluation, Strategic formulation, Strategic implementation

Table 4-15 ANOVAs with the presence of control variable

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.043	6	6.174	109.144	.000 <sup>b</sup>
	Residual	11.879	210	.057		
	Total	48.922	216			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Environmental scanning, Strategic monitoring and evaluation, Strategic implementation, Strategic formulation

c. Control Variables: Experience, Academic Qualification

Sample survey analysis, 2024

Table 4-16 Multilinear regression coefficients

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.090	.171		.525	.600
	Strategic monitoring and evaluation	.115	.044	.118	2.585	.010
	Strategic formulation	.287	.064	.285	4.513	.000
	Strategic implementation	.173	.072	.153	2.401	.017
	Environmental scanning	.406	.059	.405	6.832	.000

a. Dependent Variable: Organizational performance

Sample survey analysis, 2024

Table 4-17 Multilinear regression Coefficients with presence of control variables

Coefficients <sup>a</sup>		Unstandardized Coefficients		Standardized		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.186	.187		-.997	.320
	Strategic monitoring and evaluation	.178	.045	.184	3.923	.000
	Strategic formulation	.206	.063	.204	3.271	.001
	Strategic implementation	.158	.069	.139	2.291	.023
	Environmental scanning	.412	.057	.412	7.253	.000
	Academic Qualification	.078	.033	.086	2.375	.018
	Experience	.079	.018	.156	4.337	.000

a. Dependent Variable: Organizational performance

Sample survey analysis, 2024

Table 4.16 illustrates the relative contributions of various variables by presenting the beta values from the unstandardized coefficients. The unstandardized B column includes regression parameter estimates, where the intercept represents the predicted value of Y when all independent variables are zero, indicating the conditional mean of Y in this scenario. A higher beta value signifies a stronger contribution. Notably, environment scanning (Beta=0.406, Sig=0.000) has the most significant unique contribution to explaining the dependent variable, indicating that a one-unit increase in environment scanning results in a 0.406 unit increase in organizational performance. This is followed by strategic formulation (B=0.287, Sig=0.000), strategic implementation (B=0.173, Sig=0.017), and strategic monitoring and evaluation (B=0.115, Sig=0.010). Thus, among all predictors environment scanning has the strongest contribution to organizational performance. It can be seen the statistical significance of each variable from the above coefficients table 4.16, environment scanning (Sig. = 0.000), strategic formulation (Sig. = 0.001), strategic implementation (Sig. = 0.017), monitoring and evaluation (Sig. = 0.010) have a statistically significant role (Sig<.05) for the prediction of the dependent variable (organizational performance), which refer that statistically significant effect to make prediction. Thus, all the predictors in the model are significant to have a role and contribute to the dependent variable (organizational performance) so, should be retained. As shown in table 4.17, the introduction of

control variables namely academic qualification and experience reveals significant changes in the coefficients of the independent variables. Environmental scanning maintains its position as the strongest predictor of organizational performance, with a Beta of 0.412 and a significance level of 0.000. This slight increase from the initial coefficient indicates that its impact is substantial and remains largely unaffected by variations in respondents' educational backgrounds and experiences. In contrast, strategic formulation experiences a reduction in Beta to 0.206 (Sig = 0.001), suggesting that part of its initial effect was influenced by the respondents' qualifications and experience. This decrease underscores the need to account for these control variables when evaluating the impact of strategic formulation. Additionally, the coefficient for strategic monitoring and evaluation rises to 0.178 (Sig = 0.000) after including the control variables, indicating that its significance is more pronounced when considering the respondents' backgrounds. This adjustment highlights the enhanced role of strategic monitoring and evaluation in organizational performance when accounting for the effects of educational qualifications and professional experience.

### Multi linear regression Analysis of STMPs and Organizational Culture

Table 4-18 Multi Linear regression between STMPs and Organizational culture

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.178	.140		1.273	.204
	Strategic monitoring and evaluation	.163	.036	.183	4.488	.000
	Strategic formulation	.429	.052	.464	8.239	.000
	Strategic implementation	.202	.059	.194	3.409	.001
	Environmental scanning	.150	.049	.163	3.078	.002

a. Dependent Variable: Organizational culture

Sample survey analysis, 2024

Strategic formulation (Beta=0.429, Sig=0.000) provides the strongest unique contribution to explaining the dependent variable, indicating that a one-unit increase in strategic formulation results in a 0.429 unit increase in organizational performance. This is followed by strategic

implementation (B=0.202, Sig=0.000), strategic monitoring and evaluation (B=0.163, Sig=0.000), and environment scanning (B=0.150, Sig=0.002). Among all predictors, strategic implementation has the most substantial impact on organizational culture. Table 4.18 shows that environment scanning (Sig=0.000), strategic formulation (Sig=0.000), strategic implementation (Sig=0.001), and monitoring and evaluation (Sig=0.001) all have statistically significant roles (Sig<0.01) in predicting organizational culture, highlighting their significant predictive effects.

### Multi linear Regression analysis of STMPs and Employee Engagement

Table 4-19 Multi linear regression Analysis of STMPs and Employee engagement

Coefficients <sup>a</sup>		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.531	.241		2.201	.029
	Strategic monitoring and evaluation	.130	.063	.128	2.072	.040
	Strategic formulation	.315	.090	.300	3.513	.001
	Strategic implementation	.219	.102	.185	2.149	.033
	Environmental scanning	.202	.084	.194	2.413	.017

a. Dependent Variable: Employee engagement

Sample Survey Analysis, 2024

Strategic formulation (Beta=0.315, Sig=0.001) makes the strongest unique contribution to explaining the dependent variable in which the results revealed that, a one unit increase or positive change in " strategic formulation " would lead to a 0.315 unit increase in employee engagement and followed by Strategic implementation (B=0.219, Sig=0.033), environmental scanning (B=0.202, Sig=0.017) and strategic monitoring and evaluation (B=0.13, Sig=0.040). Thus, among all predictors Strategic formulation has the strongest contribution to employee engagement. It can be seen the statistical significance of each variable from the above coefficients table 4.19, environment scanning (Sig. = 0.017), strategic formulation (Sig. = 0.001), strategic implementation (Sig. = 0.033), monitoring and evaluation (Sig. = 0.040) have a statistically significant role (Sig<.05) for

the prediction of the dependent variable (employee engagement), which refer that statistically significant effect to make a prediction.

#### 4.1.7 Mediation Regression Analysis

##### Model 1: Hypothesized Model (strategic management practices, employee engagement, and organizational culture on organizational performance) mediation (full model)

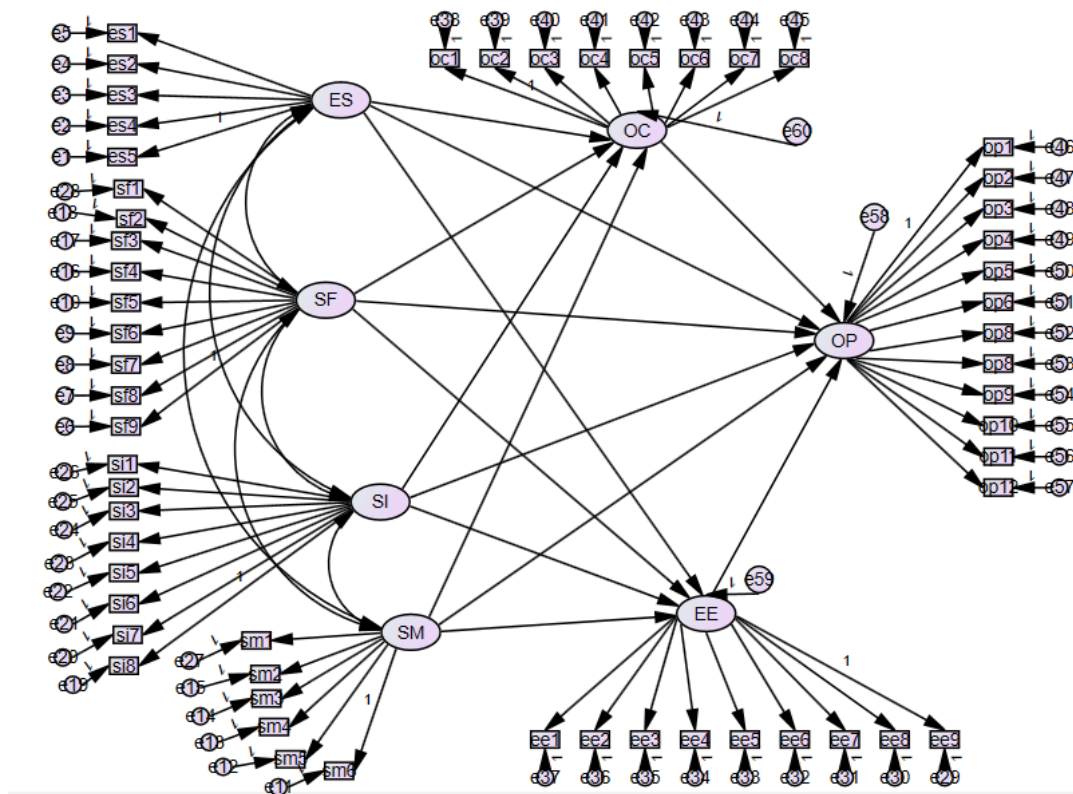


Figure 4-4 SEM showing the mediation role of Organizational culture and Employee engagement between strategic management practices and Organizational performance -full model consists of all measurement scales

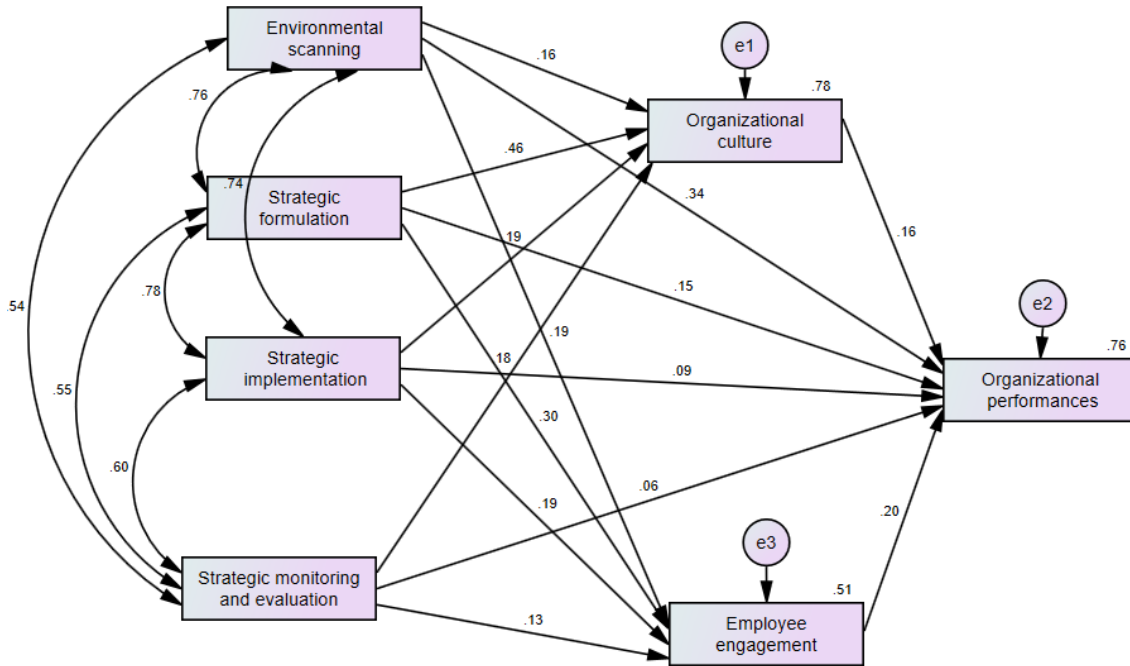


Figure 4-5 SEM showing the mediation role of Organizational culture and employee engagement between strategic management practices and Organizational performance-full model

Sample Survey Analysis, 2024

**Total Effect**

Table 4-20 Standardized total effect

Dependent variable	Independent variables	Coefficient	P
Organizational Performance	Environment scanning	.406	.001
Organizational Performance	Strategic formulation	.285	.001
Organizational Performance	Strategic implementation	.153	.015
Organizational Performance	Strategic monitoring and evaluation	.118	.228
Organizational Culture	Environment scanning	.163	.107
Organizational Culture	Strategic formulation	.464	.001
Organizational Culture	Strategic implementation	.194	.004

Organizational Culture	Strategic monitoring and evaluation	.183	.001
Employee Engagement	Environment scanning	.194	<u>.111</u>
Employee Engagement	Strategic formulation	.300	.002
Employee Engagement	Strategic implementation	.185	.094
Employee Engagement	Strategic monitoring and evaluation	.128	.041

Sample Survey Analysis, 2024

Table 4.20 presents the standardized total effects of strategic management practices on organizational performance, organizational culture, and employee engagement. The results indicate that environmental scanning has a substantial total effect of 0.406 on organizational performance, which is statistically significant at the 99% confidence level when considering the mediating roles of organizational culture and employee engagement. This finding underscores the critical role of environmental scanning in enhancing organizational performance through its influence on these mediators. Strategic formulation also demonstrates a positive effect on organizational performance with a standardized total effect of 0.285, which is significant at the 99% confidence level. In contrast, strategic implementation exhibits a smaller but positive effect of 0.153, which is significant at the 95% confidence level. On the other hand, strategic monitoring and evaluation show a positive effect of 0.118, but this effect is statistically insignificant, suggesting that it may not be as critical in influencing organizational performance directly.

Regarding organizational culture, the total standardized effects of strategic formulation, strategic monitoring and evaluation, and strategic implementation are 0.464, 0.183, and 0.194, respectively, which are statistically significant at the 99% confidence level. These findings emphasize the importance of strategic formulation, monitoring and evaluation, and strategic implementation in shaping organizational culture. Conversely, the effects of environmental scanning on organizational culture are 0.163, but the effect is statistically insignificant.

When examining employee engagement, strategic formulation and strategic monitoring and evaluation exhibit standardized effects of 0.3 and 0.183, respectively, both significant at the 99% confidence level. This suggests that these practices play a notable role in enhancing employee

engagement. However, the effects of environmental scanning and strategic implementation on employee engagement are 0.194 and 0.185, respectively, and are statistically insignificant.

**Direct Effect**

Table 4-21 Standardized direct effect

Dependent variable	Independent variables	Coefficient	P
Organizational Performance	Environment scanning	.341	.001
Organizational Performance	Strategic formulation	.151	.050
Organizational Performance	Strategic implementation	.085	.178
Organizational Performance	Strategic monitoring and evaluation	.063	.472

Sample Survey Analysis, 2024

As shown in table 4.21, the standardized direct effects of strategic management practices on organizational performance, organizational culture, and employee engagement are presented. The results indicate that environmental scanning has a substantial direct effect of 0.341 on organizational performance, which is statistically significant at the 99% confidence level. Strategic formulation also shows a positive effect on organizational performance with a standardized direct effect of 0.151, which is significant at the 95% confidence level. In contrast, strategic implementation and strategic monitoring and evaluation exhibit a positive effect which is statistically insignificant.

## Indirect Effect

Table 4-22 Standardized indirect effect

Dependent variable	Independent variables	Coefficient	P
Organizational Performance	Environment scanning	.065	.034
Organizational Performance	Strategic formulation	.134	.007
Organizational Performance	Strategic implementation	.068	.025
Organizational Performance	Strategic monitoring and evaluation	.055	.003

Sample Survey Analysis, 2024

Table 4.22 details the standardized indirect effects of strategic management practices on organizational performance, mediated by organizational culture and employee engagement, as illustrated in figure 4.5. The findings reveal that Strategic Formulation has an indirect effect of 0.134 on Organizational Performance, which is statistically significant at the 99% confidence level. This result highlights the significant role of strategic formulation in enhancing organizational performance through its influence on organizational culture and employee engagement.

Strategic implementation shows an indirect effect of 0.068 on organizational performance, which is statistically significant at the 95% confidence level. This indicates that strategic implementation also has a meaningful impact on organizational performance through its effects on the mediators. Similarly, environmental Scanning exhibits a more substantial indirect effect of 0.198, which is significant at the 99% confidence level. This underscores the considerable influence of environmental scanning on organizational performance through both organizational culture and employee engagement.

On the other hand, environmental scanning alone shows an indirect effect of 0.065 on organizational performance via organizational culture and employee engagement, which, while positive, is less pronounced. Strategic monitoring and evaluation has an indirect effect of 0.055 on Organizational Performance through the same mediators, and this effect is statistically significant at the 99% confidence level. This finding suggests that organizational culture and employee

engagement play a crucial role in mediating the relationship between strategic monitoring and evaluation and organizational Performance.

Overall, these results affirm that organizational culture and employee engagement are effective mediators in the relationship between various strategic management practices and organizational performance. The significant indirect effects of strategic formulation, strategic implementation, and environmental scanning, alongside the notable but relatively smaller effects of strategic monitoring and evaluation, illustrate the complex interplay of these practices in influencing organizational outcomes through their impact on culture and engagement.

**Model 2: Alternative M1: mediation only (employee engagement and organizational culture on performance)**

**Standardized Direct Effects**

Table 4-23 Standardized Direct Effects

Dependent variable	Independent variables	Coefficient	P
Organizational Performance	Organizational culture	.564	.002
Organizational Performance	Employee engagement	.333	.000

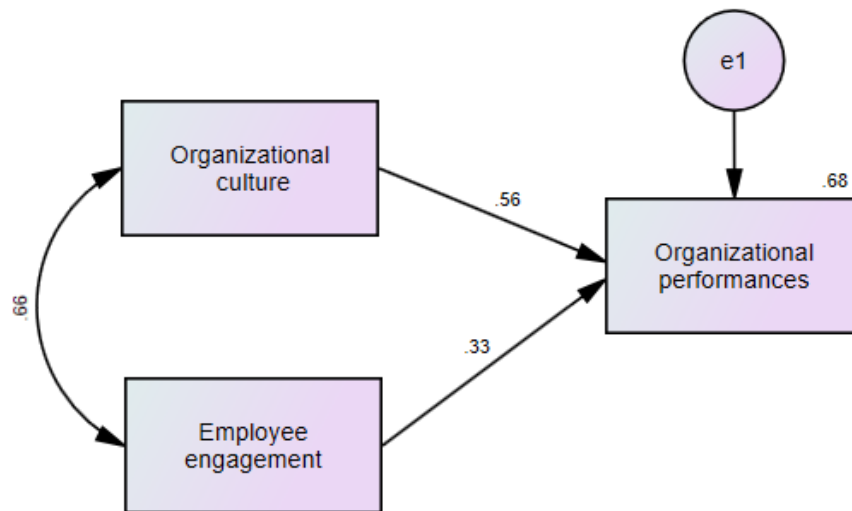


Figure 4-6 SEM showing Organizational culture, Employee engagement and Organizational performance

**Model 3: AlternativeM2: direct effect only (strategic management practices on organizational performance)**

Table 4-24 Direct effect

Dependent	Independent	Estimate	P
Organizational Performance	Environment scanning	.406	.000
Organizational Performance	Strategic formulation	.287	.000
Organizational Performance	Strategic implementation	.173	.015
Organizational Performance	Strategic monitoring and evaluation	.115	.009

The regression analysis in Alternative M2 reveals that environment scanning and strategic formulation are the most influential factors affecting organizational performance, with coefficients of .406 and .287, respectively, and both showing highly significant p-values (.000). This indicates that thorough external analysis and effective strategy development are critical for enhancing performance. In contrast, strategic implementation and strategic monitoring and evaluation have smaller but still significant impacts, with coefficients of .173 and .115 and p-values of .015 and .009, respectively. The findings suggest that organizations should comprehensively analyze the environment, focus on strategic formulation, maintaining effective implementation, and ongoing evaluation to optimize performance.

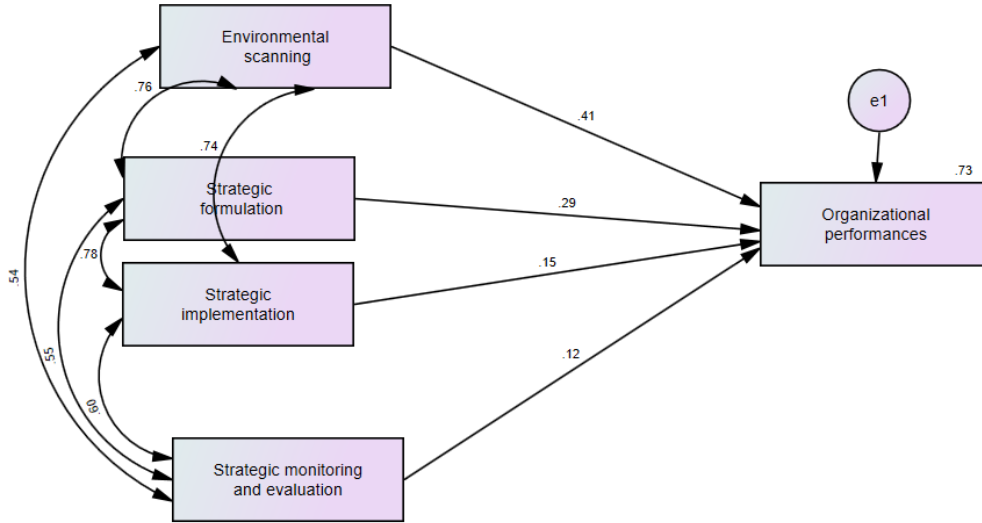


Figure 4-7 SEM showing the relationship between strategic management practices and organizational performance

#### 4.1.8 Goodness of Fit Indices

Table 4-25 Goodness of Fit Indices

No	Structural model	Chi-Square/df	P. Value	GFI	AGFI	NFI	TLI	CFI	RMSEA
1	Hypothesized Model – two variables (strategic management practices, employee engagement, and organizational culture on organizational performance) mediation (full model)	2.457	0.117	0.997	0.91	0.998	0.976	0.999	0.082
2	Alternative M1: mediation only (employee engagement and organizational culture on performance)	-	-	1	-	1	-	1	-
3	Alternative M2: direct effect only (strategic	-	-	1	-	1	-	1	.608

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management practices on  
organizational  
performance)

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The results from the structural equation modeling (SEM) across three models reveal varying levels of fit indices, shedding light on the relative effectiveness and appropriateness of each model. The Hypothesized Model, which incorporates strategic management practices, employee engagement, and organizational culture as mediators affecting organizational performance, demonstrates a solid fit with a Chi-Square/df ratio of 2.457 ( $p = 0.117$ ), indicating that the model does not significantly deviate from the data. This model shows excellent fit indices across several metrics: a Goodness-of-Fit Index (GFI) of 0.997, an Adjusted GFI (AGFI) of 0.91, a Normed Fit Index (NFI) of 0.998, a Tucker-Lewis Index (TLI) of 0.976, and a Comparative Fit Index (CFI) of 0.999. The Root Mean Square Error of Approximation (RMSEA) is 0.082, which is acceptable and suggests a good fit. These indicators collectively point to the robustness of the full model, supporting its use for understanding the complex relationships between strategic management practices, employee engagement, organizational culture, and organizational performance.

In contrast, the Alternative M2 Model, which examines only the direct effect of strategic management practices on organizational performance, shows a notably poorer fit, with a CFI of 0.608. This low CFI suggests a less adequate fit of the model to the data, indicating that a direct effect-only model might be overly simplistic and not fully capture the dynamics at play. On the other hand, Alternative M1, which explores mediation effects through employee engagement and organizational culture, lacks reported fit indices but conceptually aligns more closely with theoretical expectations of mediation. Overall, the findings support the use of the Hypothesized Model due to its comprehensive approach and strong fit indices, while Alternative M2's inadequate fit underscores the importance of including mediation mechanisms to accurately reflect the relationships between strategic practices and organizational performance.

Table 4-26 Summary of hypothesis test result

N <sup>o</sup>	Alternative hypothesis	Result (alternative hypothesis accepted/ rejected)
1	Environment scanning has a positive and significant influence on organizational performance of Ethio-telecom	Accepted
2	Strategic Formulation has a positive and significant influence on organizational performance of Ethio-telecom	Accepted
3	Strategic implementation has a positive and significant influence on organizational performance of Ethio-telecom	Accepted
4	Strategic monitoring and evaluation have a positive and significant influence on organizational performance of Ethio-telecom	Accepted
5	Environment scanning has a positive and significant influence on organizational culture of Ethio-telecom	Accepted
6	Strategic implementation has a positive and significant influence on organizational culture of Ethio-telecom	Accepted
7	Strategic monitoring and evaluation have a positive and significant influence on organizational culture of Ethio-telecom	Accepted
8	Environment scanning has a positive and significant influence on employee engagement of Ethio-telecom.	Accepted
9	Environment scanning has a positive and significant influence on employee engagement of Ethio-telecom.	Accepted
10	Strategic Formulation has a positive and significant influence on employee engagement of Ethio-telecom	Accepted
11	Strategic implementation has a positive and significant influence on employee engagement of Ethio-telecom	Accepted
12	Strategic monitoring and evaluation have a positive and significant influence on employee engagement of Ethio-telecom	Accepted
13	Strategic monitoring and evaluation have a positive and significant influence on employee engagement of Ethio-telecom	Accepted
14	Employee engagement mediate the relationship between STMPs and Organizational performance	Accepted

## 4.2. Discussion of the Study

The study first assesses the strategic management practices (STMPs), organizational culture, employee engagement, and Organizational performance of Ethio-telecom. After that explanatory study was undertaken to examine the influence of STMPs on organizational performance, organizational culture, and employee engagement. Finally, the mediating role of organizational culture and employee engagement was investigated. Accordingly, this study revealed that strategic management practices (STMPs) had a significant positive influence on organizational performance in the case of Ethio-telecom. Besides, STMPs have a significant influence on organizational culture and employee engagement. Additionally, the study reveals organizational culture and employee engagement effectively mediate the relationship between STMPs and organizational performance.

Birinci and Eren (2013) consistently demonstrate that internal environmental scanning, strategic planning, implementation, and control of strategies in Turkish universities positively impact performance. Their research reveals a significant positive relationship between the internal environment and various aspects of strategy: planning ( $\beta=0.79$ ;  $p<0.01$ ), implementation ( $\beta=0.84$ ;  $p<0.01$ ), monitoring and control ( $\beta=0.79$ ;  $p<0.01$ ), and strategic flexibility ( $\beta=0.60$ ;  $p<0.01$ ). Additionally, there is a positive correlation between strategic planning and performance ( $\beta=0.14$ ;  $p<0.05$ ). These findings indicate that strategic planning in Turkish universities influences performance, suggesting that these institutions prioritize performance criteria when developing their strategic plans. Furthermore, the implementation of strategies and the monitoring and control of strategies also have a positive effect on institutional performance.

Issack and Muathe (2017) support this study's findings, indicating that environmental scanning, strategy formulation, strategy implementation, and strategy evaluation account for 59.0% of the variation in the performance of public health institutions in Mandera County. This suggests that the model effectively links these variables. The regression analysis shows a positive and significant relationship between environmental scanning and the performance of public health institutions ( $r=0.220$ ,  $p=0.036$ ). Additionally, Taiwo and Idunnu (2010) highlight that strategic formulation enhances organizational performance, while the relationship between strategy implementation and performance is also positive and significant ( $r=0.283$ ,  $p=0.003$ ). These findings align with Burgelman, Grove, and Meza (2006), who assert that strategy implementation aims to improve

organizational performance. Furthermore, strategy formulation is positively and significantly related to the performance of public health institutions ( $r=0.299$ ,  $p=0.014$ ). Kvarnerud and Maspers (2007) emphasize that strategy evaluation is essential for assessing performance against peers and standards.

Omsa (2017) asserts that strategic management practices significantly influence the sales volume of SMEs, highlighting that both strategic planning and strategy implementation have a notable impact on sales in medium-sized enterprises. Wanyama and Aila (2022) present unstandardized regression coefficients for various strategic management practices, revealing that environmental scanning ( $\beta=0.243$ ), strategy formulation ( $\beta=0.742$ ), and environmental scanning again ( $\beta=0.001$ ) significantly affect performance. Similarly, Musee (2018) reports an adjusted R-squared value of 0.740, indicating that 74% of the variation in the dependent variable (growth) is explained by the predictor variables: strategy formulation, strategy implementation, and strategy evaluation. Musee finds that the strategy formulation variable has a coefficient of 0.11 with a p-value of 0.021, while strategy implementation has a coefficient of 0.19 and a p-value of 0.000.

Numerous studies from Nigeria, South Africa, Somalia, Kenya, Bangladesh, and other regions support the findings of the current study. For instance, research by Lawal, Elizabeth, and Oludayo (2012), Mohamud et al. (2015), Muogbo (2013), Yunus et al. (2010), and Ajao and Grace (2012) in Nigeria indicates a positive relationship between the implementation of strategic management practices and the performance and growth of SMEs. Similarly, Hieu and Nwachukwu (2019) found that effective implementation of strategic management practices positively impacts organizational performance and growth in Vietnam. Ali and Qun (2019) also reported a positive correlation between strategic management practices and SME growth in Bangladesh, revealing that 89% of the variance in growth/performance was attributable to these practices. Furthermore, Mohamud et al. (2015) demonstrated a positive relationship between strategic management and organizational growth, aligning with the current study's findings. In Kenya, studies by Njanja (2009) and Otieno (2013) confirmed a similar positive relationship between effective strategic management practices and organizational growth, further corroborating the current research.

## Chapter Five

### 5. Summary of Major Findings, Conclusion, and Recommendations

#### 5.1 Introduction

This chapter summarizes the findings, draws conclusions, and provides recommendations based on the research discussed in the previous chapter. It culminates in targeted recommendations designed to enhance the organizational performance of Ethio-telecom through improved strategic management practices.

#### 5.2 Summary of Major Findings

The analysis demonstrates that strategic management practices such as environmental scanning, strategic formulation, strategic implementation, and monitoring and evaluation are integral to enhancing organizational performance. The regression analysis shows that each of these practices significantly contributes to organizational performance, with environmental scanning emerging as the most influential factor (Beta = 0.406,  $p < 0.001$ ) followed by strategic formulation (Beta = 0.287,  $p < 0.001$ ). Strategic implementation and monitoring and evaluation also show positive effects with coefficients of 0.173 ( $p = 0.017$ ) and 0.115 ( $p = 0.010$ ), respectively. These results underscore the crucial role of a comprehensive strategic management approach in driving organizational performance. Effective environmental scanning allows organizations to adapt to external changes, strategic formulation sets the direction, implementation translates strategies into action, and monitoring and evaluation ensure ongoing adjustment and improvement.

The inclusion of control variables, namely experience and academic qualification, in the regression analysis revealed that these factors do not significantly alter the relationships between strategic management practices and organizational performance. The results show that, even with these controls, the coefficients for environmental scanning, strategic formulation, strategic implementation, and monitoring and evaluation remain consistent in their magnitude and significance. For instance, environmental scanning maintains a Beta of 0.412 ( $p < 0.001$ ), and strategic formulation's Beta is 0.206 ( $p = 0.001$ ) when control variables are included. This consistency underscores the robustness of the relationships and indicates that the impact of

strategic management practices on organizational performance is substantial and not significantly influenced by respondents' experience or academic qualifications.

The structural equation modeling reveals that organizational culture and employee engagement significantly mediate the relationship between strategic management practices and organizational performance. The Hypothesized Model, which incorporates these mediators, shows that environmental scanning has a substantial total effect of 0.406 on organizational performance through its influence on both organizational culture and employee engagement. Similarly, the strategic formulation has a standardized total effect of 0.285, indicating its significant impact mediated by these factors. Strategic implementation monitoring and evaluation also exhibit notable indirect effects on organizational performance. The mediation analysis thus highlights that while strategic management practices directly affect performance, their impact is significantly enhanced through organizational culture and employee engagement. This underscores the importance of fostering a positive organizational culture and high levels of employee engagement to fully realize the benefits of strategic management practices.

The model fit indices confirm that the Hypothesized Model is both reliable and statistically significant. The Chi-Square/df ratio of 2.457 ( $p = 0.117$ ) suggests that the model does not significantly deviate from the data, indicating a good fit. Additionally, the model exhibits excellent fit indices across several metrics: a Goodness-of-Fit Index (GFI) of 0.997, an Adjusted GFI (AGFI) of 0.91, a Normed Fit Index (NFI) of 0.998, a Tucker-Lewis Index (TLI) of 0.976, and a Comparative Fit Index (CFI) of 0.999. The Root Mean Square Error of Approximation (RMSEA) is 0.082, which is within acceptable limits, suggesting that the model accurately represents the relationships among the variables. These indicators collectively affirm that the Hypothesized Model provides a reliable and valid framework for understanding the complex interactions between strategic management practices, organizational culture, employee engagement, and organizational performance. In contrast, the poor fit indices of Alternative M2 (CFI = 0.608) highlight the inadequacy of simpler models that do not incorporate mediation effects, reinforcing the robustness and importance of the comprehensive Hypothesized Model.

### 5.3 Conclusion

The findings indicate that strategic management practices have a statistically significant positive impact on Ethio-telecom's organizational performance. Specifically, environmental scanning, strategic formulation, strategic implementation, and strategic monitoring and evaluation are the key practices that significantly influence organizational performance. Furthermore, strategic management practices also have a notable effect on organizational culture and employee engagement. The study reveals that organizational culture and employee engagement both mediate the relationship between strategic management practices and organizational performance, with organizational culture demonstrating a stronger mediation effect than employee engagement.

The mediation analysis reveals that organizational culture and employee engagement effectively mediate the relationship between strategic management practices and organizational performance. The structural equation modeling results show that the impact of environmental scanning, strategic formulation, strategic implementation, and monitoring and evaluation on organizational performance is significantly mediated by these factors. This underscores the importance of not only implementing strategic management practices but also fostering a supportive organizational culture and enhancing employee engagement to maximize their effectiveness. The positive indirect effects through these mediators indicate that the benefits of strategic practices are amplified when they influence organizational culture and employee engagement. The model fit indices confirm that the Hypothesized Model, which incorporates strategic management practices along with mediation effects of organizational culture and employee engagement, exhibits excellent fit. This robustness contrasts sharply with the poor fit of Alternative M1 and M2, which lack mediation effects. The reliability of the Hypothesized Model confirms its validity as a comprehensive framework for understanding the complex interactions between strategic management practices and organizational performance.

Ethio-telecom thoroughly analyzes both internal and external factors, including stakeholder analysis, before formulating its corporate strategy. The organization carefully evaluates its existing resources and identifies any additional needs during the strategy formulation process. In terms of strategic formulation, Ethio-telecom has established a clear vision, mission, and set of organizational values. It has well-defined strategic and operational objectives, with performance indicators developed, prioritized, and supported by adequate financial and technological resources.

The strategic planning procedures are structured and involve stakeholder input, while employee evaluation focuses on contributions to achieving strategic goals.

When it comes to strategic implementation, Ethio-telecom ensures effective communication throughout the implementation of its strategic plan. The connection between strategic planning and decision-making is clear, and there is sufficient staffing for successful implementation. The strategic plan is well-understood, and strong internal collaboration exists across departments. Operational and strategic objectives are executed effectively, responsibilities are communicated clearly, and the organizational structure supports the implementation process.

Regarding strategic monitoring and evaluation, Ethio-telecom uses appropriate tools to monitor strategy implementation and has established clear standards for evaluation. The company exercises effective control over the implementation stage, performs regular evaluations, and tracks the progress of all activities, assessing both individual and overall performance against the strategic plan.

Ethio-telecom fosters an organizational culture that is responsive to the business environment and committed to change. Customer feedback plays a role in decision-making, and the company's vision motivates employees. Investments in technology enhance performance, conflicts between departments are managed effectively, and alignment between strategic objectives and functional areas is ensured through regular managerial meetings.

## **5.4 Recommendations**

Based on the findings, the study recommends the following:

- Ethio-telecom should invest in strengthening its strategic management practices, with a particular focus on environmental scanning and strategic formulation. Enhancing these areas will enable it to better anticipate and respond to external changes and develop more effective strategic plans. This approach will facilitate improved organizational performance by ensuring that strategies are well-informed and effectively aligned with the external environment.
- To leverage the full potential of strategic management practices, Ethio-telecom should prioritize the development of a positive organizational culture and robust employee engagement initiatives. Fostering a supportive culture and engaging employees meaningfully will enhance the effectiveness of strategic management practices and lead to

better performance outcomes. Efforts should be directed towards creating an environment where employees feel valued and motivated, as this will amplify the benefits of strategic practices.

- Researchers and practitioners should utilize comprehensive models that incorporate mediation effects to accurately assess the impact of strategic management practices on organizational performance. The findings highlight the inadequacy of models that focus solely on direct effects, underscoring the need for a more nuanced approach that includes mediators. This comprehensive modeling approach will provide a more accurate and detailed understanding of the relationships between strategic management practices, organizational culture, employee engagement, and performance.

### **5.5 Limitations of the Study and Areas for Future Study**

- The study focused on the corporate offices of Ethio-telecom. The findings didn't include zone and regional offices.
- The study focused on four strategic management practices i.e. environmental scanning, Strategy formulation, implementation, evaluation, and control, whereas other intervening factors such as Government policies, political influence, and environmental factors among others were not covered in this study because they were not within the scope of study of the researcher. Only organization culture and employee engagement were considered mediators. However, other variables are retained.
- Recommend others to design a study that encompasses another primary source of data collection instruments such as group discussion and observation.
- The researcher recommends a similar study by incorporating all offices of Ethio-telecom, and another study that will focus on the influence of organizations' external factors

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**Appendixes**  
**Appendix I**  
**Questionnaire**

The Influence of Strategic Management Practices on Organizational Performance: Examining the  
Mediating Roles of Organizational Culture and Employee Engagement: In the case of Ethio-  
telecom

**Dear Participant,**

I am a postgraduate student of MBA at Addis Ababa University, Business and Economics College. Currently, I am undertaking research on the topic entitled “Influence of Strategic Management Practices on Organizational Performance: Examining the Mediating Roles of Organizational Culture and Employee Engagement: In the case of Ethio-telecom”. You are one of the respondents selected to participate on this study. Please assist me in giving accurate and complete information in order to present a representative finding on the subject. Your participation is entirely voluntary, and the questionnaire is completely anonymous. I confirm you that the information that you share me will be kept confidential and only used for **academic purpose**. Therefore, I kindly request you to answer the questions freely and openly in order to share your expertise and knowledge with me. Thank you in advance for your kind cooperation and dedicating your time

Instructions

- No need of writing your name
  
- For Likert scale type statements indicate your answers with a check mark (✓) in the appropriate box.

## Section A: Demographic Information of Respondents

1. Gender

- a. Male       b. Female

2. Age in years

- a. 20-30     b. 31-40     c. 41-50     d. above 50

3. Academic qualification

- a. Diploma     b. Bachelor's degree     c. Master's degree     d. P.hD

4. Years of service

- a. 1 – 4 years     b. 5 – 9 years   
c. 10 – 20 years     d. Above 20 years

5. Position

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## Section B: Strategic Management Practices, Organization Culture and Organizational Performance Dimensions

Please indicate your responses to each of the following statements. Indicate with a ✓ in the appropriate answer box, according to the following code definitions:

Please rate your response as follows: 1=Strongly Disagree (SD) 2= Disagree (D) 3=Neutral(N) 4=Agree (A) 5=Strongly Agree (SA)

N <sup>o</sup>	Statements	1 SD	2 D	3 N	4 A	5 SA
<b>A Environmental Scanning/Scanning</b>						
1	We comprehensively analyzed internal and external factors during our strategic planning process	1	2	3	4	5
2	We undertook proper stakeholder analysis before the corporate strategy is formulated	1	2	3	4	5
3	A comprehensive analysis is done during the strategy formulation process	1	2	3	4	5
4	We comprehensively identify the resources we have	1	2	3	4	5
5	We comprehensively identify and determine the resources we need and have	1	2	3	4	5
<b>B Strategic Formulation</b>						
1	We have clear vision, mission and organizational value statements	1	2	3	4	5
2	We have clear strategic and operational objectives	1	2	3	4	5
3	We have developed clear performance indicators	1	2	3	4	5
4	We have clearly prioritized our performance indicators	1	2	3	4	5
5	Staffs in lower grades have been involved in strategic planning development	1	2	3	4	5
6	The internal advisors have played a significant role in strategic planning development	1	2	3	4	5
7	The external consultants have played significant role in strategic planning development	1	2	3	4	5
8	We involve stakeholders in strategic planning	1	2	3	4	5
9	The evaluation of employees is based on largely on the contribution to the successful accomplishment of the strategic plan	1	2	3	4	5
<b>C Strategic Implementation</b>						
1	We have effective communication in implementing strategic plans	1	2	3	4	5
2	There is a link between strategic planning and the decision-making process	1	2	3	4	5
3	We have enough staff for strategic planning implementation	1	2	3	4	5

4	Our strategic plan is well understood before any significant actions are taken	1	2	3	4	5
5	There is effective internal collaboration between most departments.	1	2	3	4	5
6	Operational objectives are implemented properly.	1	2	3	4	5
7	Strategic objectives are implemented properly	1	2	3	4	5
8	We have a proper organizational structure that aids strategic implementation	1	2	3	4	5
<b>D Strategic Monitoring and Evaluation</b>						
1	We use proper tools for monitoring the implementation of strategies	1	2	3	4	5
2	The standards based on which strategy implementation is evaluated is clear	1	2	3	4	5
3	We have proper control over the implementation stage	1	2	3	4	5
4	We have proper strategic planning evaluation at regulated intervals	1	2	3	4	5
5	We evaluate and monitor every activity's progress	1	2	3	4	5
6	We evaluate individual and overall performance based on our plan	1	2	3	4	5
<b>E Organizational Culture</b>						
1	All sections in Ethio-telecom are committed to creating the required change.	1	2	3	4	5
2	In Ethio-telecom, customers' input directly influences our decisions.	1	2	3	4	5
3	In Ethio-telecom, we view failure as an opportunity for learning and improvement.	1	2	3	4	5
4	In Ethio-telecom, innovative ideas and risk-taking initiatives are encouraged and rewarded.	1	2	3	4	5
5	Ethio-telecom invests generously in advanced technology to enhance our performance	1	2	3	4	5
6	The company is able to suitably manage conflicts between functions (or departments) and minimize resistance to changes in processes, when necessary.	1	2	3	4	5
7	Alignment exists in the company between the strategic objectives of its functional areas (marketing, sales, production and finance, among others).	1	2	3	4	5
8	Managers hold meetings with the aim of improving the integration of the flows of activities associated with the various functional areas of the business (marketing, sales, production, finance, others).	1	2	3	4	5
<b>F Employee Engagement</b>						
1	At my job, I feel strong and vigorous	1	2	3	4	5
2	At my job, I am very resilient, mentally	1	2	3	4	5
3	I am enthusiastic about my job.	1	2	3	4	5
4	My job inspires me.	1	2	3	4	5
5	I am proud of the work that I do.	1	2	3	4	5

6	I find the work that I do full of meaning and purpose.	1	2	3	4	5
7	I can continue working for very long periods at a time.	1	2	3	4	5
8	I am proud of the work that I do	1	2	3	4	5
9	When I get up in the morning, I feel like going to work	1	2	3	4	5
<b>G</b>	<b>Organizational performance</b>					
1	Customers are satisfied with the Ethio-telecom product/ service quality.	1	2	3	4	5
2	Ethio-telecom has a good relationship with customers.	1	2	3	4	5
3	Ethio-telecom has recognizable image and favorable reputation by its customers	1	2	3	4	5
4	Ethio-Telecom has improved customer experience in recent years	1	2	3	4	5
5	Ethio-Telecom has improved its customer satisfaction in recent years	1	2	3	4	5
6	Customers are served with in the standard delivery time (SDT) set by the company.	1	2	3	4	5
7	Ethio-telecom has variety products/services for its customers.	1	2	3	4	5
8	Customers are happy by the company's after-sales service.	1	2	3	4	5
9	Ethio-telecom focuses on continuous process improvement and optimization.	1	2	3	4	5
10	Ethio-telecom provides sufficient training opportunities to enhance employees' skills.	1	2	3	4	5
11	Ethio-telecom's revenue has increased	1	2	3	4	5
12	Ethio-telecom's profitability has increased in recent years	1	2	3	4	5

**Thank you for your participation!!!**