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

**ASSESSMENT OF STRATEGIC MANAGEMENT PRACTICES:  
THE CASE OF ETHIO TELECOM**

A Thesis Submitted to the School of Graduate Studies of Addis Ababa University in Partial Fulfillment of the Requirements for the Master of Art in Business Administration (MBA)

**By: Leykun Arega**

**Advisor: Yohannes Workaferahu (Ph. D)**

**December, 2023**

**Addis Ababa, Ethiopia**

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**December 2023**

## Declaration

I, the undersigned, here by declare that this thesis entitled “*Assessment of Strategic Management Practices: in the Case of Ethio telecom*” is my own original work and that all sources have been accurately reported and acknowledged, and that this document has not been submitted by any other person for an award of degree in any other university/institution.

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Signature

12/02/2024

Date

## Statement of Certificate

This is to certify that **Leykun Arega** has completed his thesis entitled *“Assessment of Strategic Management Practices: In the Case of Ethio Telecom”* this is his original work and is submitted for examination with my approval as a thesis.

Yohannes Workaferahu (Ph.D)

Name of Advisor



Signature


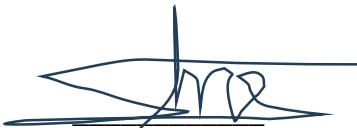

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# Addis Ababa University

## School of Graduate Studies

This is to certify that the thesis entitled, “*Assessment of Strategic Management Practices: In The Case of Ethio telecom*” was carried out by Leykun Arega under the supervision of Yohannes Workaferahu (Ph.D) submitted in partial fulfillment of the requirements for the degree of Master of Business Administration complies with the regulations of the University.

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## ABSTRACT

*The aim of this research paper was to assess strategic management practices in telecom context in the case of Ethio telecom. To conduct this study, the researcher used a descriptive research design to explain the assessment of strategic management practices (strategy formulation, strategy implementation and strategy evaluation) on Ethio telecom. The target population comprised 517 Ethio telecom employees and 226 samples drawn. The study utilized primary and secondary data sources to obtain the desired information and fulfill the research objectives. The study used questionnaires for data collection, accordingly 226 questionnaires were distributed through a google form link and 210 collected online and 206 questionnaires were properly filled and used for analysis while 4 returned incomplete. The Stratified sampling technique was used. The study applied quantitative research approach and Cronbach Alpha was used for reliability test. The overall practices of strategic management analysis findings show that the extent to which strategic management practice which incorporates strategic formulation, strategic implementation and strategic evaluation being applied by Ethio telecom is good, particularly the highest score belongs to strategic formulation, which implies that Ethio telecom is doing better in the environmental scanning to use as a basis for developing strategy, in generating and selecting appropriate strategic actions and initiatives to achieve corporate mission and objectives. Furthermore, Ethio telecom needs an improvement on inter functional plan alignment and integration, in devising motivational scheme to ensure planned strategies effectively implemented and on establishing a system based strategic performance monitoring. Generally, the researcher expects that the findings of this research would be useful for Ethio telecom in effectively formulating strategy, implementing and evaluation appropriately in order to achieve a better organizational performance.*

**Key Words:** *Strategic Management, Strategy Formulation, Strategy Implementation and Strategy Evaluation.*

# TABLE OF CONTENTS

Acknowledgement .....	i
Abstract.....	ii
Table of Contents.....	iii
List of Tables .....	vi
List of Figures .....	vii
Acronyms.....	viii
CHAPTER ONE.....	1
1. INTRODUCTION .....	1
1.1. Backgrounds of the Study .....	1
1.2. Background of the Organization .....	2
1.3. Statement of the Problem .....	5
1.4. Research Questions .....	7
1.5. Objectives of the study.....	7
1.5.1. General Objective .....	7
1.5.2. Specific Objectives .....	7
1.6. Significance of the Study .....	8
1.7. Scope of the Study.....	8
1.8. Operational Definition of Terms .....	9
1.9. Organization of the Study .....	9
CHAPTER TWO .....	10
2. REVIEW OF RELATED LITERATURE.....	10
INTRODUCTION .....	10
2.1. Theoretical Review .....	10
2.1.1. Concept and Definition of Strategic Management .....	10
2.1.2. Models of Strategic Management .....	12
2.1.3. Strategic Formulation .....	15
2.1.4. Strategic Implementation .....	16
2.1.5. Strategic Evaluation .....	17



2.1.6. Levels of Strategy .....	18
2.1.7. Benefits of Strategic Management .....	18
2.1.8. Problems of Strategic Management .....	19
2.2. Empirical Literature Review .....	20
2.3. Research Gap.....	23
2.4. Conceptual Framework .....	24
CHAPTER THREE .....	25
3. RESEARCH METHODOLOGY.....	25
Introduction.....	25
3.1. Research Design.....	25
3.2. Sampling Design .....	25
3.2.1 Target Population .....	25
3.2.2 Sampling Technique and Size .....	26
3.3. Data Types and Sources .....	28
3.4. Data Collection Procedures.....	28
3.5. Data Analysis and Presentation Method .....	29
3.6. Validity and Reliability of Data .....	31
3.7. Ethical Considerations.....	33
CHAPTER FOUR .....	34
4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION.....	34
4.1 Questionnaires Response Rate.....	34
4.2 Respondents Demographic Information .....	35
4.3 Descriptive Analysis .....	36
4.3.1 Strategic Management Analysis .....	37
4.3.1.1 Analysis of Strategic Formulation .....	37
4.3.1.2 Analysis of Strategic Implementation.....	38
4.3.1.3 Analysis of Strategic Evaluation.....	39
4.4 Discussion of the Research Finding .....	42

CHAPTER FIVE.....	43
5. SUMMARY, CONCLUSION AND RECOMMENDATION.....	43
5.1 Summary of Major Findings.....	43
5.2 Conclusion .....	44
5.3 Recommendation.....	45
5.4 Limitations and Future Research Direction.....	47
References.....	48
Appendix.....	52

## **List of Tables**

Table 2.1: Evolution of Strategic Management.....	11
Table 3.1: Proportionate Sample Size from each stratum.....	27
Table 3.2: Variables Coding.....	29
Table 3.2: Reliability Test.....	32
Table 3.2: Reliability Test for Strategic Management.....	32
Table 4.1: Response Rate.....	34
Table 4.2: Demographic information of Respondents.....	35
Table 4.3: Mean Score Interpretation.....	36
Table 4.4: Strategy Formulation.....	37
Table 4.5: Strategy Implementation.....	38
Table 4.6: Strategy Evaluation .....	40
Table 4.7: Overall Strategic Management Practices Measure.....	41

## **List of Figures**

Figure 1.1: Ethio telecom Strategy Preparation Journey .....	3
Figure 2.1: A Comprehensive Strategic Management Model .....	13
Figure 2.2: A Model of the Strategic Management Process .....	13
Figure 2.3: Strategic Management Model .....	14
Figure 2.4: Conceptual framework .....	24
Figure 4.1: Mean of Major Variable .....	41

## Acronyms

**BSC:** Balanced Scorecard

**CD:** Communication Division

**CSD:** Customer Service Division

**CxQMD:** Customer Experience and Quality Management Division

**FD:** Finance Division

**FFD:** Fleet and Facility Division

**FND:** Fixed Network Division

**HRD:** Human Resource Division

**ISD:** Information System Division

**ISecD:** Information Security Division

**IAD:** Internal Audit Division

**LD:** Legal Division

**MD:** Marketing Division

**MMBD:** Mobile Money Business Division

**NID:** Network Infrastructure Division

**PSD:** Physical Security Division

**SPMD:** Strategic and Program Management Division

**SD:** Sales Division

**SCD:** Supply Chain Division

**SMART:** Specific, Measurable, Attainable, Realistic and Timely

**SOCD:** Service Operation Center Division

**SWOT:** Strengths, Weaknesses, Opportunities and Threats

**Telco:** Telecom company

**TExA:** Telecom Excellency Academy

**WND:** Wireless Network Division

# CHAPTER ONE

## 1. INTRODUCTION

The overview of the thesis is presented in this chapter. This chapter covers background of the study, statement of the problem, research question, objectives of the study, significance of the study, scope of the study, operational definition of terms and finally organization of the study.

### 1.1. Backgrounds of the Study

In today's dynamic business environment strategic management practice is decisive to ensure business growth, to achieve better results, respond to existing challenges, outperform competitors and have best competitive position as it enables to take a multitude of factors into account when making decisions. A strategic management is an overall process of assessing the current situation, formulating appropriate strategies, putting those strategic plan into action, reviewing, evaluating and changing those strategies as needed. Strategic management process consists defining the mission, vision, and major goals, analyzing external and internal business environments, choosing strategies aligned with the organization's environments and adopting organization structures and control systems to implement the organization's chosen strategy (Charles and Gareth, 2013).

Strategic management can be defined as the art and science of developing, implementing, and assessing cross-functional decisions that help a company accomplish its objectives. It focuses on integrating management of different work units, marketing, finance and accounting, production and operations, research and development, and information systems to achieve organizational success (Fred and Forest,2017). The basic elements of strategic management are strategy formulation, strategy implementation and strategy evaluation.

Strategy formulation is the process of environmental scanning and making decision that provides the company with the criteria for attaining a competitive advantage. Strategy formulation is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses. (Thomas and David,2012). Strategy implementation is about putting those formulated and selected strategies into action. Sadler (2003) mentioned that a strong strategy is worthless if it is not implemented well. It involves decisions

about organization structure, resource allocation and acceptable risk level, leadership qualities and managerial skills.

Strategy evaluation may include examining the underlying bases of existing strategy, review planned against actual strategy executions, identify gap and take corrective actions to ensure that performance conforms to plans.

Strategic Management practices have significant benefit to organizations in enabling to formulate better strategies, to survive, grow, make profit and sustain their businesses and gain competitive advantage over their rivals. Thomas and David (2012) indicated as research reveals that organizations that successfully engage in strategic management do better than those that do not. The attainment of an appropriate match, or “fit,” between an organization’s environment and its strategy, structure, and processes has positive effects on the organization’s performance.

In the telecom industry, strategy planning and performance management practice are the primary role to ensure sustainable growth of the company in the industry competitive market, to tap market opportunities and to match with the changed customer demands and actors in the market, to play pivotal role in the overall progress and prosperity of its operating country through accelerating communication and digital transformation. Thus, examining the strategic management practices of a telecom operator is an essential topic for researchers. Therefore, the purpose of the study was to assess the strategic management practices in telecom operator focusing on Ethio telecom.

## **1.2. Background of the Organization**

Ethio telecom started providing telecom service 128-year ago in Ethiopia, successive investments have been made to expand the service and the industry has undergone many changes. The company has got its current status since 29th November 2010 as a part of Ethiopia’s 2005/06 – 2009/10 GTP following the federal government’s decision to focus on improving telecom services, taking them as key to national development.

In its long journey, Ethio telecom has been playing its enabling role by providing telecom services and recently by engaging in financial services to the development of the nation and accelerating digital transformation in the country. Ethio telecom has been implementing BRIDGE strategy that has enabled the company to record outstanding results in expanding 4G LTE and 5G advanced



network and IT systems infrastructure, ensuring affordable and quality services, engaging in new business like Mobile money service, implementation of cost optimization strategy, building leadership & staff capacity and empowerment activities have taken a central role. The company reaches 70 Million subscribers of telecom and 27.7 Million of Mobile Money (telebirr) services (Ethio telecom, January 2023).

Currently, Ethio telecom with a new beginning and a new perspective, began implementing its newly devised three-years LEAD Growth Strategy starting from July 01, 2022, with a vision of A Leading Digital Solutions Provider by providing reliable communications & digital financial services to simplify the daily activities of organizations and individuals. The company develops this strategy by conducting an environmental analysis (SWOT, benchmark, and global industry trend) and evaluating existing strategy execution, redefining vision, mission and values, identifying enablers and challenges, Strategic issues, thematic areas, Objectives, and setting appropriate action plans, activities, initiatives, and a road map to each objective.



Figure 1.1: Ethio telecom Strategy Preparation Journey

Ethio telecom redefined its vision and mission statements and core values during July 2022 to June 2025 three years' growth strategy formulation and annual business plan preparation as follows:



## **A Leading Digital Solutions Provider**



## **Provide Reliable Communications and Digital Financial Services to Simplify Life and Accelerate Digital Transformation of Ethiopia**



- 1. Human-centric-** we are responsive to our employees, customers and stakeholders aligned with their interests and values.
- 2. Integrity-** we are trustworthy, responsible and accountable to do business centering ethics at the heart of our business.
- 3. Excellence-** We are committed for quality, excellence and professionalism. we take every challenge as an opportunity using innovative approaches and centering digitalization for a better result.
- 4. Socially Responsible-** We care and protect environment, contribute for the overall development of our society and we do engage in ethical business and do business ethically.
- 5. Togetherness-** we always perform in synergy & teamwork internally and work in collaboration with ecosystem players so as to grow together.

Ethio telecom objectives are drawn based on BSC framework from the viewpoint of the four scorecard perspectives namely Financial, Customer, Internal Process and Learning and Growth. The objectives are increasing profitability, revenue growth and mix, cost optimization, improving customer experience, increasing subscriber base, enhance brand reputation, enhance network & system capacity and presence, improve service quality, enhance productivity and efficiency, enhance diversified and differentiated solutions, improve stakeholder management, enhance risk & security management, enhance technology and digital capability, enhance talent and knowledge

management, enhancing organizational culture and increase employee satisfaction.  
Source: Ethio telecom July 2022 to June 2025 strategy preparation Journey Document.

Although there are remarkable improvements in the performance of Ethio telecom, there is still behind the industry standard in terms of customer satisfaction to fulfill the growing demand of the customer. Many factors could contribute to the business performance of a company such as organization structure and culture, Network infrastructure, Human resources, Marketing activities, Leadership strength and Management commitment and Technologies. However, considering the role of strategic management is among core of any business organization especially, in telco industry where the competitive environment is high, to meet customer demands and retention. Thus, the focus of this research was to assess the strategic management practices and to identify the gaps and recommend for improvement in achieving competitive advantage.

### **1.3. Statement of the Problem**

In today's fast-paced and globalized business environment, organizations may easily lose their sense of the direction and purpose. However, strategic management serves as a powerful tool to control an organization's destiny. It provides a guiding light and enforce members of the organization to think about the future, identify new opportunities and threats, and refocus on their mission and can remain proactive, competitive, and develop calculated approaches to address issues from a broad perspective (Alkhafaji, 2003).

By implementing strategic management effectively organizations may retain larger market share, enhance its customer base, ensure customer satisfaction and increase profit margin. For telecommunication operators to compete effectively the practice in the overall strategic management is very crucial to focus on continuous innovations in new and differentiated products, enhance quality of service and assure network coverage and deliver services at lower cost. This enables the Telco's to be more competitive on price and get better loyalty from their customers (Muneer, 2012)

Thus, the primary initiative to conduct this study is oriented towards providing management with answers to questions concerning about the extent of the current status of strategic management practices. As Ethio telecom was sole telecom operator in the country for the past 128 years, its

strategic management was not end to end fully practiced to the expected level to bring the required result. It is observed that there is gap to the end to end implementation process of strategic management. The problems are lack of integration and alignment with all stakeholders involved in strategic management practice and taking corrective action based on timely review on strategic execution. However, following the national policy change on liberalization of telecom industry on 2021, Safaricom Ethiopia PLC won the license to operate telecommunication services in Ethiopia and launched their services on August 2022. Now there is a high driving factor to appropriately implement strategic management practices throughout the company because today's question for the company would be survival than profit making.

Thus, this study aims to investigate, explain and contribute about the strategic management practices and ensure on understanding end to end practice considering the emerging stiff competition as the effective strategic management practices addresses the question of why some organizations succeed and other fails and enables to get ready for the competitive market and create new way of doing things (Muneer, 2012).

Even though there are numerous studies are conducted related to the assessment of strategic management practice in many developed and developing countries, there are very few empirical studies conducted in Ethiopia (e.g, Marta, 2021; Wubshet, 2018; Dinberu, 2016; Amelework, 2015) and almost all of these studies focused on financial institutions and other sectors than in telecom industry. Moreover, as to my knowledge there have been no empirical studies conducted to assess the strategic management practices, mainly strategic formulation, implementation and evaluation practices in telecom industry of Ethiopia, particularly in Ethio telecom. However, there is one study related to overall assessment on strategic management practices on the case of four branches of Ethio telecom North Shewa Zone Debrebirhan, studied by Tilahun, K. (2021) with limited geographical scope miss to incorporate corporate functional divisions who are responsible for corporate level and functional strategies development which might results lack of fair sample representation and low generalizability of the result. As a result, there is a gap in the literature in the assessment of the strategic management in the Ethiopian Teleco industry and further research required. therefore, the study will be relevant and contribute for Ethio telecom to know its current status of the strategic management application and understand its implication on the overall performance of the organization.

The emerging competition in the telecom industry in Ethiopia, a shift in technology, unlimited customers demand and decline in market share in the hypercompetitive Telco industry become difficulties, to address these, end to end managing effectively the strategic management is pivotal for company success. Therefore, the researcher motivated to fill the literatures gap on the topic and seek to investigate the existing strategic management practices in telecom context. So, this could be the reason to investigate the strategic management practices which are explained by characteristics such as strategy formulation, strategy implementation, and strategy evaluation in the case of Ethio telecom.

#### **1.4. Research Questions**

This study was undertaken with the aim of assessing the strategic management practices. Based on the problem statement mentioned above and literature reviewed on the issue, the researcher tried to answer the following basic questions.

1. How does Ethio telecom formulate strategies to achieve better results?
2. How does strategic implementation process undertake in Ethio telecom?
3. How does Strategic review, evaluation and control process looks like in Ethio telecom?
4. What are the gaps observed in the strategic management practice in Ethio telecom?

#### **1.5. Objectives of the study**

##### **1.5.1. General Objective**

The general objective of this study is to examine the strategic management practices of Ethio telecom.

##### **1.5.2. Specific Objectives**

To achieve the overall objective of the study, the following specific objectives are developed:

- To investigate how the company conduct strategy formulation process.
- To assess the strategy implementation of the company.
- To examine and explain the strategic review and evaluation practices of the company.

- To identify and recommend improvement areas on strategic management practices which will enhance organization business performances

## **1.6. Significant of the study**

The study can have both theoretical and practical implications. The following can be of practical importance to telecom service providers:

- To provide an insight on end to end strategic management practices for Telco in Ethiopian context.
- Furthermore, the study might serve as an opportunity for Ethio telecom to assess its strategic management awareness from the views of its own employees.

Theoretically the research can have significance impact for both the academician and researchers.

- For academician, the study can serve as some reference material for further research by other researchers on future studies, especially in the telecom sector.
- For the researcher, it gives the opportunity to gain deep knowledge in the practice of strategic management as well as the research paper will be served as partial fulfillment of the requirements for the award of the Master's Degree in Business Administration.

## **1.7. Scope of the Study**

To make the study manageable, its boundaries must be clearly defined. Thus, geographically, the study was delimited to telecom operator of Ethio telecom in Addis Ababa corporate offices and constituted the target population from all division employees that have directly related to strategic management activities. i.e. Strategy and program Division and other cross-functional divisions as it is difficult to cover all zonal and regional offices for researchers due to time and other constraints.

Conceptually, the study limited on assessing only the strategic management practices such as strategy formulation, strategy implementation, strategy evaluation and control. Also, this study aims to evaluate Ethio telecom's strategic management practice from its own employee's perspectives and to establish the appropriate ways to improve its strategic planning, execution and evaluation activities.

Methodologically, the study is delimited to descriptive research approach, particularly it uses evaluative research design in investigating the strategic management process (formulation,

implementation and evaluation) by using questionnaires. Therefore, any result found in this study is interpreted in relation to the strategic management practices of the company.

## **1.8. Operational Definitions**

**Strategic management:** refer the entire process of developing, implementing, reviewing, and evaluating a strategy.

**Strategy formulation:** Strategic formulation is dealing with developing a vision and mission, assessing an organization's external opportunities and threats and identify internal strengths and weaknesses, setting long-term objectives, generating alternative strategies, and selecting appropriate strategies to implement. (Fred R,2011)

**Strategic implementation:** refers to putting a decision and strategic plan into action. It will be necessary to allocate resources to new strategic actions and initiatives, and the organization's structure may need to change to handle new tasks. Additionally, staff will need to be trained, and suitable working systems will need to be developed. (Richard and Colin,2005)

**Strategic evaluation:** A process to ensure performance compares with desired outcomes and provide the feedback required for management to assess results and, when necessary, take remedial action. (Thomas and David,2012)

## **1.9. Organization of the Study**

This research paper consisted of five chapters. The first chapter covered background of the study, statement of the problem, research questions, objective of the study, significant of the study, scope of the study and operational definitions of terms. The second chapter presented the review of related literatures which consists of a theoretical review, empirical review, and conceptual framework. The third chapter deals with the methodology of the study and design of the research. Data presentation, analysis and interpretation was presented under chapter four. The last chapter includes summary of major findings, conclusions and recommendations.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

This chapter provided an overview of the theoretical and empirical concepts as well as the conceptual framework that supports for the study's primary variables. An attempt has been made to review relevant literatures on the areas that contains strategic management concepts, models and key components of strategic management, Levels of Strategy, Strategic management importance and problems of Strategic Management and empirical literature are among the topics covered.

#### **2.1. Theoretical Review**

##### **2.1.1. Concept and Definition of Strategic Management**

The concept of strategic management has changed over time and continued evolving. As result, depending on the author and sources, there are several meanings and interpretations. For instance, the word strategic planning is often used by academics and professionals to refer to strategic management. Sometimes managers use the terms strategic management, strategic planning, and long-range planning interchangeable. Finally, some of the terms are used interchangeably with strategic management are strategy and policy formulation and business policy and strategy.

There is no a unifying definition of strategic management that all parties can agree on. Numerous definitions are used to explain strategic management by several scholars in different ways.

Strategic management is a set of managerial decisions and actions that determines the long run performance of an organization. It includes internal and external environment scanning, strategic or long-range planning, strategy implementation, and evaluation and control (Thomas and David,2012).

Charles and Gareth (2009) relates strategy to success or failure of the company, as a set of actions managers take to improve their company business performance relative to competitors. If a company's strategy yields greater performance, it is said to have a competitive advantage.

Literatures revealed that strategy or strategic planning had started in the military as art of war. The military strategy assumes conflicts while the business strategy assumes competition with the



intention of overcoming challenges, exploit opportunities and gain a competitive advantage over rivals.

As cited in Omsa, Ridwan and Jayedi (2017), the evolution of strategic management summarized in four periods as follows in below table 2.1:

**Table 2.1 Evolution of Strategic Management**

<b>1<sup>st</sup> Period (1960's)</b>	<b>2<sup>nd</sup> Period (1970's)</b>	<b>3<sup>rd</sup> Period (After 1970's)</b>	<b>4<sup>th</sup> Period (Latest)</b>
<p>The success of a company is dependent on its internal aspects, which is referred to as Resource-Based View (RBV)</p> <p>Focuses on the internal factors of the organization</p>	<p>Focus was on external factors of the company called on Organization or Industrial (I/O)</p> <p>The corporate strategy was grouped based on industry structure, with an emphasis on the external aspects of the company</p>	<p>The emphasis changed back from I/O to RBV, with an emphasis on competitive dynamics and the boundary of companies relationship with their environments</p>	<p>Firms' resource-based perspectives became the focus of strategic management attention</p> <p>Addresses how organizations might gain and maintain a competitive advantage through the use of its distinctive capabilities</p>

Instead of only concentrating on the present or understanding what has already occurred, strategy requires looking into the future and establishes a future direction or destination (White,2004). On the other hand, according to Purcell (1999) cited by Armstrong (2006) the emphasis in strategy is on focused actions that differentiate the firm from its competitors.

The strategic management of an organization consists processes of analyses, decisions, and actions and also the analysis of why certain businesses do better than others is the fundamental of strategic management. (David and Alan,2009).

According to Fred and Forest (2017) both science and art techniques are used in the strategic management process and applications that enable an organization to achieve its objectives. Strategic management is defined as the process by which managers of the firm analyze the internal and external environments for the purpose of formulating strategies and allocating resources to

develop a competitive advantage in an industry that allows for the successful achievement of organizational goals. (Marcus, Josh, Erin and Raymond, in press).

Strategic management refers to the managerial process of developing a strategic vision, objectives and strategy, putting into action the strategy, and then over time, making any necessary correction in the vision, objectives, strategy and execution. (Robert, 2010).

According to Fred and Forest (2017) by initiating and influencing actions rather than just reacting to them, strategic management enables an organization to ensure control over its own course of action and be more proactive than reactive in determining its own future.

### **2.1.2. Models of Strategic Management**

The models covered in this section provide important insights on the high level overview of all the elements incorporated in the strategic management practices, which are vary among authors, however major activities engaged through the processes are similar. Although this models do not guarantee success, it does represent a simple, useful and practical approach for strategic planning, implementation and performance follow up and evaluation. Thus managers are expected to choose the relevant model and customize it that go along with their firm's competitive environment.

Models proposed by some authors organized into strategy formulation, implementation of formulated strategy and monitoring and evaluation of strategy in their models. Others, on the other hand, began with environmental analysis as a major phase and then followed with strategy formulation, implementation, evaluation, and control. The phase of environmental scanning is also crucial, which the majority of authors put in the strategy formulation phase. Some of the basic models of strategic management have discussed as follows.

According to Fred and Forest (2017) the strategic management process involves of three stages: strategy formulation, strategy implementation and strategy evaluation.

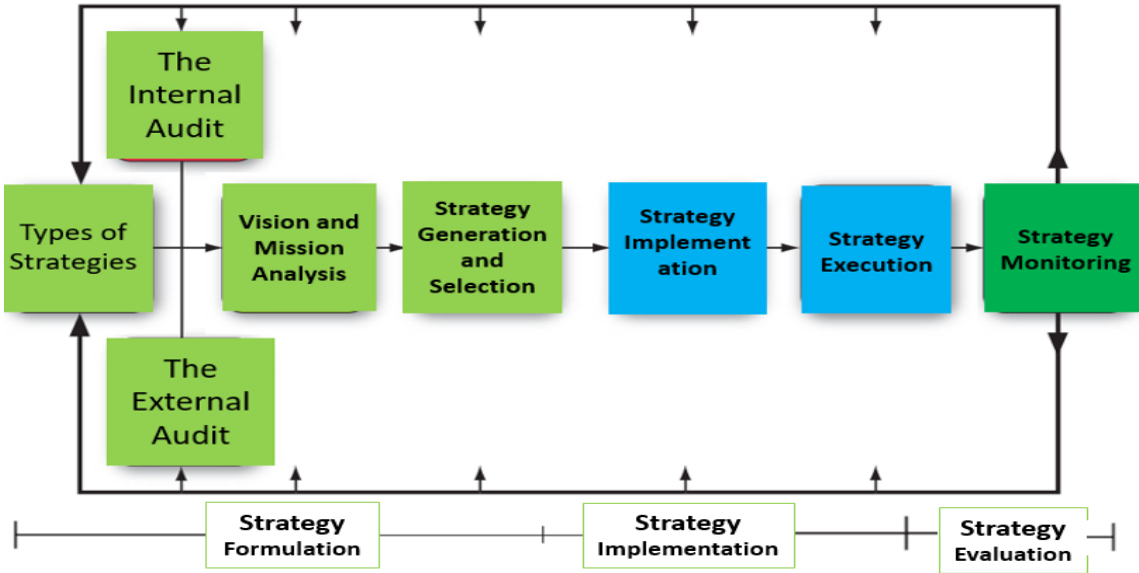


Figure 2.1: A Comprehensive Strategic Management Model (Fred and Forest,2017)

According to Charles and Gareth (2009) categorized the strategic management processes into five main activities: Select the corporate mission and corporate goals, Analyze the organization’s external environment to identify opportunities and threats, Analyze the organization’s internal operating environment to identify the organization’s strengths and weaknesses, Select strategies that build on the organization’s strengths and correct its weaknesses in order to take advantage of external opportunities and counter external threats and finally Implement the strategies.

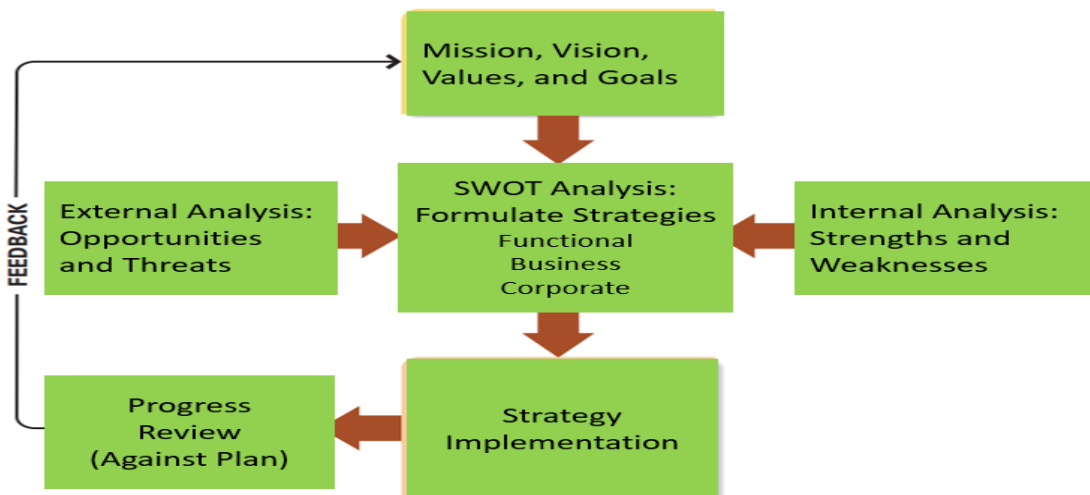


Figure 2.2: A Model of the Strategic Management Process (Charles and Gareth,2009)

According to Thomas and David (2012) strategic management has 4 basic elements such as environmental scanning, strategy formulation, strategy implementation and evaluation and control.

Here underneath revealed their strategic management model that presents what a firm should do in terms of the strategic planning process.

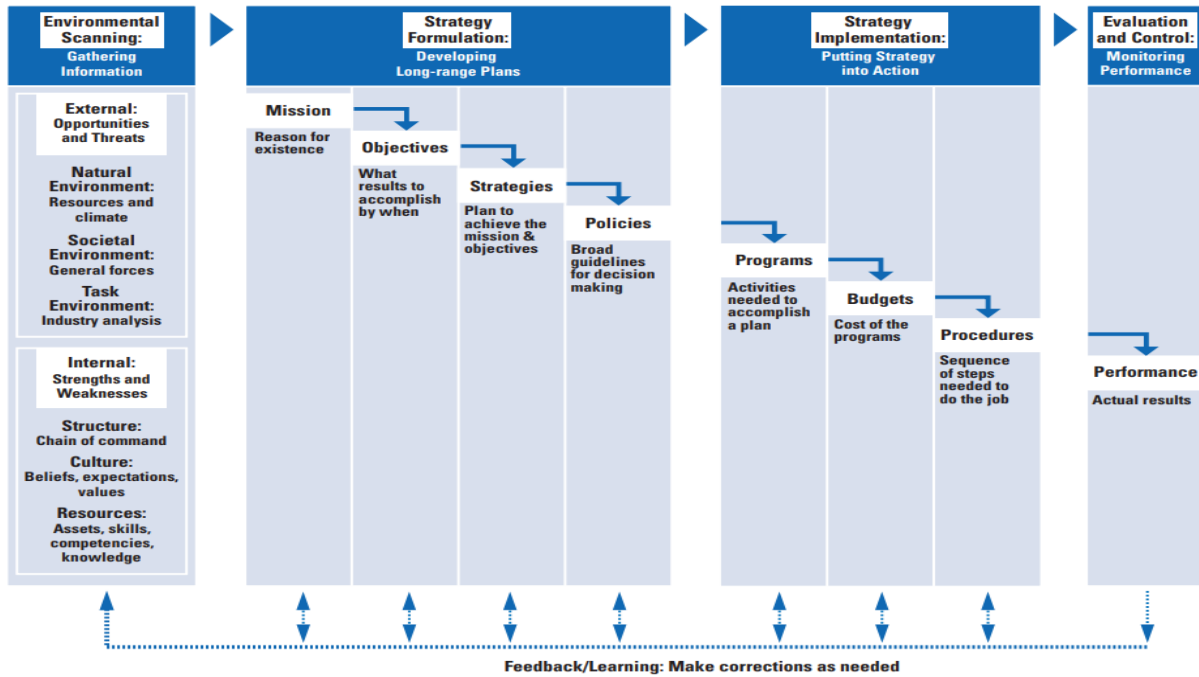


Figure 2.3: Strategic Management Model (Thomas and David,2012)

The major components presented in different literatures while applying strategic management are where are we now (conduct situational analysis), where are we going (Define/redefine vision, mission, goals and objectives) and how do we get there (develop and choose strategies and execution) and finally how do we know we are there (track the progress and evaluation of performance).

A strategic management process model can be used to examine the role of strategic management in the organization performance (Pearson and Robinson, 2013). Therefore, a model from Fred and Forest (2017) is used for the aim of this study as a reference model, and it is divided into three key components: strategy formulation, strategy implementation, and strategy evaluation.

### **2.1.3 Strategy Formulation**

Strategy formulation involves developing a vision and identifying why the business exists, analyze an organization's external and internal environments such as determining strengths, weaknesses, opportunities and threats, establishing long-term objectives, developing and selecting strategies. Strategic choices affect an organization's success in a significant and long-lasting way, for better or worse (Fred and Forest,2017).

Understanding the context of the environment in which it competes by assessing both internal and external situations is also a component of the strategy formulation process, i.e. Environmental scanning is the monitoring, evaluating, and disseminating of information from the external and internal environments to key people within the corporation. Its purpose is to identify external (Opportunities and Threats) and internal (Strengths and Weaknesses) elements that will determine the future of the corporation. SWOT analysis is the easiest method for doing environmental scanning (Thomas and David,2012).

Strategy formulation is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses. It includes defining the corporate mission, specifying achievable objectives, developing strategies, and setting policy guidelines (Thomas and David,2012).

According to Charles and Gareth (2009) selecting the corporate mission and corporate goals, analyze the organization's external environment to identify opportunities and threats together with analyzing the internal operating environment to identify the organization's strengths and weaknesses would enable to formulate and select strategies that build on the organization's strengths and correct its weaknesses in order to take advantage of external opportunities and counter external threats.

Effective formulation of strategy is believed as the heart of strategic management in enabling companies to sustain their competitive advantage and ensure coherence with the implementation, evaluation, and control of the overall plan. Moreover, Strategic formulation is essential for organizations to achieve their goals, as the plan cannot be realized without it. However, it is equally important to acknowledge the critical role that strategic implementation, evaluation, and control

play in making the formulated strategy practical and achievable. These three key elements of strategic management are essential for the success of the organization. (Thongsookularn, 2019).

### **2.1.4 Strategy Implementation**

According to Fred and Forest (2017) strategy implementation is the action and most difficult stage of strategic management which requires the following major activities to put strategies into action:

- Establishing annual objectives,
- Devise policies, and allocate resources,
- Developing a strategy supportive culture,
- Creating an effective organizational structure,
- Preparing and allocation of budgets, support by developing and using information systems
- Linking employee compensation to organizational performance

Strategy implementation is a process by which strategies and policies are put into action through the development of programs, budgets, and procedures (Thomas and David,2012). To achieve successful implementation of a strategy, a well-planned effort with commitment from all members of an organization is necessary. Nevertheless, it is the responsibility of management to ensure that the appropriate tools, supportive resources, suitable motivation, and lines of authority are present within the organizational structure to effectively implement the strategy.

Foe effective strategic implementation a positive incentive systems are frequently implemented to inspire employees to strive towards shared objectives that are pivotal to maximizing long-term profitability and ensuring the sustainability of the business (Charles and Gareth, 2013).

According to (Hitt et al., 2017; Raes, Heijltjes, Glunk, and Roe, 2011; Sull, Homkes, and Sull, 2015) cited in Tawse and Tabesh (2020) the success of some organizations over others can be attributed in part to their ability to not only formulate a sound strategy but also to implement it successfully. Even a well-developed plan cannot guarantee success unless it is effectively executed. Therefore, the combination of sound strategy formulation and effective strategic implementation is a key determinant of organizational performance success (Alkhafaji, 2003).

### **2.1.5 Strategy Evaluation**

Strategy evaluation activities includes reviewing external and internal factors that are the bases for current strategies, measuring performance, and taking corrective actions. It's vital to evaluate your strategy because past performance is no guarantee of future results (Fred and Forest,2017).

Evaluation and control enables organization to monitor performances and compare actual performance results against plan. Managers at all levels use the resulting information to take corrective action and resolve problems (Thomas and David,2012). Furthermore, it is critical to assess the success or failure of strategy performance, for this, strategy evaluation plays a critical role in this process. If the realized outcome falls short of expectations and vary from intended result, the business can use this as a chance to think and reevaluate its strategy and, if necessary, make adjustment to the strategic plan (Alkhafaji, 2003).

According to Charles and Gareth (2013) Strategic managers make deliberate decisions regarding the strategies and structure of an organization, aiming to optimize the utilization of its resources in achieving its business model objectives and generating value and profits. Following this, they establish strategic control systems, which serve as tools for monitoring and assessing the effectiveness of their chosen strategy and structure. These systems enable managers to identify areas for improvement and determine necessary modifications in the event that the current approach is not yielding the desired outcomes.

A well-designed strategic evaluation and control system should possess three key attributes. Firstly, it should exhibit flexibility, enabling managers to promptly adapt and respond to unforeseen circumstances. Secondly, it should furnish accurate information, presenting an accurate representation of the organization's performance. Lastly, it should deliver information in a timely manner, as relying on outdated data when making decisions can lead to unfavorable outcomes (Charles and Gareth, 2013).

Therefore, to achieve the desired outcomes, it is essential to evaluate strategies at all levels of strategic management practice across the organization, particularly when an organization operates and competes in a highly competitive market.

### **2.1.6 The Levels of Strategy**

Based on the decision making hierarchy of a firm, most scholars classify strategies into three levels: Corporate, Business and Functional/Operational level strategy.

According to Hofer and Schendel (1978) cited in Richard and Collin (2005) explained that **Corporate strategy** which is executive level deals with the allocation of resources among the various businesses or divisions of an organization such as What business are we in? How do we grow in these business? Is it growth, stability, or retrenchment? while **Business strategy** exists at the level of the individual business focusing primarily with the issue of competitive position, how do we compete? Cost leadership, differentiation, whereas **Functional level strategy** is restricted to the actions of specific functions within specific businesses, which is division level strategic goals and objectives to achieve corporate & business strategies like Marketing, Human Resource, Information Technology and strategies integration with others working units.

The selection of corporate-level strategies represents the final stage of the strategy formulation process. These strategies shape a company's business model over an extended period and establish the framework for managers to select business and functional level strategies that aim to optimize long-term profitability. Company corporate level strategies should be chosen to promote the success of its business level strategies, which allows it to achieve a sustainable competitive advantage, leading to higher profitability (Charles and Gareth,2013).

### **2.1.7. Benefits of Strategic Management**

Strategic management benefits to a firm have been identified by several researchers and authors when a firm does strategic planning practice successfully for the internal operating environment and external competitive environment situation they are in.

According to Greenley (1986), Thompson and Strickland (2003), Pearce and Robinson (2003), Nmadu (2007), Akingbade (2007), Adeleke, Ogundele and Oyenuga (2008) cited in Dauda, Akingbade and Akinlabi (2010) summarized the major benefits of strategic management as follows: It results in more clearly defined objectives by creating forward focused vision, enables firm members to exploit new opportunities and handle threats, helps in overcoming risks and uncertainties, improves the quality of business decisions, creating proactive management position



in the changing environment, helping to unify the organization, and get better results in financial, customer satisfaction and build competitive advantage.

The three most highly rated benefits of strategic management based on a survey of nearly 50 corporations in a variety of countries and industries are deeper understanding of the firm strategic vision, prioritizing on what is strategically important and improved understanding of a rapidly changing environment. Moreover, a recent survey by McKinsey & Company of 800 executives found that formal strategic planning processes improve overall satisfaction with strategy development (Thomas and David,2012).

To obtain the aforementioned benefits, managers at all levels are expected to interact in strategy implementation putting their primary focus on the strategic issues, actions and initiatives of their organization.

### **2.1.8. Problems in Strategic Management Practice**

Aluko, et al (2004), Akin bade (2007), Adeleke, Ogundele and Oyenuga (2008) have identified the following disadvantages of strategic management cited in Dauda, Akingbade and Akinlabi (2010):

- ❖ Involves managers and employees spending more time and effort in strategic planning than actively engaging in operational activities.
- ❖ Although a strategic plan is meant to be a guide, it has a tendency to become rigid.
- ❖ Long-range environmental forecast can be inaccurate due to the volatile economic nature.
- ❖ Requires an investment in money and people, some firms might take long time in planning stage while implementation and evaluation can be overlooked.
- ❖ Attractive opportunities that involves high degree of uncertainty or that are difficult to analyze might be rejected as managers would like to engage on risk free business opportunities up on analyzing the environment.

Organization structure and culture, information and communication technology and reporting systems, motivation and reward systems, resource allocation, decision making processes, effective communication, employee competencies, learning and personnel management are all factors affecting strategy implementation success (Ali and Hadi, 2012) in (Dinberu, 2016).

## **2.2. Empirical Review**

This part of the literature review is designed to present different researches and empirical studies that have investigated the strategic management practices in organizations.

### **2.2.1. Assessment of Strategic Management Practices**

Numerous studies were carried out by many researchers in different regions of the world on the strategic management activities carry on, however, few studies have been undertaken in Ethiopia, particularly, in the case of telecom context, Ethio telecom, couldn't find research finding on the strategic management practice.

There are several studies that have investigated the strategic management practices in different organizations (refer Marta, 2021; Abdul, 2020; Thomas, 2020; Kalkidan, 2020; Meresa, 2019; Ali and Qun, 2019; Jacob and Willy, 2015; Birinci and Eren, 2013; Dinberu, 2016) claimed that how well or effective the application of comprehensive strategic management practice in the organizations.

A study by Marta (2021) attempted to see the strategic management process in Ethiopian Roads Authority and revealed on the finding based on the analysis that a lack of trained professionals in environmental analysis, a misalignment between the preparation of the strategic plan and the strategies of other economic sectors, a lack of rewards for employees and management who achieve the strategic plan, unclear strategy monitoring and evaluation tools, and the major challenges are over ambition, unforeseen issues, un expected weather condition, poor coordination between Federal Infrastructure Development Cooperation Agency and the effect of delay. The researched recommended that the management should implement regularly scheduled formal reviews processes to ensure the strategic plan is performing as intended and adhere the SMART framework to reflect the specific desired accomplishments.

According to Abdul (2020) revealed on his study finding that the main challenges encountered in the successful implementation of strategic management practices in the public sector of Afghanistan have been identified as fragmentation in planning systems among different governmental organizations, a lack of coordination and strategic thinking, and the utilization of inadequate environmental scanning techniques.

A thesis entitled “ The Influence of Strategic Management Practices on The Performance of Ethiopian Airlines” observed that as there is a limited practice of strategic management with in Ethiopian Airlines. The researcher recommended to providing comprehensive training for its managers on the overall strategic management concepts and methodologies to practice it very well and active involvement of all management members and employees in strategy formulation, implementation and evaluation is essential to contribute increasing profitability, market share, customer satisfaction and reducing wastage more effectively. Numerous researchers and authors in the field of strategic management have emphasized the positive correlation between engagement in strategic management practices and organizational performance. Therefore, Ethiopian Airlines' management should evaluate whether their strategic management practices align with expected standards. This can be done by requesting relevant documents and reports related to strategic management and conducting thorough assessments (Thomas, 2020).

In a study conducted by Meresa (2019), it was found that the majority of credit and savings institutions strive to adopt strategic management practices. They achieve this by aligning initiatives with the overall strategy, actively involving staff in the implementation process, ensuring that staff members are well-informed about the strategic direction of the organization, monitoring strategy and implementation to make necessary adjustments in response to challenges and prevailing circumstances, and structuring the organization in a manner that facilitates effective strategy implementation. However, the study revealed that budgets in most credit and savings institutions are not prepared in a way that aligns with team or departmental performance.

A thesis entitled “ The Effect of Strategic Planning on Organizational Performance in the Case of Nib Insurance Share Company” indicated on the study finding that the strategic plan developed by top managers and external bodies is not effectively communicated to the employees. As a result, employees lack clarity regarding their authority, responsibilities, and how they can contribute to the strategic planning process. This lack of communication leads to employees feeling disconnected and having a diminished sense of involvement and ownership towards the organization, the goals and actions generated during the strategic formulation up to implementation) are too numerous, this results the team fail to accomplish the goal and objectives of the organization. Moreover, employees didn't get the chance and have no responsibility to participate and brings relevant impact on measuring of strategic planning. The researcher

recommended that the top-level management at different department in the insurance should involve employees to understand and share the organizational values to create a team-spirit and shared accountability and ensure the consistency on strategic monitoring and evaluation during strategic planning process (Kalkidan, 2020)

According to Ali & Qun (2019) on the study aimed to examine the strategic management practices employed by small and medium-sized enterprises (SMEs) in Bangladesh and the impact of adopting these practices on organizational performance. The findings revealed that a significant number of the surveyed firms implemented various strategic management practices, including situational analysis, strategy formulation, implementation, and evaluation. Nearly all of the SMEs examined engaged in regular data gathering and analysis of both internal and external environments. All of the SMEs investigated possessed both mission and vision statements and the involvement of all levels management and employees is important for successful strategic management process.

The existing strategic plan of the Nib International Bank encompasses all the essential elements that a comprehensive strategic plan should include, the mission, vision, and value statements fulfill the expected theoretical requirements and are thus aligned with the tasks assigned to employees. However, the bank demonstrated a poor use of SWOT analysis results, there is a noticeable misalignment within the strategic plan concerning the connection between individual tasks and corporate objectives as well the strategic plan lacks having end to end performance measurements. Moreover, the bank has good performance data collection system though not effectively utilized for the purpose of performance monitoring and evaluation. (Dinberu,2016).

A thesis entitled ‘ ‘ Influence of Strategic Management Practices on Performance of Floriculture Firms in Kenya’ ’ by Jacob and Willy (2015), the results revealed that a majority of the firms had a strategic plan and successfully executed their plans as intended. These firms actively engaged in strategy evaluation and control as part of their strategic management practices. Further, the researcher recommended that top-level managers should actively seek input from lower-level managers and supervisors during the strategy formulation process. By incorporating their insights, the formulated plans can be more effective and aligned with both the long-term and short-term objectives of the organization.

Birinci and Eren (2013) addresses the strategic management practices in the universities of Turkey. The finding reveal inadequate external environmental analyses are conducted, while excessive focus is placed on internal environmental analyses. Universities, in general, tend to have an inward-oriented approach to management. Strategic management primarily revolves around the planning stage, with limited emphasis on implementation. As a result, universities struggle to develop strategies that provide them with a competitive advantage. The potential external opportunities and threats are not well understood, due to the inadequate development and implementation of strategies, there is a lack of monitoring and evaluation. The fragmented discussion of strategic management processes contributes to the institutional performance in universities not up to the standard, even negatively impacted.

The aforementioned empirical studies have been conducted on strategic management activities across various organizations in many regions worldwide. However, there is a need for further research specifically focusing on the telecom industry as there is a lack of research in telecom context highlighting the need for further investigation in this area.

### **2.3 Research Gap**

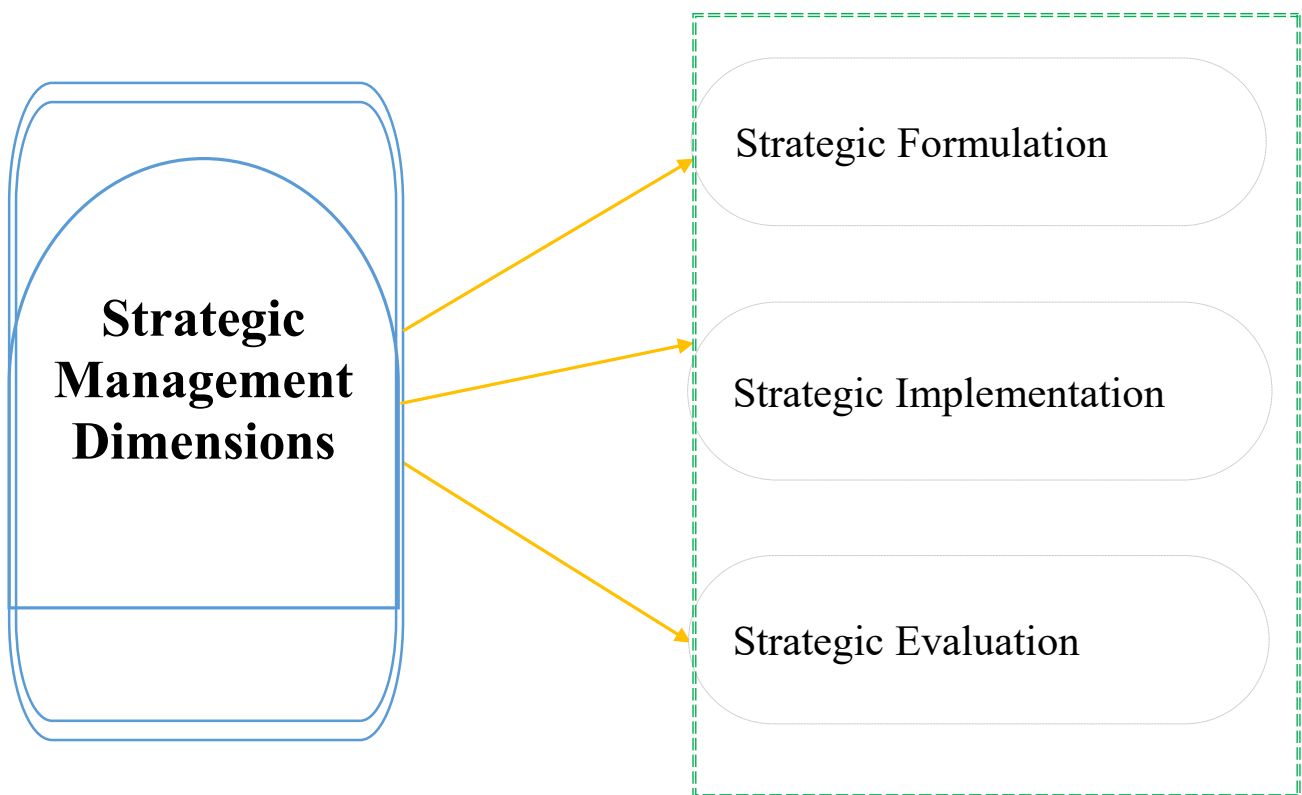
To summarize as a research gap, previous research investigations have primarily focused on financial institutions, transportation companies, and other industries, rather than telecom service providers. This highlights a research gap regarding the strategic management practices of organizations in Ethiopia, particularly within the telecom sector. Therefore, further studies are necessary to address this gap. In line with this, the purpose of this study is to expand on previous research and fill this gap by assessing the strategic management practices in the case of Ethio Telecom. The study will specifically examine strategic formulation, strategic implementation, and strategic evaluation as key variables and dimensions of the strategic management. The research findings will contribute to the existing knowledge in the field of telecom operators with respective to the strategic management practices within the Ethio telecom.

## 2.4. Conceptual Framework

A conceptual framework demonstrates the expected relationship between variables in a way showing the direction of the research study. Conceptual frameworks of the study have main variables which are strategic formulation, strategic implementation and strategic evaluation to examine and illustrate the strategic management practices in the organization.

The researcher was examined the strategic management practices in the organization of Ethio telecom.

The figure below shows the proposed conceptual framework adopted from literatures:



**Source:** - Fred and Forest (2017)

Figure 2.4: Conceptual framework of the study used as reference model for this study

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

#### **Introduction**

The research methodologies which is used for this study is outlined in this chapter. Research methodology deals with the practical aspect of any research project, specifically addressing the "how" of conducting the research. Research design, population and sampling design, data collection instruments, data collection procedures, data analysis and presentation methods, validity and reliability of research instrument and ethical consideration are covered in this chapter.

#### **3.1. Research Design**

The type of research design used depends on the nature of the study. Research design can be exploratory, descriptive, or explanatory aiming that to demonstrates how the selected method is applied to address a specific research question. A descriptive study is aimed to establish associations between variables and to create an accurate profile of persons, events, or situations (Agbor, J.M., 2011). Explanatory studies are studies with the emphasis to study a situation or problem in order to explain the cause-and-effect relationship between given variables (Saunders, Lewis, and Thornhill, 2003)

Thus, in order to establish and explain the finding between variables in the study, this research used the descriptive type of research to illustrate the strategic management practices of the company. In addition, descriptive research was also applied to describe the behavior of a sample population.

Moreover, the study used quantitative research approaches, as the research questions requiring results in numerical data, to examine and assess the strategic management practices of Ethio telecom.

#### **3.2. Sampling Design**

##### **3.2.1. Target Population**

The target populations of the study cover employees of the Strategic and program management division and other cross functional divisions of Ethio telecom in Addis Ababa, at the corporate

level, who have a direct involvement in the process of strategic management practices. The sampling frame included employees from SPMD and all other functional divisions organized such as MD, CxQMD, SD, LD, FFD, SCD, HRD, SOCD, NID, WND, FND, FD, ISD, ISecD, CSD, MMBD, TExA, CD, IAD and PSD). There are a total of 517 employees or target population used to select a sample size from all divisions and management members at all levels considered by default, as they are responsible for the company strategic management practices and non-management employees who are directly engaged and dedicated in their division strategic plan and performance management role, selected for this study as per 2022/23 budget year headcounts available in those divisions.

Ethio telecom's organizational structure is organized into twenty-one functional divisions. Moreover, the company managed its resources and customers through geographical-based grouping, namely Corporate, Zonal, and Regional offices. Corporate and Zonal offices are located in Addis Ababa but regional offices are located all over the country out of the capital based on the company's regional geographical map boundaries.

### **3.2.2. Sampling technique and Size**

Probability sampling and non-probability sampling are the two main types of sampling techniques (Bryman and Bell, 2007). For this research study, to ensure fair representation and generalization of finding to the general population, probability sampling technique is used. The stratified sampling technique were applied to represent adequately each stratum in the sample. The study grouped the population into strata based on homogeneity or similar characteristics. i.e. all 21 functional divisions to ensure the sample are representative from each work unit. The stratified sampling is proportional stratified sampling based on the sample size is proportional to the relative size of the strata. The respondents were selected using simple random samples are then drawn after determining the sample size from each stratum.

The study respondents were sampled from twenty-one different divisions. Based on Toro Yemane (1967) using sample size determination formula, from a total of 517 employees the calculated sample size is 226. Accordingly, the formula below is used to determine the sample size:



$$n = \frac{N}{1+N(e^2)}$$

Where  $\rightarrow$  n is the sample size, N= is the population size, and e = is error margin

The error margin is the tolerable margin of error or significant level, which is calculated as 1-d (desired degree of confidence level). So, d is assumed to be 95% and the error margin is 0.05).

$$n = \frac{517}{(1 + 517 * 0.05^2)} = 226$$

**Table 3.1: Proportionate Sample Size from each stratum**

Number	Division	Sample Size	
		Total Number of Employees/Target	Proportion of Sample
1	SPMD	43	[(43/517) x 226]= 19
2	HRD	22	[(22/517) x 226]= 10
3	MD	29	[(29/517) x 226]= 13
4	CxQMD	25	[(25/517) x 226]= 11
5	SD	35	[(35/517) x 226]= 15
6	LD	8	[(8/517) x 226]= 3
7	FFD	31	[(31/517) x 226]= 14
8	SCD	26	[(26/517) x 226]= 11
9	SOCD	26	[(26/517) x 226]= 11
10	NID	35	[(35/517) x 226]= 15
11	WND	26	[(26/517) x 226]= 11
12	FND	25	[(25/517) x 226]= 11
13	FD	19	[(19/517) x 226]= 8
14	ISD	34	[(34/517) x 226]= 15
15	ISecD	23	[(23/517) x 226]= 10
16	CSD	31	[(31/517) x 226]= 14
17	MMBD	15	[(15/517) x 226]= 7
18	TExA	20	[(20/517) x 226]= 9
19	CD	21	[(21/517) x 226]= 9
20	IAD	12	[(12/517) x 226]= 5
21	PSD	11	[(11/517) x 226]= 5
<b>Total</b>	<b>21</b>	<b>517</b>	<b>226</b>

**Source:** Own Survey,2023

### **3.3. Data Types and Sources**

For this study both primary and secondary data were used to address the research question. The primary data sources for this study are Ethio telecom management members and concerned staffs who are actively involved in the company strategic management process through dispatching survey questionnaires. Secondary data of the study is used from different sources and were collected from company reports, websites, strategy and program management division strategy and performance management department, library books, journal articles, thesis and dissertations which were relevant to guide the researcher on the background of the study and to prepare literature review.

### **3.4. Data Collection Procedures**

In this study, the instrument employed to collect data from respondent was structured questionnaire survey organized with five-point Likert scale from (1) Strongly disagree to (5) Strongly agree and company documents as main source of data. To get reaction on the content of the questions, instructions, clarity, and the layout of the questionnaire, pilot test of the questionnaire were performed on a random sample of 10% of sample representative. The feedbacks collected during pilot testing consists of 22 employees were then noted, and the questionnaires are modified and adjusted accordingly. The pilot test is used to collect input from a limited number of research participants, i.e. 10% of the sample before collecting the entire data set in order to refine the questionnaire based on the feedback received from the pilot test (Connelly, 2008).

The survey questionnaires were self-administered and distributed to collect the quantitative data and administered them through an online survey method. The researcher used the “Google Form” online survey method using the created online link to address the respondents and sent to the respondents through individual email addresses. Finally, the input data was extracted from the system directly and made ready for SPSS analysis.

For secondary data source, the researcher used documents which are relevant to the subject matter and identified in the secondary data source. As a result, these enables the researcher to gather more dependable information and empirical findings that can be used to gain a deeper understanding of the topic being studied.

### 3.5. Data Analysis and Presentation Method

Different quantitative techniques were used in this study for analyzing the data, in the form of descriptive statistics, Descriptive analysis is used to describe the demographic factors for more clarification and mean values, and standard deviations were utilized to further illustrate the findings between variables, which means the strategic management practices. Figures, tables and graphs used to explain the data.

For testing reliability, Chronbach's Alpha coefficient was applied as the measurement value to verify the reliability of the items.

The data collected through questionnaire were analyzed by Statistical package for social sciences (SPSS) Version 23 data analysis tool.

#### Variable Coding

The strategic management dimensions (Strategic Formulation, Strategic Implementation, and Strategic Evaluation) are the main variables used for this study. Hence, to distinguish the type of variables and items produced from each dimension, the researcher is used coding. Here is the coding of the variables which is applied during analysis.

**Table 3.2:** Variables Coding

Dimensions	Variables	Statement	Code
		Ethio telecom identify and analyze in depth its internal and external factors to use as basis for developing strategy	SFQ1
		To examine the company's environmental analysis, all concerned stakeholders took part in the environmental scanning, and including internal operating factors and external environments	SFQ2
		Your Company has involved in and adhere to the strategic planning process	SFQ3
		Ethio telecom define or redefine the vision, mission and core values of the company during strategic plan process	SFQ4

<b>Strategic Management</b>	<b>Strategic Formulation</b>	The current mission statement of your organization is aligned with the activities being carried on by Ethio telecom	<b>SFQ5</b>
		Environmental analysis is important to effectively formulate your company plan	<b>SFQ6</b>
		The company has established strategic objectives, are measurable, clear and aligned with its resource and capabilities	<b>SFQ7</b>
		Your Company generates and select strategic actions and initiatives that helps to achieve organization objectives	<b>SFQ8</b>
		The company strategic plan has cascaded well vertically down in hierarchy in your organization	<b>SFQ9</b>
		The company strategic plan has cascaded well in horizontal integration among functional units	<b>SFQ10</b>
	<b>Strategic Implementation</b>	There are specific and appropriate structures and supportive culture to support strategic plans executions	<b>SIQ1</b>
		There are effective and efficient working systems( policy, process, procedure) to support strategic plans executions in a systematic way	<b>SIQ2</b>
		Your company has adequately allocated resource to support strategic actions and initiative priorities to effectively implement	<b>SIQ3</b>
		There is top management commitment and support to execution of strategic plans	<b>SIQ4</b>
		There are employees commitment, capabilities and support to execution of strategic plans	<b>SIQ5</b>
		There is adequate communication and coordination with members of the company effectively execute strategies	<b>SIQ6</b>
		Your company has designed appropriate motivational and reward system linking to enhance strategic plans execution	<b>SIQ7</b>

	Strategic Evaluation	There are specific structures and processes to review and evaluate strategic plan executions in as system way	SEQ1
		The company has effective performance measurement too to track the progress of accomplishing strategies	SEQ2
		Strategically key performance indicators measures are identified, reviewed and evaluated timely	SEQ3
		The performance measures are balanced in terms of financial indicators and non-financial (customer, internal process and human resource capacity related indicators)	SEQ4
		There is effective performance data collection methods for strategic plan progress review and performance evaluation	SEQ5
		There is consistent and continuous strategic plan performance evaluation against standard and recognize gaps	SEQ6
		Corrective actions are identified and implemented for effective strategic plan execution	SEQ7

**3.6. Validity and Reliability of Data**

The degree of reliability of the instrument that is the uniformity of the variables was checked with the Cronbach’s Alpha statistics. The reliability measure helps to determine the extent to which the items in the questionnaire are related to each other, and get an overall index of the repeatability or internal consistency of the scale as a whole. Cronbach’s alpha is an index of reliability associated with the variation described for by the true score of the “underlying construct” (Nunnally, 1978). Hence, for this study Cronbach’s alpha reliability test utilized to check the consistency of variables.

According to Gandhi (2012) Alpha value greater than 0.70 considered as acceptable reliability scale whereas Alpha value < 0.50 would be unacceptable.

**Table 3.3** Reliability test

Alpha Value	Reliability Scale
0.90	Excellent
0.80-0.89	Good
0.70-0.79	Acceptable
0.60-0.69	Questionable
0.50-0.59	Poor
<0.50	Unacceptable

**Table 3.4:** Reliability Test for Strategic Management

Variables	Cronbach's Alpha	No. of Items	Result
Strategic Formulation	0.905	10	Reliable
Strategic Implementation	0.826	7	Reliable
Strategic Evaluation	0.904	7	Reliable
<b>Overall Strategic Management</b>	<b>0.943</b>	<b>24</b>	<b>Reliable</b>

Note: The full result is presented in Appendix -A

*Source: Own Survey data result, 2023*

Considering Cronbach's Alpha, all dimensions are above the cut of point of 0.7. The lowest Alpha registered are 0.826 (Strategic implementation) and the highest is 0.905 (Strategic Formulation). According to the above table 4.3, the overall Cronbach Alpha result for strategic management items is 0.943, which is the higher value from the acceptable standard 0.70 for all variables. Hence, from the finding it can be agreed that there was a high degree of internal consistency in all items of each variable used for data collection and the instrument which is used in the study is reliable.

Validity is the extent to which variability in participants' scores on a particular degree reveals variability in the characteristic we would like to measure (Allen, 2012). Validity expresses the degree to which a measurement measures what it is significant to measure. A pilot study was

conducted consists of 10% from the targeted sample representatives to improve the validity of the instrument and reliability of the questionnaire and minimize measurement errors.

### **3.7. Ethical Considerations**

In all steps, including data collection, reporting and report distribution, ethics can be the focus of attention. In this research study ensured the privacy of all respondents was respected in the reporting of this research. Furthermore, confidentiality was maintained for all participants and the data collected, and the identities of respondents were kept anonymous. Accordingly, respondents were assured that the information they provide are confidential, wouldn't personalize any of the response of the respondents during data presentations, analysis, and interpretation and the purpose of the study used for academic purpose only. This helped the researcher to collect bias free response and allow respondents a room for express their idea with full of freedom.

## CHAPTER FOUR

### 4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with data analysis, major findings, interpretations of findings based on the collected data in assessing the strategic management practice of Ethio telecom. This chapter contains the demographic characteristics of the respondents, strategic management analysis based on gathered data from the respondents.

#### 4.1 Questionnaires Response Rate

226 questionnaires were distributed and 206 questionnaires were properly filled and used for analysis while 4 returned incomplete. The valid response rate is 91% as seen in the table below.

**Table 4.1: Response rate**

Division	Questionnaire distributed	Questionnaire valid responded	Valid Response rate (%)
SD	15	15	100%
CxQMD	11	11	100%
MD	13	13	100%
MMBD	7	7	100%
FND	11	9	82%
NID	15	13	87%
CSD	14	12	86%
ISD	15	14	93%
ISecD	10	9	90%
CD	9	8	89%
FFD	14	12	86%
PSD	5	4	80%
IAD	5	4	80%
SCD	11	9	82%
WND	11	9	82%
SPMD	19	19	100%
HRD	10	10	100%
TExA	9	8	89%
FD	8	6	75%
SOCD	11	11	100%
LD	3	3	100%
<b>Total</b>	<b>226</b>	<b>206</b>	<b>91%</b>

Source: Own Survey data result, 2023



## 4.2 Respondents Demographic Information

The demographic profile of respondents' is summarized and presented in the below table.

**Table 4.2:** Demographic information of respondents

Variables	Category	Frequency	Percent
Gender	Male	162	78.6
	Female	44	21.4
Age	Below 25	3	1.5
	25-35	56	27.2
	36-45	113	54.9
	Above 45	34	16.5
Education Level	Diploma	1	0.5
	Bachelor Degree	74	35.9
	Post Graduate	131	63.6
Year of Working Experience	Below 5	1	0.5
	5-10	43	20.9
	11-15	66	32
	Above 15	96	46.6
Position	Non Managerial	85	41.3
	Managerial	121	58.7

Source: Own Survey data result, 2023

As depicted in table 4.2 above, demography of the respondents, it is important to note that the majority of respondents are concentrated in one category in terms of gender, age, and education background. Regarding to gender, the majority 78.6% (162) are male and the rest 21.4% (44) were female respondents.

In terms of age category, most of the respondents are between 36 and 45 (54.9%). The second highest age category is age between 25 years and 35 years that accounted 27.2% of the respondents. These two age ranges encompass 82.1% of the total respondents. Whereas 16.5% of the respondents are above 45 years. Only 1.5% of the respondents are below age 25. This indicated that Ethio telecom has an age diversity dominated by the adult age which increases innovation and productivity performance. Prior study showed that companies who have age diversity can have considerable positive productivity effects, especially in knowledge-intensive and highly innovative work environments (Backes and Veen, 2009).

Concerning the educational background of survey respondents, 63.6% of the respondents are post graduate and 35.9% of the respondents are first degree holders. But lowest share of the respondents

is diploma holders, 0.5%. Regard to the work experience, most of the respondents fall above 15 years of service, 46.6% (96), 32% (66) of respondents are between 11 and 15 years' experience, 20.9% (43) of the respondents are between 5 and 10 years and the remaining 0.5% (1) of respondents have less than 5 years of work experience. This implies that majority of the respondents included in the study are educated and experienced employees in the sector, which is reasonable to infer that there can be an opportunity for the company to easily adapt changes and respondents considered for the survey have enough understanding about the study areas.

Among the 206 respondents, 58.7% (121) are management in position who are primarily responsible in the company end to end strategic management practices and the rest 41.3% (85) are in non-managerial positions who engage in the formulation of functional strategic plan, execution and performance evaluation. In general, the demography of the respondent data in the above shows that the study covers all types of diverse characteristics.

### 4.3 Descriptive Analysis

Descriptive analysis was conducted, the mean scores and standard deviation were calculated per dimension, 24 items under three dimensions, to evaluate the strategic management practices by using the opinions of the respondents. The mean score was calculated to show the average responses of respondents for each question contained under each dimension, as well as to arrive at the grand mean of each dimension. and the standard deviation is calculated to determine how widely distributed the data is in relation to the mean. A low standard deviation means data are clustered around the mean, and a high standard deviation indicates data are more spread out. A standard deviation close to zero indicates that data points are close to the mean.

The answers of the respondents for the variables indicated below were measured on five point Likert scale with 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. However, while making interpretation of the results of mean and standard deviation the below mean score decision rules were considered to interpret the result easily.

**Table 4.3:** Mean score interpretation

Mean score range	Interpretation
1-1.5	Poor

1.51-2.5	Fair
2.51-3.5	Medium/Average
3.51-4.5	good
4.51-5	Excellent or very good

Source: Poonlar Btawee, (1987) as cited by Aklilu T., (2021).

### 4.3.1 Strategic Management Analysis

The study's findings derived from data collected through survey questionnaires is now presented for each of the three basic components of the strategic management practices as follows.

#### 4.3.1.1 Analysis of Strategy Formulation

To assess the practice and applications of the strategic formulation process at Ethio telecom, the opinions of its employees were collected through questionnaires. A set of ten questions was presented to evaluate the comprehensiveness of strategic formulation activities. The summarized findings can be found in Table 4.4 below

**Table 4.4 Strategic Formulation**

Items	N	Mean	Std. Deviation
SFQ1	206	4.165	0.8790
SFQ2	206	3.767	0.9075
SFQ3	206	4.068	0.7872
SFQ4	206	4.398	0.7694
SFQ5	206	4.204	0.8247
SFQ6	206	4.359	0.8128
SFQ7	206	3.845	0.8696
SFQ8	206	4.112	0.7977
SFQ9	206	3.830	0.9552
SFQ10	206	3.587	1.012
<b>The overall result of the dimension</b>		<b>4.033</b>	<b>0.8615</b>

*Source: Own survey data result, 2023*

Table 4.4 showed the main result of the **Strategic Formulation** variables on strategic management practices. The table indicates that the mean score for strategic formulation variable items ranges from 3.587 to 4.398. The highest mean score of 4.398 is recorded from the fourth scale item i.e. “Ethio telecom define or redefine the vision, mission and core values of the company during strategic plan process, where necessary, in a way to convey the purpose, and direction of the

organization” and Environmental scanning is one of the crucial part of strategy formulation as the second mean value is on “the relevance of environmental analysis to effectively formulate Ethio telecom strategy” in the sixth item, with a mean score of 4.359, followed by “ The current mission statement aligned with activities being carried on by Ethio telecom with mean of 4.204 and “Ethio telecom identify and analyze in depth its internal and external factors to use as basis for developing strategy with mean of 4.165 in the first scale item.

Among the strategic formulation variable items, the least mean score of 3.587 and standard deviation 1.012 is recorded on item number ten which is on “the company strategic plan cascaded well in horizontal integration among functional units” and Ethio telecom needs a little bit improvement on inter functional plan alignment and integration.

To conclude, the aggregate mean score for strategic formulation variables 4.033 shows Ethio telecom employees believe that the extent to which strategic formulation practices is being managed is good and more of the respondents agree with the strategic formulation items. And the standard deviation shows the respondent varies in their opinion from 0.7694 to 1.012 with their response to the variables and the overall standard deviation for strategic formulation is 0.8615. The finding revealed in the above table agrees with the literature review showed in the second chapter of the study.

#### 4.3.1.2 Analysis of Strategy Implementation

The findings derived from questionnaires to assess the level of strategy implementation activities were collected from Ethio telecom employees’ opinions. The responses to the seven questions on strategy implementation are summarized below

**Table 4.5 Strategic Implementation**

Items	N	Mean	Std. Deviation
SIQ1	206	3.728	0.7864
SIQ2	206	3.864	0.8560
SIQ3	206	3.650	0.8912
SIQ4	206	3.801	0.8967
SIQ5	206	3.670	0.8310
SIQ6	206	3.398	0.9509
SIQ7	206	2.733	1.0507
<b>The overall result of the dimension</b>		<b>3.549</b>	<b>0.8947</b>

*Source: Own survey data result, 2023*

Table 4.5 showed the summary of the **Strategic Implementation** variables on strategic management practice. The table indicates the mean score for strategic implementation variable items ranges from 2.733 to 3.864.

The highest mean score from the second variable item “there are effective and efficient working systems (policy, process, procedure) to support strategic plans execution in a systematic way” with a mean score of 3.864 and “top management commitment and support to execution of strategic plans” from fourth scale item is the second mean score of 3.801, followed by “appropriate structure and supportive culture exists to support strategy well executions” in the 1<sup>st</sup> scale item with a mean score of 3.728. Moreover, “Employee commitment to support well strategic executions”, “Adequate resource allocations in align with strategy” and “Proper communication and coordination with in members of the company” represent middle ground with mean score of 3.670, 3.650 and 3.398 respectively.

The least mean of 2.733 is scored on item number seven which is “our company has designed appropriate motivational and reward system linking to enhance strategic plan execution”, it shows more of the respondents gave rating medium and Ethio telecom needs to improve in devising motivational scheme to ensure planned strategies effectively implemented because the mean value of the respondents scored below three.

To summarize, when we evaluate the overall perception of respondents towards strategy implementation practices, the overall mean score is 3.549, implies that the company practices in strategic implementation is good and more of the respondents agree with the strategic implementation items. And the standard deviation shows the respondent varies in their opinion from 0.7864 to 1.0507 with their response to the variables and the overall standard deviation is 0.8947.

#### **4.3.1.3 Analysis of Strategy Evaluation**

Questionnaires were administered to Ethio telecom employees to measure the level of strategy monitoring and evaluation practices. The following is a summary of the responses to the seven questions posed regarding strategy evaluation activities.

**Table 4.6 Strategic Evaluation**

<b>Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
SEQ1	206	3.621	0.8624
SEQ2	206	3.500	0.9615
SEQ3	206	3.699	0.8592
SEQ4	206	3.801	0.8691
SEQ5	206	3.379	0.9588
SEQ6	206	3.563	0.9178
SEQ7	206	3.485	0.9092
<b>The overall result of the dimension</b>		<b>3.578</b>	<b>0.9054</b>

*Source: Own survey data result, 2023*

Table 4.6 showed the main effect of the **Strategic Evaluation** variables on strategic management practice. According to table 4.6, the mean score for strategic evaluation variable items ranges from 3.379 to 3.801.

The highest mean score of 3.801 is recorded from the fourth variable item i.e. “the strategic performance measures are balanced in terms of including both financial indicators and non-financial (customer, internal process and human resource capacity related indicators” with a mean score of 3.801 and the third item, i.e. “strategically key performance indicators measures are identified, reviewed and evaluated timely” is scored the second mean value of 3.699, followed by “there is organized structure and process to review and evaluate strategic performances” with a mean score of 3,621.

Among the variable items, the least mean of 3.379 is recorded on item number five which is “there is effective performance data collection methods for strategic plan progress review and performance evaluation”, it shows more of the respondents gave average rating with the item and the company is not paying enough attention to system based strategic performance monitoring.

To conclude, the overall mean score of 3.578 implies that the company strategic review and evaluation is good and more of the respondents agree with the strategic evaluation items. And the standard deviation shows the respondent varies in their opinion from 0.8592 to 0.9615 with their response to the variables and the overall standard deviation is 0.9054.

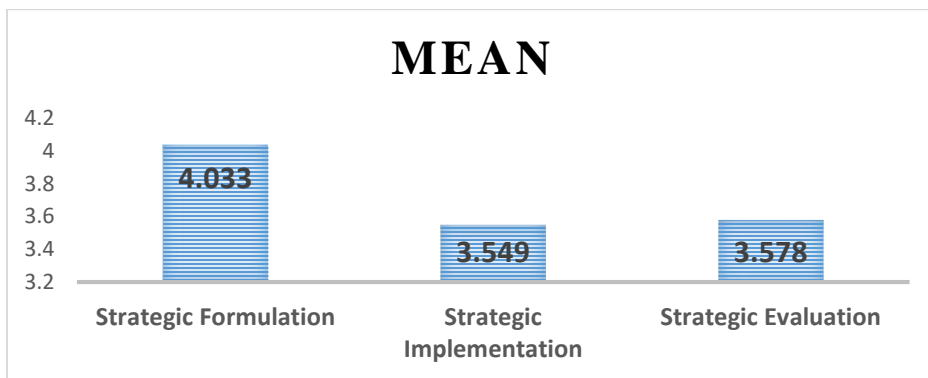
**Table 4.7 Overall Strategic Management Practices Measure**

Summary result for each dimension		
Dimension	Mean	Std. Deviation
Strategic Management	3.760	0.8840
Strategic Formulation	4.033	0.8615
Strategic Implementation	3.549	0.8947
Strategic Evaluation	3.578	0.954

*Source: Own survey data result, 2023*

According to table 4.7, the overall mean score of the independent (Strategic Management) variable is 3.76. As indicated in the table, variables mean score is greater than the midpoint of the scale which is 3.5. Therefore, it concludes that the Ethio telecom employees perceive that the Strategic Management practices of the company is good and most of the respondents agree with the strategic management dimension items. In addition, this result suggests that Ethio telecom more focused on strategy formulation with a highest mean value of 4.033, standard deviation 0.8615 and strategy evaluation with a second mean score of 3.578 and standard deviation 0.954, followed by strategy implementation with a mean of 3.549 and standard deviation 0.8947. This shows that the strategic management practice of the telecom industry, mainly Ethio telecom result is similar from previous study findings on the topic conducted by Thomas, G. (2020) and the findings shown in table 4.7 agree with the literature review stated in the second chapter of the study.

**Figure 4.1: Mean of Major variables**



*Source: Own Survey data result, 2023*

From the above figure, it can be understood that the data are clustered around the mean and above the midpoint of the scale. This implies that the majority of the Ethio telecom employees are in agreement with the organizational strategy formulation, strategic implementation and strategic evaluation process.

#### **4.4 Discussion of the Research Finding**

Drawing from the results of the descriptive analysis to evaluate the practices of strategic management, strategy formulation has the highest mean score of 4.033, which shows Ethio telecom employees believe that the extent to which strategic formulation practices is being managed is good on effective environmental scanning for underlying the basis of strategy, developing and selecting appropriate strategy in aligning with company mission and objectives. followed by strategy evaluation with mean score of 3.578 which implies that the company strategic review and evaluation is good on strategically measuring performances in both financial and non-financial indicators and more of the respondents agree with the strategic evaluation items.

Strategy implementation has also good mean score of 3.549 which indicates that the company practices in the overall strategic implementation is good on supporting with policy, process and procedures to support the convert the planned strategies into action, and there is a supportive structure and culture with top management commitment to effective implement the chosen strategies and more of the respondents agree with the strategic implementation items. This implies that Ethio telecom placed significant emphasis on strategy formulation and strategic evaluation relative to strategic implementation activities.

Furthermore, when examining the overall perception of respondents regarding strategic management practices, the combined mean and standard deviation scores ( $M = 3.760$ ,  $SD = 0.8840$ ) indicate that strategic management processes were extensively implemented.

Moreover, this research finding is in agreement with prior investigation conducted in Ethiopia by Thomas (2020), realized that strategy formulation was the highest mean score, followed by strategic evaluation and strategic implementation, which is also consistent with literature reviewed as implementation part is most difficult stage that requires proper action.



## **CHAPTER FIVE**

### **5. SUMMARY, CONCLUSION, AND RECOMMENDATION**

This chapter focuses the summary of major findings, conclusion, recommendations of the study based on the result found for the research questions and limitations and suggestions for further research.

#### **5.1 Summary of Major findings**

As stated in the research objective in chapter one, this study aimed to analyze the strategic management practice of Ethio telecom. In order to accomplish this objective, the researcher conceptualized three components of strategic management practice (strategic formulation, strategic implementation and strategic evaluation) main variable to analyze how does Ethio telecom implement the strategic management practices.

The main source of data in the study was primary data that was gathered in the form survey questionnaire data collection methodology. The study covers 226 sample sizes to represent the target population, of these 210 questionnaires were returned. 206 questionnaires were analyzed using Statistical Package of Social Science (SPSS) while the remaining 4 incomplete questionnaires were rejected and the valid response rate by the respondents was 91%.

A descriptive research design was used and data were analyzed in the form of descriptive statistics using the SPSS version 23 data analysis tool. Descriptive analysis is used to describe the demographic factors and variables using mean and standard deviations of the respondent's answers were calculated. Reliability and internal consistency of the measurement items were tested using Cronbach's alpha and all the variables attained a value above 0.70, implying that the measures were reliable. Based on the data analysis the major findings are summarized as follows:

From data analysis Cronbach's Alpha of this study for overall strategic management measurement is 0.943, based on the result the items in the variables confirmed that the statements in the questionnaire was certainly reflective of the concept it was analyzing and shows that there is internal consistency among the variables.

The descriptive analysis indicated that 82.1% of the respondents fall in the age group of 25 to 45 years. Regarding gender mix, 78.6% of the respondents are male. Concerning the level of education of respondents, the results exhibited that about 99.5% of the respondents are first Degree

holders and above. 78.6 respondents had more than 10 years of working experience. Moreover, 58.7% of the respondents are in management positions. In general, the demography figures show that the majority of the respondents included in the study are educated and have plenty of job experience in the telecom industry, it is assumed that they have sufficient understanding and knowledge of the subject matter of this research study.

From descriptive statistics analysis, the mean score for strategic formulation (4.033), strategic evaluation (3.578) and strategic implementation (3.549), shows Ethio telecom employees believe that the extent to which each strategic management practices is being managed is good and that Ethio telecom more focused on strategic formulation practice relative to others. The overall mean score of the Strategic Management variable is 3.76. Therefore, the Ethio telecom employees perceive that the overall practice of strategic management of the company is good and most of the respondents agree with the strategic management measurement items.

Based on the analysis of descriptive statistics, it can be inferred that the strategic plan cascading among functional work units to ensure horizontal integration had the lowest mean score among the strategic formulation process, indicating that the strategic plan cascaded less effectively in this aspect. Furthermore, devising motivational and reward scheme linking with strategic performance achievement has medium mean score in strategic implementation. Regard to strategic evaluation from the analysis, there is less effective performance data collection methods for strategic performance progress review and evaluation.

## **5.2 Conclusion**

As a result of highly competitive industry and change in technological advancements and customer preference within the communication service provides mainly telecom operators, it is difficult to retain market share and high value market share and ensure customer satisfaction without effectively implementing strategic management. Moreover, to survive, ensure business sustainability and growth, and gain competitive position, strategic management plays crucial role in analyzing and optimize core competencies, resources allocations and capabilities of the organizations and align with industry trends by implementing business priority that will give to a competitive advantage over rivals.

Considering its importance to the telecom industry, Ethio telecom is one of the telecom company in Ethiopia who operates more than 128 years, has been implementing the growth lead three years' strategy to accelerate digital transformation to the nation. Hence, the present research has examined the strategic management practice of Ethio telecom. Strategic formulation, strategic implementation and strategic evaluation were incorporated as main variables to measure the strategic management practices of the company. Thus, based on the findings it can be concluded that:

- Strategic formulation activities are well executed by analyzing effectively the company strength, weakness, opportunities and threats and develop appropriate strategies integrate with corporate objectives, and aligning the entire organization members towards common goal. Thus, the researcher concluded that Ethio telecom more focused on strategic formulation practice relative to others.
- The overall strategic management analyses findings in the study shows that the extent to which the practice of strategic management which incorporates strategic formulation, strategic implementation and strategic evaluation being applied by Ethio telecom is good, particularly the highest score belongs to strategic formulation, which can be concluded that Ethio telecom is doing better on effective strategic planning activities and it shows that the level of strategic management practice is good and more over the company employees are perceived that Ethio telecom is doing a good job in exercising and implementing effectively the concept strategic management by understanding its effect on the overall organization performance. In general, the finding indicates that, all the three components of strategic management processes are executed well.

### **5.3 Recommendations**

The practices of strategic management, in general, have a positive impact on organizational performance, particularly in competitive situations and dynamic marketplaces. In Ethiopia the telecom competitive environment with in the communication service providers have already emerged following Safaricom Ethiopia PLC entered into the market well and will be changed the competitive environment of the industry. As a result, without effectively engaging in strategic management practice, Ethio telecom business sustainability and current profitability cannot be guaranteed as the competitive business landscape changes. Thus, enhancing strategic thinking at

all levels and adopting an effective strategic management practices across the organization in terms of formulation of strategy, implementation, and review and evaluating strategy is crucial.

The study shows that Ethio telecom is at a “good” level in order to exercise and implement the practices of strategic management. The researcher suggests that the organization should keep on working on what has been labeled as good and strive for better and try to improve on the items in each dimension which scored least when compared with the others. So, based on the finding and conclusion of the study the researcher recommended as follows for further enhancement of the strategic management practices.

- The findings of this study indicates that the extent to which strategic formulation practices is being managed in Ethio telecom is good while the items in this dimension regard to strategic plan cascading in horizontal functional work units has the least score compared to other items. Thus, the researcher recommends Ethio telecom thoroughly work on its strategic plan cascading to ensure horizontal alignment among divisions in which can be achieved by empowering the company strategy and program office and divisional strategy planning and program work units, as they enable proper coordination centrally and manage sub group or intra functional discussion in a way ensuring plan integration both horizontal and vertically to streamline business operations and help the organization enhance company planning culture which will eventually lead to improve its overall performance and corporate objective achievement.
- The researched recommend also as per the finding on the strategic implementation dimension, ‘our company has designed appropriate motivational and reward system linking to enhance strategic plan execution’ has the least scored item with medium mean. Therefore, it is recommended that Ethio telecom should require careful consideration to improve in devising incentive and reward scheme aligning with corporate objectives to enhance employee engagement and commitment to strategy implementation and at large the intended strategic outcomes are successfully implemented.
- The researcher recommended Ethio telecom should give attention and put an effort to make system based strategic performance data recording and monitoring to track strategic execution status timely and identify, review gaps and take corrective actions for effective strategic plan execution, as the finding shows in strategic evaluation dimension the least

scored item on “there is effective performance data collection methods for strategic plan progress review and performance evaluation”.

- The analysis result indicates, identifying corrective actions based on strategic plan implementation review and implementing the improvement action for effective strategic plan execution are relatively least score. So, it is recommended that, the Ethio telecom should set proper improvement action based on strategic performance analysis and review and focus to address first on those critical areas to ensure strategic plans are being implemented as planned and aligned with company goals and objectives.
- Considering the emerging and current telecom market competition in Ethiopia, Ethio telecom should strive and exert at most effort to enhance implementation of an effective strategic management practice consistently as there is always a room for improvement. Moreover, the researcher suggests that the organization should continue on working on what has been labeled as “good” and try to improve on the items in each dimension that scored the least when compared to the others in order to enhance overall organizational performance and outperform in competitive environment.

#### **5.4 Limitations and Future Research Direction**

Although the findings of the current study are important and relevant, the limitation of this study shall be reflected. Therefore, the researcher is suggested for future studies on the following issues:-

- ✓ Further research could be carried out by including other telecom operator and communication service providers and location to ensure better generalizability of the results, in order to enhance the understanding of the strategic management practices. Thus, further investigations are needed that focuses on comparative research by including other telecom operator and communication service providers and other sectors throughout the country.
- ✓ A similar study could be conducted with a larger sample size as the research is limited to corporate offices at Addis Ababa; the results could be generalized to a larger population.
- ✓ A similar study could be conducted by incorporating additional variables that might impact strategic management practices.

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## Appendix I: Research instruments



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY !



### **ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS PROGRAM OF BUSINESS ADMINISTRATION**

This questionnaire form is designed to be filled by employees and management at all levels who work in Ethio telecom.

This survey will be conducted as part of a research project which shall be submitted in partial fulfillment of Masters of Art Degree in Business Administration. The overall purpose of this study is to examine the current strategic management practices. All information provided through this can be used only for academic purpose, hence, your responses will be kept confidential. The soundness and the validity of the findings highly depend on your genuine responses. Therefore, please take the time to carefully complete the questionnaire and return it to me.

I would like to thank you in advance for your cooperation, contribution and your time. If you have any questions or suggestion, please do not hesitate to call or mail through the following addresses:

Leykun Arega

Tell 0911227764

Email: [reachtoleykun@gmail.com](mailto:reachtoleykun@gmail.com)

#### **Section A: Demographic Data**

Direction: Please check (√) and choose from the following answer:

1. Gender: Male  Female
2. Age: <25 years  25-35 years  36-45 years  Above 45
3. Educational level: Diploma  Bachelor degree  Post Graduate



4. Work Experience in Ethio telecom: < 5 Yrs  5-10 Yrs  11-15 Yrs  >15 Yrs

5. Current Position: Non-Management  Management Level

6. Your Division: .....

**Section B: Strategic Management Dimension (Strategic Formulation, Implementation and Evaluation)**

In your opinion, how does your organization strategic management implemented in the company in terms of strategic formulation, strategic implementation and strategic evaluation listed in the table below? Use from 1 to 5 to rate to describe how accurately each statement describes your organization. Please Put  mark.

Where: 1 =Strongly disagree 2 =Disagree 3 = Neutral 4 =Agree 5 = Strongly agree.

Code	Strategic Formulation	1	2	3	4	5
SFQ1	Ethio telecom identify and analyze in depth its internal and external factors to use as basis for developing strategy					
SFQ2	To examine the company's environmental analysis, all concerned stakeholders took part in the environmental scanning, including internal operating factors, and external environments					
SFQ3	Your company has involved in and adhere to the strategic planning process					
SFQ4	Ethio telecom define or redefine the vision, mission and core values of the company during strategic plan process, where necessary, in a way to convey the purpose, and direction of the organization					
SFQ5	The current mission statement of your organization is aligned with the activities being carried on by Ethio telecom.					

SFQ6	Environmental analysis is important to effectively formulate your company plan					
SFQ7	The company has established strategic objectives, are measurable, clear and aligned with its resource and capabilities.					
SFQ8	Your company generates and select strategic actions and initiatives that helps to achieve organization objectives?					
SFQ9	The company strategic plan has cascaded well vertically down in hierarchy in your organization					
SFQ10	The company strategic plan has cascaded well in horizontal integration among functional units					

Code	Strategic Implementation	1	2	3	4	5
SIQ1	There are specific and appropriate structures and supportive culture to support strategic plans execution					
SIQ2	There are effective and efficient working systems (policy, process, procedure) to support strategic plans execution in a systematic way					
SIQ3	Your company has adequately allocated resource to support strategic actions & initiative priorities to effectively implement					
SIQ4	There is top management commitment and support to execution of strategic plans					
SIQ5	There are employees commitment, capabilities and support to execution of strategic plans					

SIQ6	There is adequate communication and coordination with members of the company to effectively execute strategies					
SIQ7	Your company has designed appropriate motivational and reward system linking to enhance strategic plan execution					

Code	Strategic Evaluation	1	2	3	4	5
SEQ1	There are specific structures and processes to review and evaluate strategic plans in a systematic way					
SEQ2	The company has effective performance measurement tool to track the progress of accomplishing strategies					
SEQ3	Strategically key performance indicators measures are identified, reviewed and evaluated timely					
SEQ4	The performance measures are balanced in terms of including both financial indicators and non-financial (customer, internal process and human resource capacity related indicators)					
SEQ5	There is effective performance data collection methods for strategic plan progress review and performance evaluation					
SEQ6	There is consistent and continuous strategic plan performance evaluation against standard and recognize gaps					
SEQ7	Corrective actions are identified and implemented for effective strategic plan execution					

**Appendix II: SPSS result**

**Appendix A: Reliability test -Cronbach Alpha**

Scale: Strategic Formulation

Scale: Strategic Implementation

Cronbach's Alpha	N of Items
.905	10

Cronbach's Alpha	N of Items
.826	7

Scale: Strategic Evaluation

Scale: Strategic Management

Cronbach's Alpha	N of Items
.904	7

Cronbach's Alpha	N of Items
.943	24

**Appendix B: Descriptive**

**Descriptive Statistics**

Strategic Formulation	N	Minimum	Maximum	Mean	Std. Deviation
Ethio telecom identify and analyze in depth its internal and external factors to use as basis for developing strategy	206	1.0	5.0	4.165	.8790
To examine the company's environmental analysis, all concerned stakeholders took part in the environmental scanning	206	1.0	5.0	3.767	.9075
Your company has involved in and adhere to the strategic planning process	206	1.0	5.0	4.068	.7872
Ethio telecom define or redefine the vision, mission and core values of the company during strategic plan process, where necessary, in a way to convey the purpose, and direction of the organization	206	1.0	5.0	4.398	.7694
The current mission statement of your organization is aligned with the activities being carried on by Ethio telecom.	206	1.0	5.0	4.204	.8247

Environmental analysis is important to effectively formulate your company plan	206	1.0	5.0	4.359	.8128
The company has established strategic objectives, are measurable, clear and aligned with its resource and capabilities.	206	1.0	5.0	3.845	.8696
Your company generates and select strategic actions and initiatives that helps to achieve organization objectives	206	1.0	5.0	4.112	.7977
The company strategic plan has cascaded well vertically down in hierarchy in your organization	206	1.0	5.0	3.830	.9552
The company strategic plan has cascaded well in horizontal integration among functional units	206	1.0	5.0	3.587	1.0119
Valid N (listwise)	206				

#### Descriptive Statistics

Strategy Implementation	N	Minimum	Maximum	Mean	Std. Deviation
There are specific and appropriate structures and supportive culture to support strategic plans execution	206	1.0	5.0	3.728	.7864
There are effective and efficient working systems (policy, process, procedure) to support strategic plans execution in a systematic way	206	1.0	5.0	3.864	.8560
Your company has adequately allocated resource to support strategic actions & initiative priorities to effectively implement	206	1.0	5.0	3.650	.8912
There is top management commitment and support to execution of strategic plans	206	1.0	5.0	3.801	.8967
There are employees commitment, capabilities and support to execution of strategic plans	206	1.0	5.0	3.670	.8310
There is adequate communication and coordination with members of the company to effectively execute strategies	206	1.0	5.0	3.398	.9509
Your company has designed appropriate motivational and reward system linking to enhance strategic plan execution	206	1.0	5.0	2.733	1.0507
Valid N (listwise)	206				

#### Descriptive Statistics

Strategy Evaluation	N	Minimum	Maximum	Mean	Std. Deviation
There are specific structures and processes to review and evaluate strategic plans in a systematic way	206	1.0	5.0	3.621	.8624

The company has effective performance measurement tool to track the progress of accomplishing strategies	206	1.0	5.0	3.500	.9615
Strategically key performance indicators measures are identified, reviewed and evaluated timely	206	1.0	5.0	3.699	.8592
The performance measures are balanced in terms of including both financial indicators and non-financial (customer, internal process and human resource capacity related indicators)	206	1.0	5.0	3.801	.8691
There is effective performance data collection methods for strategic plan progress review and performance evaluation	206	1.0	5.0	3.379	.9588
There is consistent and continuous strategic plan performance evaluation against standard and recognize gaps	206	1.0	5.0	3.563	.9178
Corrective actions are identified and implemented for effective strategic plan execution	206	1.0	5.0	3.485	.9092
Valid N (listwise)	206				