



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF STRATEGIC MANAGEMENT PRACTICE AND
IMPLIMENTATION
IN THE CASE OF NIB INTERNATIONAL BANK**

**BY
DINBERU GIRMA**

**JANUARY, 2016
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Ass.Prof. Tiruneh Legesse. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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January, 2016

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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January, 2016

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ABSTRACT

Strategic management is the comprehensive collection of ongoing activities and processes that organizations use to systematically coordinate and align resources and actions with mission, vision and strategy throughout an organization. A strategy management has three stages named strategy formulation, strategy implementation and strategy evaluation and control. Strategic management is important for the organizations because it can make a difference in how well an organization performs, help to achieve organizational goals and objectives and help to cope with this uncertainty. Thus, this paper has been conducted to assess the strategic management practice of Nib International Bank. Therefore, it articulates the existing strategic planning, formulation, implementation and monitoring and evaluation practices of the organization. Both primary and secondary data were collected using questionnaires, interview and written materials. Simple random sampling is used to collect primary information and accordingly descriptive statistics was used to analyze the data gathered. Based on this, the finding of the study revealed that NIB's practice of communicating the strategy plan is poor and thorough participation of stakeholders is not realized. In addition, the Bank's weak use of SWOT analysis results, misalignment or linking strategic plan with work unites and individual tasks are observed. When it comes to the performance measures, the strategic plan lacks comprehensive performance measurements. Work unit and individuals' performance measurements are not effective; if performance management is not linked with strategic management. Hence, it is suggested that the bank should work on its strategic plan communication, alleviate its weakness of utilizing its analysis, shall balance its performance measures and link those measures with work unit and individual performances.

LIST OF ACRONYMS/ABBRIVATION

- NIB – Nib International Bank
- SPM – Strategic Plan Management
- SWOT – Strength, Weakness, Opportunity and Threat
- TOR – Terms of Reference
- BSC – Balanced Score Card
- 5 Ps – Plan, Ploy, Pattern, Position and Perspective

List of Tables

Table4.1. Demography of Respondents.....	22
Table 4.2. Strategic Plan and Environmental Scanning.....	23
Table 4.3. Strategy Plan Building Process.....	25
Table 4.4. Goal and Objectives Settings.....	28
Table 4.5. Strategic Plan Alignment.....	31
Table 4.6. Strategy Implementation.....	34
Table 4.7. Performance Monitoring and Evaluation.....	39
Table 4.8. Performance Data Collection	41

TABLE OF CONTENT

Title	No.
Acknowledgments.....	I.
List of acronyms.....	II.
List of tables	III.
Abstract.....	IV.
CHAPTER ONE: INTRODUCTION	
1.1 Background of the Study.....	1
1.2 Background of the Organization.....	3
1.3 Statement of the Problem	4
1.4 Research Questions.....	5
1.5 Objectives of the Study.....	5
1.6 Significance of the Study.....	6
1.7 Scope and Limitation of the study	6
1.8 Organization of the Research Report	6
CHAPTER TWO: LITRATURE REVIEW	
2.1 Strategy and Strategic Management.....	7
2.2 Evolution of Strategic Management.....	10
2.3 Strategy Development.....	12
2.4 Matching Strategy with Resources.....	16
2.5 Problems of Successful Strategy Implementation.....	17

CHAPTER THREE:RESEARCH METHODOLOGY

3.1	Research Design.....	19
3.2	Sampling and Sampling Techniques	19
3.3	Types of Data and Data Source.....	20
3.4	Data Gathering Tools.....	21
3.5	Data Analysis Techniques.....	21
3.6	Ethical Consideration.....	21

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1	Characteristics of Respondents.....	22
4.2	Analysis of Strategic Plan and Environmental Scanning.....	23
4.3	Analysis of Strategic Formulation.....	24
4.4	Analysis of Strategy Implementation.....	33
4.5	Analysis of Strategy Performance Monitoring and Evaluation.....	38
4.6	Analysis of Strategy Performance Data Collection System.....	40

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1	Conclusion.....	44
5.2	Recommendations.....	46
	References	48
	Appendix I: Questionnaire	I
	Appendix II: Interview	VI

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Strategic management is the comprehensive collection of ongoing activities and processes that organizations use to systematically coordinate and align resources and actions with mission, vision and strategy throughout an organization. Strategic management activities transform the static plan into a system that provides strategic performance feedback to decision making and enables the plan to evolve and grow as requirements and other circumstances change (BSC Certificate Team, 2007).

The process of creating a business strategy forces an organization to thoroughly analyze and structure its business. A structured business strategy process should explore the external trends and the industry logic as well as the strengths and weaknesses in the present business. The Business Strategy should reflect the fundamental issues that determine long-term success and describe the desired development of the company (Campbell, 2002).

Barnat (2013) stated that strategic management has three stages, those are: Strategy Formulation, Strategy Implementation and Strategy Evaluation and Control. Strategy Formulation is the process of establishing the organization's mission, objectives, and choosing among alternative strategies. Sometimes strategy formulation is called "strategic planning."

Strategy formulation includes the planning and decision making that leads to the establishment of a firm's goal and the development of a specific strategic plan. Strategy formulation may include assessing the external environment and internal problems and integrating the results into goals and strategy. Strategy implementation is the administration and execution of the strategy plan. Managers may use persuasion, new equipment, changes in the organization structure, or a reward system to ensure that employees and resources are used to make the formulated strategy a reality (Ali & Hadi, 2012).

Strategy implementation is the action stage of strategic management. It refers to decisions that are made to install new strategy or reinforce existing strategy. The basic strategy implementation activities are establishing annual objectives, devising policies, and allocating resources. Strategy implementation also includes the making of decisions with regard to matching strategy and organizational structure; developing budgets and motivational system (Barnat, 2013).

Evaluating strategies used in the implementation phase serve as performance feedback. Some companies use a gap analysis to compare how the company performed to set goals. Analyzing present state compared to desired future state identifies the need for new products or additions to existing products. One example is a company comparing its anticipated consumer purchase response with the actual number of sales (Barnat, 2013).

The modification phase is essential in correcting any weaknesses or failures found during evaluation. Strengths identified can lead to implementation in other areas. One example is a strategy to sell a selected number of products on the Internet and sales data shows a significant profit. A decision to add more products and refine the process can result in a new lucrative endeavor (Barnat, 2013).

The formulation of a sound strategy facilitates a number of actions and desired results that would be difficult otherwise. A strategic plan, when communicated to all members of an organization, provides employees with a clear vision of what the purposes and objectives of the firm are. The formulation of strategy forces organizations to examine the prospect of change in the foreseeable future and to prepare for change rather than to wait passively until market forces compel it. Strategic formulation allows the firm to plan its capital budgeting. Companies have limited funds to invest and must allocate capital funds where they will be most effective and derive the highest returns on their investments (Guilbeau 2005).

On the other hand, Strategy implementation is one of the three fundamental components of the strategic management. Strategic management scholars agreed that strategy implementation is a vital component of the strategic management process, despite strategy implementation is only activated after the process of strategy formulation (Guilbeau 2005).

Wheelen & Hunger (2004) found that implementing strategy is more difficult than crafting strategy as it affects the organizational culture, structure, resources and in fact the whole texture of an organization. Further, strategic management scholars and practitioners agreed that while firms have the ability to devise a good strategy, the problem however lies on the implementation side.

1.2. Background of the Organization

Following the promulgation of Monetary and Banking Proclamation No.83/1994 and License and Supervision of Banking Business Proclamation No. 84/1994 private banks came back to existence in Ethiopia. Nib International Bank was established in 1999 in accordance with the two proclamations with a paid up capital of Birr 27.6 million and registered capital of Birr 150 million and 27 employees. It commenced operation in October 28, 1999.

NIB is established with the objective of delivering efficient and customer focused domestic and, international banking services; spread and deepen banking habits in Ethiopia; introduce and popularize modern banking practices in the country; and to generate optimum return to its shareholders.

When it comes to the organizational structure, the General Assembly of Shareholders is the highest body of the bank. The Board of Directors, consisting of 12 directors elected by the general assembly, is empowered to oversee and give leadership on policy and governance matters. The board appoints the President who is responsible to run the entire activities of the bank. Currently, the bank is organized into three major functional areas namely operation, strategic support and modernization and support and facilities.

During the last 13 years of its existence NIB has showed remarkable achievements in various aspects pertaining to bank performance. Among other things, it has Over 3,400 shareholders, over 2,400 employees', 100 branches operating in different parts of the country. From year to year the bank has uninterrupted growth of profit at increasing rate.

1.3. Statement of the Problem

Strategic management practices have gained importance in recent years. During last century organizations focused on long-term planning. Long-term planning supposed that external and internal environment will remain stable for long period of time and thus they made plans for long duration. Today it is clear to the managers and entrepreneur's that environment can change at any point of time and their plans should follow a strategy that includes contingency planning too. There are therefore a number of both internal and external environmental factors that may influence the strategic management practices of an organization (Kakunu, 2012).

Strategic management is a very important concept for commercial banks. Characterized by intense competition for customers in the industry, banks must always be wary of the trends and opportunities in their external environment as shifts always occur. The banking sector has showing a significant expansion during the past years. Despite the significant expansion, the banking industry in Ethiopia is currently going through a period of rapid change due to new products and services introduced by banking industry as a result of globalization and the adoption of new technologies. Therefore, exploring the current strategic management practices of the NIB bank and implementation process will be extremely important for every bank in the Kenyan in the banking industry.

A number of studies have been done on strategic management practices in other industries other than the banking industry. Despite the numerous studies on strategic management practices, the banking industry has been softly researched.

Nib International Bank had developed and implemented three strategic plans for two consecutive five periods. Though the Bank formulated a strategic plan, the practice has not yet escaped from common strategic management problems. Intense competition of privet banks, which results in a decline on the banks market share and deposit, employees less awareness on the banks strategy, the strategic plan and organizational structure development being formulated and implemented at different period, inconsistency on strategic alignment, employees dissatisfaction are some of the problems shown in strategic plan management.

Thus, this paper attempted to assess strategy management practices and implementation of NIB.

1.4. Research Questions

The study is expected to answer the following questions;

- What are the process and practice of strategic planning and management formulation and implementation and evaluation and control in NIB?
- How is the corporate strategy translated in to operational terms and its alignment?
- What is the link between bank's leadership, human resource management, organizational culture and strategic management and its effect on the successful implementation of the strategic plans?
- What is the level of staff awareness of strategy plan and how is the strategic management communication method?
- What is the effect of organizational structure on the success of strategic plan implementation?

1.5. Objectives of the Study

The broad objective of the study is to assess the strategic management practice of Nib International Bank. The detail objectives are:

- To assess and identify the current strategic management practices of NIB.
- To assess the links between strategic management and organizational resources and identify factors affecting the strategic implementation of the Bank,
- To analyze the staff awareness of corporate and operational strategic plan and the Bank's strategic plan communication process and
- To check up the link and its effects between the Banks's structure and the strategic plan.

1.6. Significance of the Study

Some of the importance of this study is outlined below from different beneficiaries' point of view:

- The study help the banking industry in benchmarking the experience of NIB strategic management practices;
- The study can serve as a spring board/facilitator/ for other researchers to conduct further studies in the area;
- The implication of the paper believed to assist executives and decision making bodies of the organization to oversee the strategic management practice and problems in the Bank and
- It could assist executives and decision making bodies to see factors affecting the implementation of strategic management in the Bank.

1.7. Scope and Limitation of the Study

This study covered the topic of strategic management formulation, development, implementation and monitoring and evaluation practices, in the case of Nib International Bank. Considering constraints (i.e. time and resources) the data collection is delimited to only the head office of the Bank.

On the other hand, the validity of the data collected from the respondents is not perfect. Because of the respondent knowledge gap regarding strategic plan, the researcher enforced to dig further. Furthermore, due to limitation of finance and time the survey instrument is distributed for the bank employees at head office only. With its effect, the extent to which the objectives of the study could be reached is considered affected.

1.8. Organization of the Research Report

This paper is organized in to five parts. The first chapter deals with the introduction of the study. Chapter two presents theoretical background on strategic management followed by a review of previous studies. Chapter three presented research design and methodology. In chapter four, the empirical results and analysis is presented in detail. Lastly, in chapter five, the findings of the study are summarized some recommendations are discussed.

CHAPTER TWO

LITRATURE REVIEW

2.1. Strategy and Strategic Management

Today strategy is one of the most commonly used words in management studies, but its use was not, and is not, limited to that area. Thinking and writing about strategy has a history stretching back far earlier than management studies, a history which is interesting in its own right. It has been one of the most debated concepts, both in its definition and significance (Hussey, 1991).

There is no agreed-upon definition of strategy that describes the field and limits its boundaries. Some of the definitions given by management scholars are described below.

- Strategy "the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals" (Henry, 1978 p: 122).
- Strategy is the creation of a unique and valued position, involving a different set of activities' (Porter, 1996 p: 16).
- Strategies are means to ends. All organizations, large and small, profit-seeking and not-for profit, private and public sector, have a purpose, which may or may not be articulated in the form of a mission and/or vision statement (Thompson, 2005).

Strategic management is any management action taken to realize a strategy, in particular to realize the vision which results from creative strategic thinking; it is action taken within the framework of the strategy. Successful strategists in the business area are not only engaged in strategic thinking, they also move on to the next step of strategic management. They do not limit themselves to thinking about strategy; they act to carry out their vision. Strategic management therefore translates strategic intent into strategic action. All such actions are organized around the realization of that intent, or should be (Hussey, 1991).

A survey of nearly 50 corporations in a variety of countries and industries found the three most highly rated benefits of strategic management to be: Clearer sense of strategic vision for the firm, Sharper focus on what is strategically important, improved understanding of a rapidly changing environment (Wheelen & Hunger, 2004).

Why is strategic management so important? There are three reasons. The most significant one is that it can make a difference in how well an organization performs. Why do some businesses succeed and others fail, even when faced with the same environmental conditions? Research has found a generally positive relationship between strategic planning and performance. In other words; it appears that organizations that use strategic management do have higher levels of performance. And that fact makes it pretty important for managers (Gokhale, 2012).

Another reason it's important has to do with the fact that managers in organizations of all types and sizes face continually changing situations. They cope with this uncertainty by using the strategic management process to examine relevant factors and decide what actions to take. For instance, as business executives across a wide spectrum of industries coped with the global recession, they focused on making their strategies more flexible. For example, at Office Depot, store managers throughout the company told CEO that cash-strapped consumers no longer wanted to buy pens or printer paper in bulk. So the company created special displays promoting single Sharpie pens and introduced five-ream packages of paper, half the size of the normal big box of paper (Gokhale, 2012).

Finally, strategic management is important because organizations are complex and diverse. Each part needs to work together toward achieving the organization's goals; strategic management helps do this. For example, with more than 2.1 million employees' world wide working in various departments, functional areas, and stores, some companies, uses strategic management to help coordinate and focus employees' efforts on what's important as determined by their goals (Gokhale, 2012).

Today, both business organizations and not-for-profit organizations use strategic management. For instance, the U.S. Postal Service (USPS) is locked in competitive battles with overnight package delivery companies, telecommunications companies' e-mail and text messaging services, and private mailing facilities. In 2006, 213 billion pieces of mail were handled by the postal service. In 2009, that total had dropped to 177 billion, a decline of almost 17 percent. John Potter, USPS's CEO (the U.S. Postmaster General), is using strategic management to come up with a response. One possible action plan, which many critics consider drastic, is discontinuing Saturday mail delivery. However, some strategic changes are needed as the USPS faces losses of \$238 billion over the next decade. Strategic management will continue to be important to its operation. Check out the organization's Vision 2013, which outlines its internal plan for the future. Although strategic management in not-for-profit hasn't been as well researched as it has in for-profit organizations, we know it's important for these organizations as well (Gokhale, 2012).

The formulation of a sound strategy facilitates a number of actions and desired results that would be difficult otherwise. A strategic plan, when communicated to all members of an organization, provides employees with a clear vision of what the purposes and objectives of the firm are. The formulation of strategy forces organizations to examine the prospect of change in the foreseeable future and to prepare for change rather than to wait passively until market forces compel it. Strategic formulation allows the firm to plan its capital budgeting. Companies have limited funds to invest and must allocate capital funds where they will be most effective and derive the highest returns on their investments (Gokhale, 2012).

On the other hand, a firm without a clear strategic plan gives its decision makers no direction other than the maintenance of the status quo. The firm becomes purely reactive to external pressures and less effective at dealing with change. In highly competitive markets, a firm without a coherent strategy is likely to be outmaneuvered by its rivals and face declining market share or even declining sales (Johnson, 2004).

Many valuable strategies are faced with problem and failure in the implementation stage. In many cases this is not because of poor strategy and the idea behind them. Factors affecting the successful implementation of strategy are organization structure, organizational culture, information and communication technology and reporting system, motivation and reward systems, resource allocation, decision making processes, effective communication, education, capability, skills, information systems, learning, , formal organizational structure, personnel management (Ali & Hadi, 2012).

2.2. Evolution of Strategic Management

Why a Firm's Strategy Evolves over Time? Because Managers modify strategy in response to changing market conditions, Advancing technology, Fresh moves of competitors, shifting buyer needs, emerging market opportunities and new ideas for improving the strategy (Forbes, 2013).

Since its first mention In the Old Testament, the concept of strategy has been largely a juice issue. Numerous authors have focused their attention on the concept of strategy but have failed to comprehensively investigate its historical evolution. This omission, in favor of an exclusively contemporaneous approach, has led to confusion among professionals and students alike. Our word strategy comes from the Greek strategos, "a general," which in turn comes from roots meaning "army" and "lead." The Greek verb stratego means to "plan the destruction of one's enemies through effective use of resources." The concept of strategy in a military or political context has remained prominent throughout history, and has been discussed by such major writers as Shakespeare, Montesquieu, Kant, Mill, Hegel, Clausewitz, Liddell Hart, and Tolstoy (Ansoff, 1969).

The strategic concepts developed by these writers have been used by numerous militarists and political theorists, such as Machiavelli, Napoleon, Bismarck, Yamamoto, and Hitler. One of the first known applications of strategy to business occurred when Socrates consoled Nicho Machides, a Greek militarist who lost an election to the position of general to Antisthenes, a Greek businessman. Socrates compared the duties of a general and a businessman and showed Nicho Machides that in either case one plans the use of one's resources to meet objectives.

This viewpoint was lost, for all practical purposes, with the fall of the Greek city-states and was not to rise again until after the Industrial Revolution. The need for a concept of strategy related to business became greater after World War II, as business moved from a relatively stable environment into a more rapidly changing and competitive environment. Ansoff (1969) has attributed this change in environment to two significant factors: one the marked acceleration in the rate of change within firms, and the accelerated application of science and technology to the process of management.

The accelerated rate of change put a premium on the ability to anticipate change, to take advantage of new opportunities, and to take timely action in avoiding threats to the firm. New technologies spurred interest in and acceptance of analytic and explicit approaches to decision making that increased management's ability to deal with the increasingly uncertain future. The first modern writers to relate the concept of strategy to business were Neumann and Morgenstern (1947). With their theory of games other authors have developed concepts of business strategy in the past 30 years. A comparison of these modern authors' concepts has been presented by Hofer & Schendel (1978). They found that among the authors, there was major disagreement in three primary areas: the breadth of the concept of business strategy, the components, if any, of strategy, and the inclusiveness of the strategy-formulation process. Hofer & Schendel's comparison failed to discuss the commonalities in the concept of business strategy, however strategic management is the direct organizational application of the concepts of business strategy that have been developed in the academic realm. That is, strategic management entails the analysis of internal and external environments of a firm'.

To maximize the utilization of resources in relation to objectives, this statement can be considered as a macro definition of the concept of business strategy, or strategic management the major importance of strategic management is that it gives organizations a framework for developing abilities for anticipating and coping with change. It also helps to develop the ability to deal with uncertain futures by defining a procedure for accomplishing goals. Only recently has the literature addressed the operation of strategic management. Since the time of the early Greeks, the concept of business strategy has changed from a macro to a micro and back to a macro viewpoint. Now business researchers and practitioners need to move from a concern with definitions of the concept to a consolidation of terminology.

Such a consolidation would facilitate the empirical testing of hypotheses as part of an attempt to validate or reject traditional constructs and to develop useful applications to organizational environments (Bracker, 1980).

2.3. Strategy Development

According to Barnat (2013) Strategic Management has three Stages, called Strategy Formulation, Strategy Implementation and Strategy Evaluation and Modification.

- **Strategy Formulation:** Is the process of establishing the organization's mission, objectives, and choosing among alternative strategies. Sometimes strategy formulation is called "strategic planning." Strategic analysis is a time-consuming process, involving comprehensive market research on the external and competitive environments as well as extensive internal assessments. The process involves conducting Porter's Five Forces, SWOT, PESTEL, and value chain analyses and gathering experts in each industry relating to the strategy.
 - ✓ **Strategy Formation:** Following the analysis phase, the organization selects a generic strategy (for example, low-cost, differentiation, etc.) based upon the value-chain implications for core competence and potential competitive advantage. Risk assessments and contingency plans are also developed based upon external forecasting. Brand positioning and image should be solidified.
 - ✓ **Goal Setting:** With the defined strategy in mind, management identifies and communicates goals and objectives that correlate to the predicted outcomes, strengths, and opportunities. These objectives include quantitative ways to measure the success or failure of the goals, along with corresponding organizational policy. Goal setting is the final phase before implementation begins (Boundless, 2015).
- **Strategy Implementation:** Is the action stage of strategic management. It refers to decisions that are made to install new strategy or reinforce existing strategy. The basic strategy - implementation activities are establishing annual objectives, devising policies, and allocating resources. Strategy implementation also includes the making of decisions with regard to matching strategy and organizational structure; developing budgets, and motivational systems.

- **Structure** – The implementation phase begins with the strategy in place, and the business solidifies its organizational structure and leadership (making changes if necessary). Leaders allocate resources to specific projects and enact any necessary strategic partnerships.
- **Feedback:** During the final stage of strategy, all budgetary figures are submitted for evaluation. Financial ratios should be calculated and performance reviews delivered to relevant personnel and departments. This information will be used to restart the planning process, or reinforce the success of the previous strategy (Boundless, 2015).
- **Evaluating Strategies:** used in the implementation phase serve as performance feedback. Some companies use a gap analysis to compare how the company performed to set goals. Analyzing present state compared to desired future state identifies the need for new products or additions to existing products. One example is a company comparing its anticipated consumer purchase response with the actual number of sales (Barnat, 2015).
- **Modification:** It is essential in correcting any weaknesses or failures found during evaluation. Strengths identified can lead to implementation in other areas. One example is a strategy to sell a selected number of products on the Internet and sales data shows a significant profit. A decision to add more products and refine the process can result in a new lucrative endeavor (Barnat, 2015).

On the other hand Mintzberg (1978) classified strategy development by using 5 Ps. Mintzberg first wrote about the 5 Ps of Strategy in 1987. Each of the 5 Ps is a different approach to strategy. They are: Plan, Ploy, Pattern, Position and Perspective.

By understanding each P, you can develop a robust business strategy that takes full advantage of your organization's strengths and capabilities. In this article the 5 Ps are explored in more detail, and we'll look at tools that you can use in each area.

- **Strategy as a Plan**

Planning is something that many managers are happy with, and it's something that comes naturally to us. As such, this is the default, automatic approach that we adopt – brainstorming options and planning how to deliver them. This is fine, and planning is an essential part of the strategy formulation process.

Our articles on PEST Analysis, SWOT Analysis and Brainstorming help you think about and identify opportunities; the article on practical business planning looks at the planning process in more detail; and our sections on change management and project management teach the skills you need to deliver the strategic plan in detail.

The problem with planning, however, is that it's not enough on its own. This is where the other four Ps come into play.

- **Strategy as Ploy**

Mintzberg says that getting the better of competitors, by plotting to disrupt, dissuade, discourage, or otherwise influence them, can be part of a strategy. This is where strategy can be a ploy, as well as a plan.

For example, a grocery chain might threaten to expand a store, so that a competitor doesn't move into the same area; or a telecommunications company might buy up patents that a competitor could potentially use to launch a rival product.

Here, techniques and tools such as the Futures Wheel, Impact Analysis and Scenario Analysis can help you explore the possible future scenarios in which competition will occur. Our article on Game Theory then gives you powerful tools for mapping out how the competitive "game" is likely to unfold, so that you can set yourself up to win it.

- **Strategy as Pattern**

Strategic plans and ploys are both deliberate exercises. Sometimes, however, strategy emerges from past organizational behavior. Rather than being an intentional choice, a consistent and successful way of doing business can develop into a strategy.

For instance, imagine a manager who makes decisions that further enhance an already highly responsive customer support process. Despite not deliberately choosing to build a strategic advantage, his pattern of actions nevertheless creates one.

To use this element of the 5 Ps, take note of the patterns you see in your team and organization. Then, ask yourself whether these patterns have become an implicit part of your strategy; and think about the impact these patterns should have on how you approach strategic planning.

Tools such as USP Analysis and Core Competence Analysis can help you with this. A related tool, VRIO Analysis, can help you explore resources and assets (rather than patterns) that you should focus on when thinking about strategy.

- **Strategy as Position**

"Position" is another way to define strategy – that is, how you decide to position yourself in the marketplace. In this way, strategy helps you explore the fit between your organization and your environment, and it helps you develop a sustainable competitive advantage .

For example, your strategy might include developing a niche product to avoid competition, or choosing to position yourself amongst a variety of competitors, while looking for ways to differentiate your services.

When you think about your strategic position, it helps to understand your organization's "bigger picture" in relation to external factors. To do this, use PEST Analysis , Porter's Diamond , and Porter's Five Forces to analyze your environment – these tools will show where you have a strong position, and where you may have issues.

As with "Strategy as a Pattern," Core Competence Analysis , USP Analysis , and VRIO Analysis can help you craft a successful competitive position. You can also use SWOT Analysis to identify what you do well, and to uncover opportunities. Note that there can be a lot of overlap between "Strategy as Position" and other elements of the 5 Ps. For instance, you can also achieve a desired position through planning, and by using a ploy. Don't worry about these overlaps – just get as much value as you can from the different approaches.

- **Strategy as Perspective**

The choices an organization makes about its strategy rely heavily on its culture – just as patterns of behavior can emerge as strategy, patterns of thinking will shape an organization's perspective, and the things that it is able to do well.

For instance, an organization that encourages risk-taking and innovation from employees might focus on coming up with innovative products as the main thrust behind its strategy. By contrast, an organization that emphasizes the reliable processing of data may follow a strategy of offering these services to other organizations under outsourcing arrangements.

To get an insight into your organization's perspective, use cultural analysis tools like the Cultural Web, Deal and Kennedy's Cultural Model , and the Congruence Model (Mintzberg, 1978).

2.4. Matching Strategy with Resources

Once a strategic option has been settled upon (in the strategic selection stage), management attention turns to evaluating the resource implications of the strategy. The extent to which the resource base needs to be adjusted will, of course, depend upon the degree of change that the proposed strategy entails. Broadly speaking, resource planning falls into three categories Johnson & Scholes (1998). First, some strategies, particularly those that are not particularly ambitious, require few changes in the resource base. They may require, for example, a slight increase in financing to fund modest expansion or the recruitment or retraining of a small number of new employees to meet a skill shortage in one or two areas. Conversely, of course, a 'few changes' strategy may require the disposal of some assets or a slight reduction in the human resource base.

Second, some strategies require an increase in the resource base in order to facilitate a more substantial programme of growth. This usually entails two things: an internal reallocation of resources and the purchasing of fresh resource inputs from external suppliers.

Internal reallocation entails reducing resource employment in one area of the business and moving it across to where it is needed, say by redeploying human resources or by selling some equipment to reinvest the money in the area of growth. New resources (from outside the organization) are obtained through the usual channels: the job market, the real estate market, the financial markets and so on. Third, some strategies involve a reduction in the resource base in order to successfully manage decline in one or more areas of the business (Johnson & Scholes, 1998).

If an organization finds, after a resource audit, that it has too many resources (say too many employees, too much land, etc.) then measures are put in place to carry out some reduction. Excess capital or physical resources can often be successfully reinvested in business areas that are in more buoyant markets while excess human resources must usually be made redundant (Campbell, Storehouse & Houston, 2002).

2.5. Problems of Successful strategy Implementation

Problems of successful implementation center on how well or badly the existing organization responds and how adequate it's reporting proves to be. According to Owen (1995), in practice there are four problem areas associated with the successful implementation of strategies.

The first problem is that, although strategies need to be developed around the business units (SBUs), of the corporation, these units often do not correspond to parts of the organizations structure. Business units have an external market-place for goods and services, and their management can plan and execute strategies independent of other pieces of the company. Moreover, the organization structure - and how that functions - derives from its history of take-over, tax considerations, shareholders considerations, economies of scale, personnel strengths and weaknesses, national legal requirements, and so on. Therefore, at any time strategy and structure need to be matched and supportive of each other.

Strategic planners must attempt to cut through the culture of diversified corporation and to plan in relation to the various competitive environments by identifying the strategies for them. Moreover, these strategies still have to be implemented by the organization as a whole.

A second problem area is that traditional management reports are not sensitive enough to monitor the implementation strategies, thus the strategic manager not fully aware of what is happening. Hence the performance of existing structure is not monitored properly, and as a result control mechanisms may be ineffective. Third, implementing strategy involves change, which in turn involves uncertainty and risk. Therefore, motivating managers to make changes is a key determinant.

Finally, management systems (such as compensation schemes, management development, communications systems and so on) are often in place as a result of past strategies; they are rarely tuned or revised to meet the needs of new ones (Barnat, 2013).

CHAPTER THREE

RESEARCH METHODOLOGY

In this chapter, the researcher clearly stated how the research was designed, data types, source and collection tools are selected and used, how the sample were taken and how data are analyzed. And finally ethical consideration is also been described. The details are directed below.

3.1. Research Design

The research design that has been used for the study is descriptive research. It is selected due to its ability to assess and describe the existing nature of strategic management practice at the Bank. This further will enable the study to analyze the existing practice by comparing it with the theoretical aspects.

Since the research focuses on the assessment of strategic management practices which demands narrations, data analysis and interpretations, the researcher believed that the best research strategy is applying qualitative research strategy. Qualitative research method allows the researcher to collect and analyze quantitative data to have detail viewpoints. And it is helps for creating a relationship among the sample and the wider population of the study, by explaining the actual practice of strategic management.

3.2. Sampling and Sampling Techniques

Establishing its head office in Addis Ababa, NIB has 100 branches operating in eight regions of the country. Currently the total number of employees of the bank is 2400; the head office contains 450 employees out of the total. On its structure the head office is further organized into different departments, divisions and sections that perform different tasks of the bank. The total population of this research includes all the top managers, middle managers and experts of the Bank. But, due to limitation of finance and time shortage the researcher specifically focused only on head office.

The sampling technique that had been used on this research is stratified sampling. Based on this, survey instrument had been distributed for the head office employees' of the bank only. And, the sample included 150 employees which cover all the top and middle managers and selected senior and junior experts of the Bank, so as to represent all employees under different levels and work nature.

The senior and junior experts had been selected considering all fourteen departments and their employees to the percentage share from the total sample.

The sample size is determined by benchmarking previous works of researchers. According to Watson (2001) for a research with a population close to 500, it is appropriate to work on sample size of 84 which survey instrument that had been distributed for the bank employees at head office only goes in line with the applied sample size in this paper. In addition, as cited by Yount (2006) and Settle (1995) it is seldom necessary to sample more than 10%. According to Yount (2006) 10% sample size is adequate for population ranging from 101 to 1,000. This justifies the represented sample size is in a sufficient position.

3.3. Types of Data and Data Source

The research used both primary and secondary data as a source. Primary data had been collected and used from internal and external data sources. The internal sources are all top level Managers, Department Managers, Division Managers; Section Managers and selected Senior and Junior Experts of the Bank.

Secondary data had been collected from different sources; reviewing literature on strategic management practices, previous related studies that helped the researcher to focus more on untouched parts, related books that helped to relate the theory with the ground fact, Bank's strategic plan and performance report documents and internet. Secondary data had been gathered through and related topics as well as by conducting thorough document analysis of the bank.

3.4. Data Gathering Tools

The primary data had been collected through survey using structured questionnaires and interview. To collect those data from the targeted sources and assess the practice of strategic management, both close ended and open ended questions were presented. The questionnaire data are collected by using likert scale and explanations had been given for open ended questions and interview. The secondary data had been collected from Corporate Planning and Business Development Department of NIB and different literature focused on strategic management development and practices.

3.5. Data Analysis Techniques

The collected data had been analyzed and interpreted by using descriptive methods. These methods helped the researcher to describe the findings by inferring the results from the data collected. Interpretations are given by analyzing the practice of strategic management using frequency table derived from by using SPSS. A simple average method such as percentage and frequency is used to assess the practice of strategic management. From the total distributed 150 questioners only 86 are collected and included on the analysis.

3.6. Ethical Consideration

The ethical issues were considered in the study: informed consent (by informing the respondents regarding the background of the study, including the importance of the data was gathered from them) and issues of confidentiality (by ensuring the respondents that all of the information in this study was solely used for academic purposes only).

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

In this chapter of the study, the data collected through questionnaire, interviews and document review is analyzed and interpreted. To create clear view, the data analysis is categorized under five parts, namely, demography of respondents, strategic plan environmental scanning, formulation, implementation and performance monitoring and evaluation. The details are presented below.

4.1. Characteristics of Respondents

In this section, the personal profile of respondents is presented. This includes Gender, Age, Marital Status, Job position and Educational qualification.

Table.4.1. Demography of Respondents.

No.	Variables	Type	Frequency	Percent (%)
1	Gender	Male	66	76.7
		Female	20	23.3
		Total	86	100
2	Age(in years)	20-30	29	33.7
		31-40	32	37.2
		41-50	13	15.1
		More than 51	12	14.0
		Total	86	100
3	Marital Status	Unmarried	45	52.3
		Married	41	47.7
		Divorced	0	0
		Other	0	0
		Total	86	100
4	Working position	Manager	25	29.1
		Principal Officer	18	20.9
		Officer	22	25.6
		Junior officer	21	24.4
		Total	86	100
5	Educational qualification	PhD	0	0
		Masters Degree	31	36
		First Degree	55	64
		Diploma	0	0
		Total	86	100

Source: Own survey (2015)

4.2. Analysis of Strategic Plan and Environmental Scanning.

In this part of the data presentation three questions were raised for respondents to reflect on NIB's strategic plan environment scanning.

Table 4.2. Strategic Plan and Environmental Scanning.

No.	Variables	Type	Frequency	Percent
1	The bank has strategic planning mechanism.	Strongly Agree	12	14.0
		Agree	46	53.5
		Moderately Agree	23	26.7
		Disagree	5	5.8
Total			86	100
2	The Bank uses environmental scanning mechanisms that can help it to examine the General, Operating and Internal Environments.	Strongly Agree	12	14.0
		Agree	42	48.8
		Moderately Agree	30	34.9
		Disagree	2	2.3
Total			86	100
3	All significant stakeholders have been considered in the preparation of stakeholder's analysis.	Strongly Agree	11	12.8
		Agree	26	30.2
		Moderately Agree	28	32.6
		Disagree	19	22.1
		Strongly Disagree	2	2.3
Total			86	100

Source: Own survey (2015)

Concerning the existence of strategic planning mechanism, 64.5% of respondents agreed and 26.7% respondents moderately agreed that the bank has strategic planning mechanism and small percent of respondents (5.8%) disagreed on its existence. According to the Corporate Planning and Business Development Department of the bank, throughout its history, the Bank has developed two strategic plans that covered two strategic periods (i.e. Five years). While the first one was developed in-house, the later was developed by external consultant. Based on this, the current NIB's strategic plan is developed for five years. The industry experience of working with strategic plan shows four strategic period (i.e. only private banks). Therefore, it can be said that NIB has strategic planning mechanism and a five years strategic plan, though it developed its strategic plan lately from the industry practice.

Moreover, the researcher raised question to check whether or not strategic plan involved environmental scanning (i.e. general, operational and internal).With this regard, majority of the respondents (62.8%) agreed that the strategic plan involved environmental scanning, while 34.9% respondents moderately agreed and the rest few 2.3% disagreed that the strategic plan involved environmental scanning.

For the question raised to check the participation of stakeholders on the strategic plan, 43% of respondents agreed that the stakeholders did participated, while 32.6% of respondents moderately agreed and considerable number of respondents (24.4%) disagree that stakeholders participated on the strategic plan. According to the planning department of the bank, stakeholders, which are boards of directors and management members, are participated on the strategic plan on a validation workshop.

4.3. Analysis of Strategic Formulation

Formulation of strategic planning is just one of those elements without which the strategy cannot work in practice (Bordean, 2010).

In this part, the researcher enquired the practice and application of strategic planning formulation in NIB. For the assessment purpose, thirteen closed ended and nine open ended questions were presented. For the analysis purpose, questions are viewed and classified in to three parts named; Strategy Plan Building Process, Goal and objectives Settings and Strategic Plan Alignment. Moreover, additional useful information was also taken from planning department and different documents.

4.3.1 Strategy Plan Building Process

In this sub part of the strategic plan formulation, the Bank's practice of using strategic plan, the process of building strategic plan, participation of employees and communication of the strategic plan for stockholders are analyzed and presented.

Table 4.3. Strategy Plan Building Process

NO.	Variables	Type	Frequency	Percent
1	The Bank significantly uses strategic plan to make business decisions.	Strongly Agree	9	10.5
		Agree	36	41.9
		Moderately Agree	31	36.0
		Disagree	10	11.6
Total			86	100
2	The Bank has engaged in and undertaken strategic planning process.	Strongly Agree	23	26.7
		Agree	37	43.0
		Moderately Agree	18	20.9
		Disagree	8	9.3
Total			86	100
3	The Strategic planning process is participatory and employees are involved adequately in the process of strategy planning.	Strongly Agree	4	4.7
		Agree	7	8.1
		Moderately Agree	31	36.0
		Disagree	21	24.4
		Strongly Disagree	23	26.7
Total			86	100
4	Main stakeholders of the organization are communicated about the strategy and convinced adequately for the implementation of strategic planning.	Strongly Agree	9	10.5
		Agree	36	41.9
		Moderately Agree	29	33.7
		Disagree	12	14.0
Total			86	100

Source: Own survey (2015)

Most of the respondents (51.4%) agreed that the Bank uses strategic planning and management for business decision, 36% of them moderately agreed and the rest 11.6% of them disagreed on the idea that the bank uses strategic planning management for business decision. Majority of the agreed respondents (70%) specified the business decisions that are taken by using strategic plan. Some of them are; for long term and short term planning, for development and implementation of new products and services, to manage uncertainties and business risks and to solve problems related with achieving organizational goals and objectives are some of the decisions that the organization takes by using the strategic plan (Table 4.3).

Once it is acknowledged the bank use strategic planning for business decision, the researcher asked about the process of strategic planning in NIB. For this enquiry most of the respondents (69.7%) agreed on the Bank's utilization of strategic planning process to build its five year strategic plan and 27.3% of the respondents moderately agreed. But, few respondents (8%) disagreed that the Bank's follows strategic planning process to build its plan. However, the respondents who disagree didn't disclose the gap that is observed on building the strategic plan without the planning process.

Strategic planning process is dissimilar depending on the planning tool used to build the strategic plan. But, most of the theories agreed that the Strategic planning process shall pass through the steps of strategic formulation, development and monitoring and evaluation.

According to the planning Division of the Bank, its strategic planning process was defined in the Terms of Reference (TOR) of the Bank, which was developed to handle outsourced strategic planning. According to the TOR, the planning process was classified in to eight parts, containing:

- In depth analysis of the existing and future business, economic, regulatory, political and competition environment,
- In depth review and analysis of the various banking sector related directives,
- Review and assess the Bank's internal environment (resources and systems).
- Conduct in depth review of international commercial banking experiences,
- Review the bank's existing strategic plan document,
- Set corporate strategic objectives,
- Formulate strategic action plans,
- Restructure and prepare functional descriptions of work unites.

Based on the assessment made on the current strategic plan of the bank, the above listed pointes are contained in the document.

In the book of Niven (2003) "Few employees deep down in the company even know what the strategy is". He also pointed out and asked that, how can something as vital as a strategy be acted on and effectively executed if the very people charged with the responsibility of carrying it out don't even understand it in the first place?

To effectively implement strategy, communication and participation of the employees about the strategy is important. With this regard, the researcher forwarded a question with the intention to know whether the bank strategic planning process was participatory or not. Based on this, more than half of the respondents (51.1%) disagreed that the strategic planning process was participatory, 14.8% of employees agreed and 36% of respondents moderately agreed that it was participatory. Majority of the disagreed respondents' also indicated the negative impacts that would come out of not making employees participate on the strategic planning process. Those are: failure to properly understand the organizational goals and objectives, unable to correlate tasks with organizational goals and objectives, poor initiation and performance to achieve the strategic plan and poor employees' loyalty and unaccountability.

For the question raised to know whether the strategic plan was communicated to the stakeholders or not, half of the respondents (52.4%) agreed that the bank stakeholders are communicated, whereas, 33.7% of respondents moderately agreed and the rest 14% of the respondents disagreed on the idea that stakeholders are communicated about the strategy plan.

Majority of the respondents (80%) indicated the negative impact of not communicating the strategic plan to the stakeholders, some of them are; failure to efficiently deploy human as well as financial resource, poor sense of corporate belongingness, poor knowledge of external and internal environment, high resistance for change that will follow on the strategic plan implementation, poor commitment in achieving organizational goals, hindrance on the execution of the strategic plan, uncompleted strategic plan, poor acceptance of the strategic plan by the stakeholders, difficult to achieve the presumed performance target, low level organizational synchronization with stakeholders, less collaborative stakeholders, less productivity and marketability of the organization product are indicated.

4.3.2 Goal and Objective Setting

In this sub part of the appropriateness of the mission, vision and value statements and their compatibility with work unites tasks is analyzed. Moreover the SWOT analysis also been assessed.

Table 4.4. Goal and Objectives Settings

1	The current mission statement of the Bank is compatible with the activities being carried on by the Bank.	Strongly Agree	12	14.0
		Agree	30	34.9
		Moderately Agree	34	39.5
		Disagree	10	11.6
Total			86	100
2	Organizational values are identified and stated properly.	Strongly Agree	14	16.3
		Agree	21	24.4
		Moderately Agree	30	34.9
		Disagree	21	24.4
Total			86	100
3	The strategic plan can be said set the long term vision of the organization.	Strongly Agree	18	20.9
		Agree	36	41.9
		Moderately Agree	25	29.1
		Disagree	7	8.1
Total			86	100
4	Goals and Objectives are crafted and emanated from the vision of the organization.	Strongly Agree	20	23.3
		Agree	36	41.9
		Moderately Agree	19	22.1
		Disagree	11	12.8
Total			86	100
5	The strategic plan exhaustively analyzed SWOT (Strength, Weakness, Opportunity and Threat) of the organization.	Strongly Agree	7	8.1
		Agree	25	29.1
		Moderately Agree	47	54.7
		Disagree	4	4.7
		Strongly Disagree	3	3.5
Total			86	100

Source: Own survey (2015)

Kaplan and Norton (2008, p: 88) also stated “Before formulating a strategy, managers need to agree on the company’s purpose (mission), the internal compass that will guide its actions (values), and its aspiration for the future results (vision). The organization’s mission and values typically remain stable over time. The vision, although not as stable as the mission and values, is often constant during an organization an organization’s three-to five-year strategic plan.”

As it is stated above, a well define mission will lead the organization to set its long term vision and objectives. “A mission statement is a brief statement that defines why the organization exists. The mission should describe the fundamental purpose of the entity, especially what it provides to customers and clients and it should inform executives and employees about the overall goal they have come together to pursue (Kaplan & Norton, 2008).

According to the strategic plan of the Bank, NIB mission is “To provide customer focused, efficient and effective full-fledged commercial banking services by deploying qualified, honest and motivated staff and utilizing state-of-the-art technology and thereby optimize stakeholders’ interest”.

For the question raised to check the compatibility of the mission statement with the activities being carried on by the Bank, 48.9% of respondents agree and 39.5% moderately agree that the bank’s mission statement is compatible with its activities. And the rest 11.6% of respondents replied that they disagreed.

From here we can see that the majority of the respondents have agreed on the compatibility of the mission statement with the current activities of the Bank. Based on the Kaplan and Norton mission statement criteria, the researcher believes that NIB’s mission statement fulfills the requirements expected to be contained in mission statement.

Parallel with the mission statement Kaplan and Norton (2008, p: 90) also define vision as “A statement that define the mid-to long term goals of the organization. It should be market oriented and should express-often in visionary terms-how the enterprise wants to be perceived by the world”.

According to the strategic plan of NIB, the vision of the bank is to “To become an icon of excellence and the leading commercial bank in Ethiopia”. With this regard, 62.9% of respondents’ agree that the strategic plan document sets the vision of the organization, 29.1% moderately agrees and the rest 8.1% disagree.

The ideal vision statement outline management future aspirations for the business to its stakeholders, provides direction-“where we are going.”, sets out the compelling rationale (strategic soundness) for the firm’s direction and uses distinctive and specific language to set the firm apart from its rivals (Thompson, 2012).

Based on these criteria, the researcher believes that NIB's vision statement fulfills most of the criteria stated above. But, still the vision statement of the bank lacks time frame.

In addition to mission and vision statement, question was raised to check whether the strategy plan identified and crafted organizational values. Based on this, 40.7% of respondents agreed that the strategic plan properly identified and crafted organizational values while 34.9% of them moderately agreed and the rest 24.4% disagreed. According to NIB strategic plan, the value of the banks are: giving prudent and professional banking practices, honesty and integrity, transparency, accountability, confidentiality, loyalty, social responsiveness, competitive services and sustainable growth and organizational excellence.

As Thompson stated, "Organizational Values are the beliefs, traits, and behavioral norms that employees are expected to display in conducting the firm's business and in pursuing its strategic vision and mission. Values become an integral part of the firm's culture and what makes it tick when strongly espoused and supported by top management. In addition, matched with the firm's vision, mission, and strategy contribute to the firm's business success (Thompson, 2012:p.16).

In addition to this, Kaplan & Norton (2003) pointed out that the analysis of SWOT as the earliest and most fundamental of all strategy analysis tools that identifies the company's existing strength and weaknesses, its emerging opportunities, and the worrisome threats facing the organization. Based on this, the researcher raised question on the strategic plan inclusion of the organization strength, weakness, opportunity and threats (SWOT) analysis.

As it is depicted on the above table 37.2% respondents agree that SWOT of the organization exhaustively considered on the strategic plan, whereas 54.7% of respondents moderately agreed and the rest 8.2% replied as they disagreed that the strategic plan exhaustively considered SWOT analysis. From the two successive period strategic plan documents of the bank, the researcher observed that the elements pointed out as SWOT are almost the same. This indicated that, the banks lesser focus to solve points observed in the SWOT analysis.

On the other hand, respondents were asked to reply whether the goals and objectives crafted and depicted in the strategic plan emanated from the vision of the organization or not. With its effect, 65.2% of respondents agree on the idea that the goals and objectives of the organization are crafted and emanated from the vision of the organization.

And 22.1% of respondents answered that they moderately agree and the rest 12.8% of them disagree that the goal and objectives are emanated and crafted from the strategic plan. Therefore, small percent of respondents disagreed on the idea that the goal and objectives of the bank are emanated from the vision of the organization. This may be the result of poor communication of the strategic plan to the employees of the organization. But, the disagreed respondents didn't specify what is left behind.

4.3.3 Strategic Plan Alignment

In this sub part the strategic plan incorporation issues regarding human resource capacity, Customer's suggestions and complaints and its alignment with the organizational hierarchy is raised. Responses are analyzed below.

Table 4.5. Strategic Plan Alignment

10	The strategic plan adequately incorporate issues regarding budgeting.	Strongly Agree	6	7.0
		Agree	43	50.0
		Moderately Agree	31	36.0
		Disagree	5	5.8
		Strongly Disagree	1	1.2
Total			86	100
11	The strategic plan adequately incorporate issues regarding human resource capacity.	Strongly Agree	7	8.1
		Agree	43	50.0
		Moderately Agree	24	27.9
		Disagree	12	14.0
Total			86	100
12	The strategic plan adequately incorporate issues regarding customer's suggestions and complaints.	Strongly Agree	5	5.8
		Agree	16	18.6
		Moderately Agree	46	53.5
		Disagree	15	17.4
		Strongly Disagree	4	4.7
Total			86	100
13	The strategic plan has been well aligned down in the organizational hierarchy.	Strongly Agree	5	5.8
		Agree	35	40.7
		Moderately Agree	26	30.2
		Disagree	17	19.8
		Strongly Disagree	2	2.3
Total			86	100

Source: Own survey (2015)

Next to assessment of goal and objectives, three related questions were raised to check the whether the strategic plan adequately incorporates them or not: those are, regarding budgeting, human resource capacity and customer's suggestions and complaints. With this regard 57% of respondents agreed, while 36.0% of them moderately agreed and the rest 7% of them disagreed that budgeting is incorporated on the strategic plan. Respondents also indicated the negative impacts of not including budgeting on the open ended question. With its respect difficulties of executing the strategy plan, failure to attain the plan with the specified period, unable to accomplish the strategic initiative and unable to achieve expected output on the time are some of the negative effects indicate.

With incorporation of human resource capacity issues in the strategic plan, majority of the respondents (58.1%) agreed as the strategic plan adequately incorporated issues regarding human resource capability, whereas 27.9% of them moderately agreed and the rest 14% replied as they disagreed that it is incorporated. On the open ended question the respondents indicated some of the hindering effects that come out of not involving the human capital issues on the strategic plan. Some of them are: difficulty of achieving the expected result, lowered employee efficiency and lack motivation are the major one.

In addition questions regarding strategic plan involvement of customer's suggestions and complaints were raised to the respondents, with its effect 24.4% of the respondents agreed, 53.5% moderately agreed and the rest 4.5% of them disagreed that the strategic plan was incorporated issues raised from customer complaints and suggestions.

Respondents also expressed some of the hindering effects that could come out by not considering customer complaints and suggestions on the strategic plan. Some of the points are: difficulty to attain service excellence, challenge to fulfill customer demand and problem to learn from mistakes are some of the hindering effects raised.

At last, the researcher raised a question to check the strategic plan has been aligned with the organizational hierarchy. On the replay 46.5% of respondents agree and 30.2% of respondents moderately agree that the strategic plan is aligned through the organizational hierarchy (core and support units) and the rest 22.1% of respondents disagreed. On the open ended question majority of the respondents (70%) indicated that the misalignment of strategic plan has mainly shown on linking individual tasks with corporate objectives.

Those respondents also expressed that the persisted misalignment of the strategic plan has negative impact on knowing the purpose and end result of a job, understanding of duties and responsibilities, communication between different functions of the organization.

From the document observed, NIB's working unites annual plan has derived from the functions and operational experience of the working unites. Where the planning department collects all those plan documents from all working unites to consolidate as annual plan of the bank. As it is observed, the planning department tries to categorize the different planes forwarded from those working unites under the corporate objectives outlined on the strategic plan.

After the planning department compiled all those documents, it will be presented for the management committee to be defended and approved at the spot. After the working unites annual plan is approved there is no any cascading process that has been made to divide the work.

4.4. Analysis of Strategy Implementation

Strategy implementation is a process by which strategies and policies are put into action through the development of programs, budgets, and procedures. This process might involve changes within the overall culture, structure, and/or management system of the entire organization. Except when such drastic corporate wide changes are needed, however, the implementation of strategy is typically conducted by middle- and lower-level managers, with review by top management.

Sometimes referred to as operational planning, strategy implementation often involves day-to-day decisions in resource allocation (Wheelen & Hunger, 2004).

On this part of the data presentation the researcher tried to assess the practice of strategic plan implementation. For the assessment purpose, ten closed ended questions were raised. The data's are presented and analyzed under. Moreover, additional useful information's are taken from planning department and different documents.

Table 4.6. Strategy Implementation

NO.	Variables	Type	Frequency	Percent
1	The Bank's polices and manuals are updated, aligned and relevant to the current activities.	Strongly Agree	8	9.3
		Agree	21	24.4
		Moderately Agree	30	34.9
		Disagree	25	29.1
		Strongly Disagree	2	2.3
Total			86	100
2	The employees of the bank understand the policies and manuals and work in accordance with that.	Strongly Agree	6	7.0
		Agree	19	22.1
		Moderately Agree	33	38.4
		Disagree	23	26.7
		Strongly Disagree	5	5.8
Total			86	100
3	The Bank is committed to providing financial resources to support the implementation of strategic initiatives.	Strongly Agree	11	12.8
		Agree	35	40.7
		Moderately Agree	26	30.2
		Disagree	14	16.3
Total			86	100
4	Executive Management owned the strategic plan and committed to implement the strategic initiatives.	Strongly Agree	14	16.3
		Agree	29	33.7
		Moderately Agree	30	34.9
		Disagree	11	12.8
		Strongly Disagree	2	2.3
Total			86	100
5	Boards of Directors are motivated to maintain and support the implementation of strategic initiatives.	Strongly Agree	8	9.3
		Agree	29	33.7
		Moderately Agree	37	43.0
		Disagree	11	12.8
		Strongly Disagree	1	1.2
Total			86	100
6	Staffs are motivated to maintain and support the implementation of strategic initiatives.	Strongly Agree	1	1.2
		Agree	21	24.4
		Moderately Agree	32	37.2
		Disagree	25	29.1
		Strongly Disagree	7	8.1
Total			86	100
7	The Boards of directors are committed and support the implementation of strategic initiatives.	Strongly Agree	11	12.8
		Agree	33	38.4
		Moderately Agree	33	38.4
		Disagree	9	10.5
Total			86	100
8	The current organizational structure is appropriate and supports the implementation of strategic plan.	Strongly Agree	10	11.6
		Agree	31	36.0
		Moderately Agree	33	38.4
		Disagree	10	11.6
		Strongly Disagree	2	2.3
Total			86	100

9	NIB's management and employees are open, willing and ready to accept and implement change.	Strongly Agree	1	1.2
		Agree	27	31.4
		Moderately Agree	35	40.7
		Disagree	21	24.4
		Strongly Disagree	2	2.3
Total			86	100
10	The employees of the bank are capable of planning, managing and implementing the strategic plan.	Strongly Agree	15	17.4
		Agree	28	32.6
		Moderately Agree	37	43.0
		Disagree	6	7.0
Total			86	100

Source: Own survey (2015)

To implementing strategy; internal policy, procedure and manuals are the main instruments that will be used as a guideline for executing and controlling strategic plan. A policy is a broad guideline for decision making that links the formulation of a strategy with its implementation. Companies use policies to make sure that employee throughout the firm make decisions and take actions that support the corporation's mission, objectives, and strategies. On the other hand Procedures and or manual, sometimes termed Standard Operating Procedures (SOP), are a system of sequential steps or techniques that describe in how a particular task or job is to be done (Wheelen & Hunger, 2004).

Based on these, the researcher raised questions to know whether the bank's policies, procedures and manuals are updated and designed to the level of supporting the strategic plan implementation and the level of employees' awareness and understanding of those policies, procedures and manuals. Based on this, 33.7% of respondents agree, 34.9% moderately agree 31.4% of them disagreed that the bank's policies, procedures and manuals are updated and designed to support the strategic plan. In addition to this, 29.1% of respondents agree that the bank's employees understand those policies, procedure and manuals and as they work accordingly, while 38.4% of them moderately agreed and the rest 32.5% of them disagreed. Which means, most of the employees are not convinced that the Bank's policies, procedures and manuals are updated and also as they do not have a clear understanding to work in accordance with them.

Since the current strategic plan of the bank was developed for the period ranging from 2012/13-2016/17, Bank's internal polices, procures and manuals were needed to be updated. But, most polices, procures and manuals are not updated to fit the strategic plan.

Based on the assessment from the bank total policies, procedure and manual of the bank (i.e. 36), only nine are renewed and new, but the rest 27 are old and are not updated.

A study made by Kaplan & Norton (2001, p: 91) shows that “275 portfolio managers reported that the ability to execute strategy was more important than the quality of the strategy itself.” Therefore, it is notable that the vitality of top management and the boards of directors commitment and motivation on the execution of strategy.

For the question raised to check the executive management and board of directors’ commitment for the implementation of the strategic plan, 50% of respondents replied as they agree, 34.9% of responded moderately agreed and the rest 15.1% of them disagreed that the executive management and board of directors’ owned the strategic plan and committed to implement the strategic initiatives. When it comes to the question raised to assess the board of directors’ commitment, 43% of respondents agreed, 43% of them moderately agreed and the rest 14% employees’ disagreed that the boards of directors are motivated to maintain and support the implementation of strategic initiatives. The above data shows that the top management’s commitment to execute the strategy plan for more than 80% agreement. That is very appreciable since the boards of directors and executive management commitment is vital to the implementation of strategic plan.

But, management’s focus on strategy can be measured by the time that they spend on discussing strategic issues, the budget or resource allocation made for the execution of the strategy, focus given for capacitating and motivating employees and the utilized structure for the planned strategy. From these pointes, the researcher raised a question to check the bank’s commitment to implement the strategic plan by allocating adequate budget for the implementation of the strategic plan. Based on this, 67% of respondents replied as they agreed, 30.2% of respondents answered as they moderately agree and the rest 16.3% of the responded replied as they disagreed on the idea that bank’s allocation of adequate budget for the implementation of the strategic plan. From this we can understand that the bank’s commitment on allocating resource for the execution of the strategy.

In addition, as revised on the bank's annual report (i.e. 2012/12 and 2013/14) there had not been a performance problems or challenges stated for shortage of budget. And also there had not been any work unites that reported budget constraint as a problem for not achieving planed target.

According to Kaplan & Norton (2008) more than half of surveyed companies indicated that their budget and performance review process were done separately from the strategic planning process. Therefore, linking performance and budget is the important concept.

With this regard, the strategic plan document of the bank indicated that, there was rough budgeting on the strategic plan period. But after that, work unites must budget annually for their annual plan, that is cascaded from strategic plan. Thus, the bank budgeting process and the effort taken to link the strategic plan is appreciable, though the performance of working unites have not been evaluated with respect to the budge they utilized.

Related with the above questions, two consecutive questions were raised to check the staffs motivation and capability to implement the strategic plan. With regard to staff motivation to implement the strategic initiatives, 25.6% of respondents replied that they agree and 37.2% of respondent answered as they moderately agree that the staffs are motivated to implement the strategic initiatives and the rest 37.2% respondents disagree. Related with this, 50% of the respondents agree that employees' are capable of implementing the strategic plan, 43% of them moderately agree and the rest 7% of them disagree that the employs are capable of implementing the strategic plan. This indicated that considerable number of respondents shown that the staffs are motivated and majority of the employees are capable of planning, monitoring and implementing the strategic plan.

Finally, questions were raised to check appropriateness and supportiveness of the organizational structure to implement the strategic plan. Based on this, 47.6% of respondents agree, 38.4% respondents moderately agree and the rest 13.9% of respondents disagree that the organizational structure is appropriate and supportive to implement the strategic plan. This indicated that most of the respondents agree on the appropriateness of the bank's structure to implement the strategy.

According to the planning department of the bank, the organizational structure was restructured immediately after the strategic plan was developed and ready for implementation.

The revised organizational structure was believed to weigh the strategic plan, but soon after the restructure was implemented; adjustments had been made in some working unites of the bank; Information System and E-Banking Departments and project office. Though management scholars allow revising structure, frequent structure renewal on one strategic period is not advised.

Currently, NIB has three Vice Presidents, 14 Departments, 26 Divisions and 10 Sections. Out of this 6 departments are functional and the rest 9 are support.

Most management scholars agree that strategy and structure have a reciprocal relationship. The relationship between strategy and structure highlights the interconnectedness between strategy formulation and strategy implementation. Regardless of the strength of the reciprocal relationships between strategy and structure, those choosing the firm's strategy and structure should be committed to matching each strategy with a structure that provides the stability needed to use current competitive advantages as well as the flexibility required to develop future advantages (Michael & Hitt, 2007).

4.5. Analysis of Strategy Performance Monitoring and Evaluation

Management control is a systematic effort to set performance standards with planning objectives, to design information feedback systems, to compare actual performance with these predetermined standards, to determine whether there are any deviations and to take any action required to assure that all corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives (Barnat, 2013).

On this part, the researcher tried to assess the practice of strategy plan performance monitoring and evaluation. With this intention four closed ended questions were raised. The questions are presented, interpreted and analyzed on the below table. Moreover, additional useful information was also taken from planning department and different documents of the bank.

Table 4.7. Performance Monitoring and Evaluation

	Variables	Type	Frequency	Percent
1	There is a comprehensive and adequate performance monitoring and evaluation mechanism.	Strongly Agree	1	1.2
		Agree	24	27.9
		Moderately Agree	35	40.7
		Disagree	24	27.9
		Strongly Disagree	2	2.3
Total			86	100
2	Strategically significant performance measures are identified properly.	Strongly Agree	1	1.2
		Agree	24	27.9
		Moderately Agree	40	46.5
		Disagree	21	24.4
Total			86	100
3	The performance measures are balanced with respect to incorporating financial and non-financial measures.	Strongly Agree	4	4.7
		Agree	26	30.2
		Moderately Agree	30	34.9
		Disagree	25	29.1
		Strongly Disagree	1	1.16279
Total			86	100
4	The performance measures are balanced with respect to incorporating customer related, process related, and human resource capacity related indicators.	Strongly Agree	5	5.8
		Agree	21	24.4
		Moderately Agree	34	39.5
		Disagree	26	30.2
Total			86	100

Source: Own survey (2015)

Based on the table above, majority of the respondents (40.7%) moderately agree and 29% of them agreed that the strategic plan encompass comprehensive and adequate performance monitoring and evaluation mechanism, whereas, 30.2% of respondents disagreed. As the data showed, considerable number of respondents' disagreed on the existence of comprehensive performance management system in the bank.

Effective performance measures can let us know: how well we are doing, whether we are meeting our goals or whether our customers are satisfied or not. Effective performance measures are expected to contain all rounded measures.

For the question asked to check the identification and inclusion of significant performance measures on the strategic plan, 29.1% of respondents showed as they agree, 46.5% of respondents replied as they moderately agree and the rest 24.4% of respondents expressed their disagreement.

Niven (2003) stated that the criteria for selecting performance measures are its link to the strategy, the measures easiness to understand, link in a chain of cause and effect, update frequently and accessible, average-cautious, resistant to “date”-related measures, quantitative, dysfunctional. A complete performance management gives a due attention to performance data. Performance measures are standards used to evaluate and communicate performance against expected results.

A question was raised to check the symmetry of outlined strategic performance measures of the bank, which means the inclusion of financial and non-financial (i.e. customer, internal process and human resource) measures. As a result, 34.9% of respondents agreed that the performance measures of the organization are balanced by incorporating financial and non-financial measures, whereas 34.9% of respondents moderately agree and the rest 30.26% of employees disagreed. As it is observed from the strategic plan of the bank, almost all performance indicators stated are financial measures. As an example the following performance indicators are presented on the strategic plan of the bank; loan to deposit ratio, rate of nonperformance loans, capital adequacy ratio, return on average assets and return on equity, earnings per share, cost to income ratio, cost of fund, source of income, branches network and employees’ satisfaction. With this respect, employees’ satisfaction and branches network are the only non-financial measure depicted on the strategic plan. Therefore, the strategic plan lacks non-financial measure that will help to know the performance of corporate objectives setted for improving customer, internal process and develop human capital.

4.6. Analysis of Strategy Performance Data Collection system

On this final part of the chapter, the researcher tried to assess the practice of performance data collection system. With this intention six closed ended and five open ended questions were raised. Analysis an interpretation has given below. Moreover, additional useful information was also taken from planning department and different documents of the bank.

Table 4.8. Performance Data Collection

	Variables	Type	Frequency	Percent
1	There is efficient performance data collection mechanism for monitoring and evaluating the implementation of strategic plan.	Strongly Agree	5	5.8
		Agree	29	33.7
		Moderately Agree	35	40.7
		Disagree	16	18.6
		Strongly Disagree	1	1.2
Total			86	100
2	It can be said that the collected performance data's are being used for assessing the level of performance of the organization in reaching its strategic targets.	Strongly Agree	5	5.8
		Agree	32	37.2
		Moderately Agree	38	44.2
		Disagree	11	12.8
Total			86	100
3	There is consistent and continuous strategic plan performance evaluation.	Strongly Agree	6	7.0
		Agree	19	22.1
		Moderately Agree	28	32.6
		Disagree	30	34.9
		Strongly Disagree	3	3.5
Total			86	100
4	Corrective and preventive measures are identified and implemented for effective execution of the strategic plan.	Strongly Agree	5	5.8
		Agree	23	26.7
		Moderately Agree	39	45.3
		Disagree	19	22.1
Total			86	100
5	Based on strategic significance performance measures are revised adequately and timely.	Strongly Agree	5	5.8
		Agree	20	23.3
		Moderately Agree	39	45.3
		Disagree	21	24.4
		Strongly Disagree	1	1.2
Total			86	100
6	Performance evaluations are linked with rewards and incentives for the staffs.	Strongly Agree	5	5.8
		Agree	22	25.6
		Moderately Agree	27	31.4
		Disagree	29	33.7
		Strongly Disagree	3	3.5
Total			86	100

Source: Own survey (2015)

Based on the above table, 39.5% of respondents showed their agreement on the existence and practice of efficient performance data collection mechanism, whereas significant number (40.7%) of respondents expressed that they moderately agree and the rest 19.8% of respondents disagree. The current performance data collection system of the bank is classified in to two methods. The first one is through core banking solution (i.e. a banking system that generates almost all financial performance data's) reporting system and the other one is through periodic (i.e. quarter) manual reporting.

Related with the above facts concerning symmetry of performance measures, a question was raised to check the utilization of its performance data for monitoring and evaluating objectives. Based on this, 43% of employees agreed that the collected performance data's are being used for the performance monitoring and evaluation, while 44% of the respondents moderately agreed and the rest 12.8% of respondents disagreed it is used to monitor and evaluate strategic objectives. In addition, 29.1% employees agreed that the strategic plan performance evaluation is consistent and continuous while 32.65% of respondents moderately agree and rest 38.4% of respondents disagreed that the strategic plan performance evaluation is consistent and continuous.

On the other hand, the researcher raised issue to know the bank's action of exercising preventive and corrective measures for the effective execution of the strategic plan. For this question, most of the respondents (45.3%) moderately agree that the bank has identified and implemented corrective and preventive measures, while 32.5% respondents agree and the rest 22.1% of respondents disagree that the bank has identified and implemented corrective and preventive measures for the effective execution of the strategic plan. Related with this, additional question was raised to know whether the banks performance measures are revised or not, 29.1% of respondents agreed that the performance data are revised timely and adequately, whereas 45.3% of respondents moderately agree and the rest 25.6% of them disagreed.

Finally, the researcher asked the respondents to reflect on NIB's performance evaluation linkage with reward and incentive system. Based on this, considerable number of respondents (37.2%) disagree that performance evaluation is linked with reward and incentive system of the bank, whereas 31.45% of respondents moderately agreed and the remaining 25.6% of respondents agreed. According to the benefit policy of the bank, NIB has a rewarding and incentive package for its employees, even if it is not directly linked with employees' performance.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

In this chapter, conclusion is made on the findings of the study. Based on the conclusion, the researcher has made recommendation on major points. In addition, limitations that challenged the researcher on the study period have also been presented.

5.1. Conclusion

The study attempted to look into the practice and implementation of strategic plan in Nib International Bank. It aims to describe the existing phenomena and tried to reveal the real problems related to strategic plan management development and practices. Furthermore, the paper tried to look at the staffs' awareness about corporate and operational strategic plan and the links and effects between the bank's structure and the strategic plan.

The study uses both interview and questionnaires to collect primary data from the bank. The interview is used on the Planning and Business Development Department of the bank to collect factual information on the actual practice of strategic plan related issues. The obtained information is further analyzed by comparing it with the theoretical aspects obtained from secondary sources in the subject matter. Questionnaire is used to assess attitude of employees on the strategic plan and management practice. Descriptive method is used to analyze the data obtained from primary and secondary source, hence based on such analysis the following conclusions are drawn:

- It is possible to conclude that NIB has strategic planning mechanism. Currently it is working with its second five years strategic plan. Although the organization is slightly late work with strategic plan, as compared with the industrial experience, the current strategic plan of the Bank contained the necessary elements that the strategic plan should have to contain.

- When it comes to participation and communication of the strategic plan, selected stakeholders participated on the validation workshop. Therefore it is notable that thorough stakeholders 'participation had not been made. Even if respondents expressed that the strategic plan was communicated, related responses given for another questions showed that employees have a gap in knowing and understanding the strategic plan.
- The organization mission, vision and value are evaluated against theoretical criteria and respondents 'opinion, its compatibility against their tasks. Based on the result, it can be concluded that the mission, vision and value statements fulfills the expected theoretical requirements and is therefore compatible with employees' tasks. But, it is found that the vision statement lacks time frame. Moreover there is a gap on employees understanding of the vision mission and values of the bank.
- As it is observed from the SWOT analysis of the two successive strategic periods of the bank we can conclude that the elements involved are almost the same, which is a gap in utilizing SWOT results. Otherwise it can be said that the strategic plan included all the necessary analysis, like in depth analysis of existing and future internal and external environment, various banking sector related directives and industrial analysis. And budget, human resource capability and customer's suggestions and complaints are also included in the strategic plan.
- Respondents are not convinced that the goal and objectives have emanated from the vision of the organization. It can be said that work unites annual plan has derived from its function and volume of operation. Therefore, we can conclude that there is misalignment of strategic plan mainly on linking individual tasks with corporate objectives.
- When we observe the organizational structure of the bank, it was designed immediately after the strategic plan was developed, believed to weigh the strategic plan. But, after the restructuring, continuous adjustments are being made, which is unadvisable by management scholars. When it comes to supporting the strategic plan with standardized policies, procedures and manuals, it can be concluded that the bank gave less focus with the fact that only nine policies, procedures and manuals are updated from the total 36.

- Effective performance measures can let us know how well we are doing to achieve goals and objectives. To this effect the strategic plan lacks comprehensive performance measurements. As it is observed from the strategic plan of the bank, almost all performance indicators stated are financial measures. That is why the bank reward system is not based performance of employees. Therefore, it can be concluded that lack of measurements regarding customers, internal process and technology.
- Other aspect of the research shows that performance data collection system of the bank is good. But, we can conclude that performance data's are not being utilized for performance monitoring and evaluation purpose.

5.2. Recommendations

Further research is needed on the impact of different factors on existing strategic plan management practice to put conclusive recommendations. Thus this study should be seen as the first step in assessing the existing strategic management practice. Based on this, the following recommendations are forwarded from the finding of the study.

- In the first place, the bank experience of working with strategic plan is very appreciable. But, its gap of not properly participating and afterwards communicating the strategic plan to the stockholders has a repercussion on the bank. Therefore, a well-organized and comprehensive participation of stakeholders need to be involved while developing and revising the strategic plan. In addition, continuous and consistent communication of the strategic plan has to be made, until all employees get a clear understanding of what their day to day tasks mean to the corporate objective.
- It is very good for the organization to have a well-crafted mission, vision and values. But, here again the organization must make clear that all employees know and understand the corporate mission, vision and values. In addition, since the corporate vision of NIB is not time bounded, it is recommended to be reviewed, as it is very important to define where the organization will be in the future.

- In order to draw good results from preliminary analysis of the strategic plan, executives must base and act up on the findings of different analysis. When it comes to SWOT analysis of the bank, it is clear that the executives didn't take proper focus to take interventions on past SWOT analysis. Therefore, the organization must give due attention to resolve issues stated on the SWOT analysis, so as to keep the strength and manipulate opportunities and to solve weakness and take proactive measures for threats.
- The strategic goals and objectives alignment with the lower level tasks defines the organization success on its corporate objectives. The stronger the alignment the more the organization strategic focus will be, the lesser aligned the more waste of resources. Therefore, as it is shown in the conclusion, NIB's has to work hard and make sure all working unit tasks are cascaded from the corporate objectives and all individual tasks are also derived from work units objectives.
- Continuous adjustments of organizational structure will expose the structure to miss its first purpose and fall under individual interests. Once the organizational structure is designed to weigh the strategic plan there shall not be contentious adjustments. Rather very important cases that may be raised as a challenge to implement the strategy can let us to restructure. Therefore, NIB shall give attention on its continuous structural adjustments. In addition, it is recommended for NIB to update its standardization documents in accordance with its new strategic plan demand, since it is challenging for the strategy to work in accordance with unrevised policies, procedures and manuals.
- Another major issue that should be given emphasis by the bank is; the comprehensive performance measurements. As it is observed from the strategic plan of the bank, almost all performance indicators stated are financial measures. Therefore, it is very advisable for the bank to add more non-financial measure that will help to measure performances related to the objectives of increasing customer satisfaction, improving internal process and human resource development. It is not only enough to include the measures on the strategic plan, but collecting the performance data's and utilizing them for monitor, evaluate and measure the strategic plan performance.

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APPENDIX I
ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM

Dear Respondents,

The purpose of this questionnaire is to get valuable information in order to study Strategic Management Practices at Nib International Bank. All responses will be used to conduct a study for partial fulfillment of MBA from St.Mary's University and, then, as an input for the Bank. The information that you provide is strongly subject to confidentiality and shall not be used for any other purpose.

Your cooperation in filling this questionnaire is highly appreciated.

PART I: DEMOGRAPHIC INFORMATION

INSTRUCTION: Please put "✓" mark to all your responses in the box provided beside each question.

1. Gender: Male Female
2. Marital status: Un-married Married Divorced Other
3. Age: 20 – 30 31 – 40 41 – 50 51 – 60 Above 60
4. Educational Level: PhD Master's Degree First Degree Below First Degree
5. Current Working Position:-----

PART II: ENVIRONMENTAL SCANNING, STRATEGIC FORMULATION, IMPLEMENTATION AND MONITORING AND EVALUATION

INSTRUCTION: For each item please use the rating scale below to describe how accurately each of the statement describes your organization.

Rating Scale

- Strongly Agree.....1
- Agree.....2
- Moderately Agree.....3
- Disagree.....4
- Strongly Disagree.....5

A. ENVIRONMENTAL SCANNING						
1	The bank has set up effective mechanism to prepare the strategic plan.	1	2	3	4	5
2	The Bank uses environmental scanning mechanisms that can help it to examine the General, Operating and Internal Environments.	1	2	3	4	5
3	All significant stakeholders have been considered in the preparation of stakeholder's analysis.	1	2	3	4	5

B. STRATEGIC FORMULATION						
1	The Bank significantly uses strategic plan to make business decisions.	1	2	3	4	5
2	The Bank has engaged in and undertaken strategic planning process.	1	2	3	4	5
3	The Strategic planning process is participatory and employees are involved adequately in the process of strategy planning.	1	2	3	4	5
4	Main stakeholders of the organization are communicated about the strategy and convinced adequately for the implementation of strategic planning.	1	2	3	4	5
5	The current mission statement of the Bank is compatible with the activities being carried on by the Bank.	1	2	3	4	5
6	Organizational values are identified and stated properly.	1	2	3	4	5
7	The strategic plan can be said set the long term vision of the organization.	1	2	3	4	5
8	Goals and Objectives are crafted and emanated from the vision of the organization.	1	2	3	4	5
9	The strategic plan exhaustively analyzed SWOT (Strength, Weakness, Opportunity and Threat) of the organization.	1	2	3	4	5
10	The strategic plan adequately incorporate issues regarding budgeting.	1	2	3	4	5
11	The strategic plan adequately incorporate issues regarding human resource capacity.	1	2	3	4	5
12	The strategic plan adequately incorporate issues regarding customer's suggestions and complaints.	1	2	3	4	5
13	The strategic plan has been well aligned down in the organizational hierarchy.	1	2	3	4	5

Explanations Questions:

INSTRUCTION: Give your answer for the question below on the space given.

1. If there is strategic planning mechanism, for what types of decisions are the strategic planning being used?

2. If there is no effective strategic planning process, which areas do you think has a gap?

- Situational Analysis Stakeholders Analysis Setting Objectives and Goals
 Setting Measures Setting Targets Putting Milestones
 Others _____

- 2.1. What are the major shortcomings?

3. If employees are not being adequately involved in the formulation and implementation of strategic planning, which members of the staff are not involved well?

- Board of Directors Executive Management Planning Department
 Managers, Division & Section Heads Experts and Officers Support
 Staffs Others _____

What are the negative impacts of not involving them?

4. If stakeholders are not being adequately communicated and convinced for the effective implementation of strategic plan, what are the negative impacts?

5. Who are involved in the formulation of strategic plan?

- Board of Directors Executive Management Management Staff
 Planning Department Division Heads Others _____

6. If issues regarding budget allocation are not involved adequately within the strategic plan, what are the hindering effects on effective execution of the strategic plan?

7. If issues regarding human resource capacity are not involved adequately within the strategic plan, what are the hindering effects on effective execution of the strategic plan?

8. If issues regarding customer's suggestions and complaints are not involved adequately within the strategic plan, what are the hindering effects on effective execution of the strategic plan?

9. If the strategic plan is not well aligned down in the organizational hierarchy (departments, divisions, sections, branches, and individuals), in what respects are the alignment missed? Explain

What are the negative influences of such misalignments? Explain

C. STRATEGY IMPLEMENTATION						
1	The Bank's polices and manuals are updated, aligned and relevant to the current activities.	1	2	3	4	5
2	The employees of the bank understand the policies and manuals and work in accordance with that.	1	2	3	4	5
3	The Bank is committed to providing financial resources to support the implementation of strategic initiatives.	1	2	3	4	5
4	Executive Management owned the strategic plan and committed to implement the strategic initiatives.	1	2	3	4	5
5	Boards of Directors are motivated to maintain and support the implementation of strategic initiatives.	1	2	3	4	5
6	Staffs are motivated to maintain and support the implementation of strategic initiatives.	1	2	3	4	5
7	The Boards of directors are committed and support the implementation of strategic initiatives.	1	2	3	4	5
8	The current organizational structure is appropriate and supports the implementation of strategic plan.	1	2	3	4	5
9	NIB's management and employees are open, willing and ready to accept and implement change.	1	2	3	4	5
10	The employees of the bank are capable of planning, managing and implementing the strategic plan.	1	2	3	4	5

D. STRATEGIC PERFORMANCE, MONITORING AND EVALUATION						
1	There is a comprehensive and adequate performance monitoring and evaluation mechanism.	1	2	3	4	5
2	Strategically significant performance measures are identified properly.	1	2	3	4	5
3	The performance measures are balanced with respect to incorporating financial and non-financial indicators.	1	2	3	4	5
4	The performance measures are balanced with respect to incorporating customer related, process related, and human resource capacity related indicators.	1	2	3	4	5
5	There is efficient performance data collection mechanism for monitoring and evaluating the implementation of strategic plan.	1	2	3	4	5
6	It can be said that the collected performance data's are being used for assessing the level of performance of the organization in reaching its strategic targets.	1	2	3	4	5
7	There is consistant and continuous strategic plan performance evaluation.	1	2	3	4	5
8	Corrective and preventive measures are identified and implemented for effective execution of the strategic plan.	1	2	3	4	5
9	Based on strategic significance performance data's are revised adequately and timely.	1	2	3	4	5
10	Performance evaluations are linked with rewards and incentives for the staffs.	1	2	3	4	5

Explanations Questions:

INSTRUCTION: Give your answer for the question below on the space given.

1. If strategically significant performance measures are identified, please list few out of them?

2. If the performance measures that are identified are not balanced, what types of performance data are neglected/ not included?

- Customer service related Financial and budget related Human resource capacity
 Process improvement Work environment and office facilities
 Managerial Capabilities Others _____

Please explain each:

What are the negative impacts of not including such performance data? Explain.

3. If performance data are being collected, what is the frequency of data collection?

- Daily Weekly Bi-weekly Monthly Quarterly
 Semi- annually Annually Other _____

For which type of data are the above frequencies being used? Explain.

4. If strategic plan evaluation meeting are being held, what is the frequency of review meetings?

- Monthly Quarterly Semi- annually Annually
 Other _____

5. Who are involved in the strategic plan evaluation meetings?

- Board of Directors Executive Management Planning Department
 Managers and Team Leaders Experts and Officers Support Staffs
 Others _____

Thank You!!!

APPENDIX II
INTERVIEW QUESTIONS

1. Does the bank have strategic plan?

2. How many strategic plans did the bank developed?

3. Who developed the strategic plan?

4. What is the process of the strategic planning?

5. What is the procedure of communicating the strategic plan?

6. How is the implementation of the strategic plan look like?

7. Do you measure the strategic plan performance and how?
