

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



**ASSESSMENT OF PRACTICES AND CHALLENGES
OF STRATEGY PLANNING PROCESS IN THE
CASE OF CONSTRUCTION & BUSINESS BANK**

BY

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ENROLMENT No: SGS0107/2006

OCTOBER 2015

ADDIS ABABA, ETHIOPIA

**ASSESSMENT OF PRACTICES OF STRATEGY
PLANNING PROCESS IN THE CASE OF
CONSTRUCTION & BUSINESS BANK**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY,
SCHOOL OF GRADUATE STUDIES IN PARTIAL
FULLFILLMENT OF THE REQUIREMENTS FOR THE
DEGREE OF MASTER OF BUSINESS ADMINISTRATION
(MBA-GENERAL)**

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Declaration

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of **Goitom Abraham (Asst.Prof.)**. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis 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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October, 2015

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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ACKNOWLEDGEMENTS

First of all, my deepest gratitude and thanks is to my Advisor Goitom Abraham (Asst.Prof.) for his unreserved, motivating and supportive academic guidance and advice throughout the preparation of this research paper. Second, I would like also to give my thanks to all respondents to my research questions at CBB without their kind cooperation this paper would not be completed.

Finally, special thanks to all my family, my friends, and especially, W/rt Frewoini G. for her great helps regarding the secretarial works. And above all I would like to thank God for giving me the opportunity, wisdom & strength to accomplish this research paper.

LIST OF ACRONYMS AND ABBREVIATIONS

CBB	Construction and Business Bank
BSC	Balanced Score Card
SWOT	Strength, Weakness, Opportunity & Threat
SP	Strategic Planning
HSB	Housing & Saving Bank
CBE	Commercial Bank of Ethiopia
DBE	Development Bank of Ethiopia
EMT	Executive Managements Team
IT	Information Technology
ID	Industry Analysis
CA	Competitors Analysis
BOD	Board of Director
CEO	Chief Executive Officer
MoFED	Minster of Finance and Economic Development
GFA	Government Financial Agency

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ABSTRACT

Strategic planning is about managing the future through effective strategy formulation, implementation and evaluation. Today banking firms need to cope up with competitive challenges related to innovation, dynamic responses, knowledge sharing etc. by means of effective and dynamic strategy planning process. The purpose of this research paper is to assess the practices of strategy planning process of Construction and Business Bank (CBB). To accomplish this study, primary & secondary data were gathered. Furthermore, the study used purposive or judgmental sampling technique due to the fact that this technique enables the researcher's experience to select the samples based on the necessity of their participation in the planning process. The data is collected through open and closed ended questioners & interviews. Accordingly, 84 (eighty four) managerial employees of the bank were selected by the researcher and 74 (seventy four) questioners were filled and collected. To analyze the research, descriptive method of data analysis were employed. The study brought about major findings and conclusions such as absence of proper environmental scanning, lack of experts and consultants in the industry as well as in the bank regarding the planning process and also the presence of supportive environment and technology in the organization. The research finally recommends that, the bank must analyze its major competitive advantages, should create conducive environment for stakeholder to involve in the strategy planning process and also it recommends that the bank should develop contingency plan for the next strategy period.

Key words: Strategic planning, competitive advantages, contingency plan, environmental scanning

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Strategy is the road map of an organization that shows the company's current as well as intended position in the future. Therefore, it has to be well formulated, implemented and appropriate controlling mechanisms must be clearly defined. Because of its important role in the overall achievement of organizational goals, most companies include strategic management department in their organizational structure as one of the most critical organ that is usually led by top management.

Strategic management is a complex process that once implemented can lead to higher profits and ease the obtaining of the competitive advantage (David Campbell, George Stone House and Bill Houston, 2002). Today's dynamic external environment puts a huge pressure on every manager's shoulder when it comes to innovation, a lot of thinking has been done in the past years and many approaches that can be used in the development of the strategic planning management process have been identified. Thus, the assessment of strategy planning process becomes crucial for both practitioners and researchers in order to conduct and evaluate different formulation processes. Judging from the literature, formulation of a particular strategy can only be assessed reactively, by examining the strategy outcome after a period of time (Eden and Ackerman, 1993; Ramunajam et al., (1986). However, practitioners need greater confidence that their chosen strategic management decisions are going to lead to successful results. Starting from this point, Acur and Englyst, (2006), strive to elaborate upon a proactive assessment tool of strategy formulation processes that ensures high quality in process and outcome.

John A. Pearce II and Richard B. Robinson, Jr., (2011) defined Strategy planning on his part as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives.

Strategic decisions have various dimensions which include the following:

- ✓ Strategic issues require top-management decision because strategic decisions overarch several areas of a firm's operation that require top management involvement. Usually only top-management has the perspective needed to understand the broad implications of such decisions and power to authorize the necessary resource allocations.
- ✓ Strategic issues require large amount of the firm's resources. Strategic decisions involve substantial allocations of people physical asset or money that either must be redirect from internal sources or secured from outside the firm. They also commit the firm to actions over an extended period. For these reasons they require substantial resources.

Strategic issues often affect the firm's long-term prospects. Strategic decisions ostensibly commit the firm for a long time, typically five years. However, the impact of such decisions often last much longer. Once a firm has committed itself to a particular strategy, its image and competitive advantages usually are tied to that. (John A. Pearce II and Richard B. Robinson, Jr., 2011)

According to Anne Sigismund Huff and Steven W. Floyd (2009), effective strategy characterized by the following main points:-

- Communicates a compelling purpose to others.
- Connects organizational strengths with environmental opportunities.
- Exploits current success while exploring new opportunities.
- Generates more resources than it uses.

- Coordinates and guides activities.
- Responds to new conditions overtime.

The general purpose of this study is therefore; to assess the five years strategic planning practices and challenges of Construction and Business Bank specifically the formulation, implementation and evaluation processes.

1.2 ORGANIZATIONAL BACKGROUND

There are (19) nineteen commercial banks in Ethiopia of which Commercial Bank of Ethiopia (CBE), Development Bank Ethiopia (DBE) and Construction and Business Bank are owned by the government at the time of preparing this research paper.

Construction and Business Bank is a wholly government-owned public enterprise and successor of the Housing and Savings Bank (HSB) which was formed in 1975 through the merger of two financial institutions namely, Imperial savings and Home Ownership Association, and Savings and Mortgage Corporation of Ethiopia which were nationalized at the on-set of the socialist era of Ethiopia.

HSB's objectives were granting long-term loans for residential housing and commercial building construction, purchase and renovation by mobilizing financial resources through ordinary savings, time deposits and long-term borrowings. For about twenty years since 1975, HSB has made important contribution to the development of housing in the country in which it hither to enjoyed the reputation as a household name.

Following the market-based economic policy of the country and the ensuing economic reform programs initiated by the government in 1992, HSB was reconstituted as Construction and Business Bank (CBB) in September 1994 by regulation No.203/94 with an authorized capital of birr 71.8 million. The regulation gave CBB the mandate

to provide universal banking services. In line with this, CBB has ventured in to commercial banking operations stage by maintaining construction financing as its core business.

In September 2000 CBB is converted to share company in accordance with the Ethiopian Commercial Code with a capital of 800,000 million. CBB's mission, vision and core values are stated below.

The foremost direction settings "what is the vision for our company, what are we trying to do and to become?" Developing a carefully reasoning answer to this question pushed managers to consider what the company's business character is and should be and to develop a clear picture of where the company needs to be headed over the next 5 to 10 years. What a company seeks to do and to become is commonly termed as the company's mission. A mission statement defines a company's business and provides a clear view of what the company is trying to accomplish for its customers

Management's view of the kind of company it is trying to create and its intent to seek out particular business position represent a strategic vision for the company. By developing and communicating a business mission and strategic vision, management infuses the work force with a sense of purpose and a persuasive rationale for the company's future direction. (A. Thompson Jr. and A.J. Strickland III, 1995)

CBB's mission statement is "*we are devoted to provide banking service to add value to the stakeholders thereby to foster national economic development*"

The vision statement is "*to be the best performing bank in Ethiopia by 2020*"

1.3 STATEMENT OF THE PROBLEM

As it has been discussed on the background of the organization, Construction and Business Bank (CBB) is one of the oldest state banks in Ethiopia. But as many years as stayed in the business, it could not hold its competitive position in the industry. This can be clearly seen from the point of view of its competitor commercial banks which are established in the last twenty or lesser years which have registered much more financial, market share and other major performance than CBB.

In this research, basic problems identified in relation with the formulation, implementation and evaluation of the last five years strategy was assessed. Among various issues that can be observed from the company's annual report as at June 30, 2013/2014 and other bank's reports the following gaps in strategy planning process are identified in CBB:

- Data found in the 2013/2014 annual report shows decrease in profitability at the 2009/10 and 2013/2014 fiscal year. In addition the figures did not show consistency throughout the years.

Table 1.1. Profit Generated for the Five Years

	2009/10	2010/11	2011/12	2012/13	2013/14
Profit before prov. & tax	130.9	122.9	162.6	248.7	129.3
Profit after prov. & before tax	130.9	122.9	162.6	248.7	129.3
Net Profit	91.5	85.9	115.8	204.4	97.7

Source: CBB Annual report 2013/14

- Lower market share increment compared to other competitors,

- Backwardness in technology advancement compared to other banks in the country for instance the absence of Internet Banking, Card Banking, Mobile Banking and other services.
- Absence of efficiency and effectiveness on resources utilization, management capabilities, marketing skills etc... during the strategy planning process.

In general the bank cannot sustain profit that exceeds the average of its industry in the past five years. Therefore, strategic planning and management processes are vital for sustainable competitive advantage and it helps to achieve strategic objectives of the organization. Nowadays, strategy management is the most important tool for managing internal and external environment, mobilizing the company resource, enhancing organizational performance and achieving overall objectives of the organization. Hence, the researcher aimed to critically assess those problems in accordance with strategic planning process of various literatures and findings from the study and proposes possible recommendations for the next strategy periods.

1.4 BASIC RESEARCH QUESTIONS

This research intends to answer the following crucial research questions

- ✓ How are the strategic planning practices undertaken in the Construction and Business Bank
- ✓ Why the company could not stay competitive and profitable in the market during the last strategy period?
- ✓ What measures should be taken to enhance the profitability and the competitiveness of the bank regarding strategy planning process?

1.5 OBJECTIVES OF THE STUDY

The objective of the study in general is to assess the practices and challenges of five years strategy planning process of Construction and Business Bank from the year 2010 to 2015. In this assessment the processes of strategy planning which are formulation, implementation and evaluation processes are thoroughly investigated.

The specific objectives of the study include:

- ✓ To assess the process of strategic planning practices in the bank
- ✓ Identify and assess the challenges during formulation, implementation and evaluation process.
- ✓ Assessing the impact of those problems on strategy planning process that affect the performance as well as on the competitive advantage of the bank.
- ✓ Explain the measures should be taken regarding strategy planning process on the overall performance of the bank.

1.6 OPERATIONAL DEFINITION OF TERMS

The researcher explains the following terms using their operational definitions.

Strategy: -a comprehensive action plan that identifies long-term direction and guides resource utilization.

Strategic management: is a set of decisions and actions that result the formulation and implementation of plans designed to achieve organization's objectives (Pearce and Robinson, 2006)

Mission: Is the fundamental purpose of the organization and its scope of operations. It is also the reason why an organization exists.

Goals: are the general ends towards which the organization directs its efforts based on issues that have been identified as priorities. They are broad statements of intent.

Objectives: are clear measurable tactical statements of a goal that can be achieved by organization people responsible for its execution.

Capabilities: are knowledge, skills and resources that give an organization a competitive advantage.

Core competencies: firm's resources and capabilities which enable innovation, efficiency, quality etc

Formulation: Developing a vision and mission, identifying an organization's external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing particular strategies to pursue.

Implementation: Requires a firm to establish annual objectives, devise policies, motivate employees, and allocate resources so that formulated strategies can be executed and often called the action stage

Control: i.e. monitor and evaluate the process, reviewing external and internal factors that are the bases for current strategies, measuring performance, and taking corrective actions

Monitoring: is a continuous systematic process of collecting, analyzing and using information to track the efficiency of achieving strategic objectives,

Evaluation: is a systematic process limited in time of collecting, analyzing and using information to assess the effectiveness, relevance and impact of achieving strategic/ program goals.

1.7 SIGNIFICANCE OF THE STUDY

The research provided a significant insight for the organization on the problems of the strategy formulation, implementation and evaluation that are useful inputs for the next strategy management practices. CBB's strategic planning practice highly affects the bank's stakeholders since the performance of the bank depends on it. Hence, this research will directly or indirectly address the demands of the stakeholders.

The researcher is also expected to benefit from the research. For instance, acquiring the knowledge of conducting research, knowledge gathered from various literatures, knowledge from the instructors and advisors etc.

In addition, the research provides inputs for individuals who are interested in the subject matter to undertake similar research.

1.8 SCOPE OF THE STUDY

The study is made only on the Construction and Business Bank (CBB) strategic planning process specifically on the practices and challenges within the time frame from 2010 to 2015. The study is conducted in CBB's Head Office and branches in Addis Ababa and within the 50 Kilometers radius around Addis Ababa. The study is also mainly focused on the managerial employees of CBB because major strategy issues primarily related to the duties and responsibilities of Executive Management Team (EMT), Directors of processes and their respective Team Leaders and also Branch Managers.

In conducting the study the researcher faced constraints like getting documents from the organization, shortage of time because he had to conduct the research along with his job. Finding literatures, articles, research papers on the subject and journals were also among the delimitation of the study. In addition, the outcome of this research

depended on the respondents' attention in filling the questioners and returning in the specified time.

1.9 ORGANIZATION OF THE STUDY

The research paper has comprised of five chapters. The first chapter has the introduction part which includes; Background of the study, Background of the Organization, Statement of the Problems, Objectives of the Study, Significance of the Study, Scope of the Study and Organization of the Study.

The second chapter has comprised relevant literature review that defines concepts and explains principles related with the topic.

The third chapter has comprised Research Design and Methodology used in conducting the study which includes Research Design, Population and Sampling Technique, Instrument of Data Collection, Procedure of Data Collection, Validity and Reliability assurance, Ethical consideration and Method of Analyzing the data used in the research.

The fourth chapter mainly focuses on analysis of the data that has been obtained from primary and secondary sources involving summarization, presentation, analysis, interpretation of the results.

The fifth chapter is all about summary of findings, conclusions and recommendations depending on the results of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 THE CONCEPT OF STRATEGIC MANAGEMENT

David Campbell, George Stone House and Bill Houston (2002) defined and conceptualized strategic management as a complex process that once implemented can lead to higher profits and ease the obtaining of the competitive advantage. Today's dynamic external environment puts a huge pressure on every manager's shoulder when it comes to create the best strategy on which the entire company has to rely on. To deal with these constraints a lot of thinking has been done in the past years and many approaches that can be used in the development of the strategic management process have been identified. The formulation phase is just one of those elements without this phase the strategy cannot work in practice.

Thus, the assessment of strategy formulation becomes crucial for both practitioners and researchers in order to conduct and evaluate different formulation processes. Judging from the literature, formulation of a particular strategy can only be examined reactively, by examining the strategy outcome after a period of time.

The strategic management process consists of the following steps: (1) analysis of the external and internal environment; (2) strategy formulation; (3) strategy implementation and (4) strategy evaluation (Borza et al., 2008). Some authors make a clear distinction between strategic management (which is a term used especially in the academic world) and strategic planning (a term that was coined within the business world which is associated with the formulation phase). The following figure shows the element of the strategic planning process.

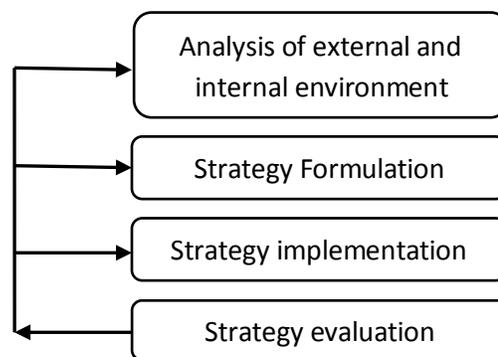


Figure 2.1: Graphical presentation of strategy elements. (Source: Borza et al., 2008)

David (1997) on his part defined strategic planning process as the art and science of formulating, implementing and evaluating cross-functional decisions that enables an organization to achieve its objectives. He emphasized the important aspect of strategic management. That is strategic management plays the role of integrating functional areas like finance, marketing, manufacturing and human resource management. David has listed and defined three stages of strategic planning process as indicated below:

- i. Strategy formulation: developing a business mission identifying an organization's external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies and choosing particular strategies to pursue.

- ii. Strategy implementation: requires establishing annual objectives, devising policies, motivating employees, and allocating resources to execute the formulated strategy. It includes developing a strategy supportive culture, creating an effective organizational structure, redirecting marketing efforts, preparing budgets developing and utilizing information system, and linking employee compensation to organizational performance.
- iii. Strategy evaluation: fundamental activities include revision of internal and external factors, measurement of performance and taking corrective action..

Anne Sigismund Huff, Steven W. Floyed, Hugh D. Sherman and Siri Terjesen (2009) also stated the characteristics of effective strategy as

- ✓ Communicate a compelling purpose to others
- ✓ Connects organizational strength with environmental opportunities
- ✓ Exploit current success while exploring new opportunities
- ✓ Generates more resource than it uses
- ✓ Coordinates and guides activities
- ✓ Responds to new conditions overtime

Pearce and Robinson (2000) on the other hand, conceptualized strategic management as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. They have listed activities that can be categorized as the strategic management process. The summary of the activities comprises:

- Formulation of mission
- Analysis of both internal and external environment
- Analysis of company's options
- Selection of the best option

- Selection of long-term objectives and grand strategies
- Implementation of strategies and evaluation of the success

Although they gave simple definition of strategic management, as a set of action and decisions that will result in plans to accomplish objectives, the list is exhaustive. The process of strategic management as indicated by them includes short-term plans.

An organization should first of all clearly stipulate why it exists in the society. This is something more than profitability. This purpose of existence is what is called the mission. Basic components of mission statement include the following

- The product or service of the organization
- Customer service
- Caring for the employees
- Technology utilization
- Social responsibility and etc... (David, 1997).

2.2 THE DEBATE ABOUT THE ‘SOURCE’ OF STRATEGY

What is the debate about?

Strategy management is a relatively young discipline and its immaturity is reflected in both the ambiguity of its terminology (hence the definition above) and in this fact that there is no single agreed approach to the subject. Five distinct but often interrelated strands to strategy theory can be identified.

- I. Planned strategy (also called deliberate or perspective);
- II. Competitive positioning strategy;
- III. Core competence-based strategy (or resource based or distinctive capacity);
- IV. Emergent strategy (or learning);
- V. Knowledge-based strategy; (David Campbell, George Stone House & Bill Houston 2004).

The Planned Approach

The perspective, deliberate or planned approach is based on long-term planning which seeks to achieve a fit between organizational strategies of the environment in which it operates. This approach views strategic management as a highly systematized and deterministic process (Andrews, 1987; Ansoff, 1965; Argenti, 1974).

The prescriptive paradigm of strategy management has been criticized as being unrealistic, particularly in times of rapid and turbulent change. Nevertheless, the need to set long-term objectives and to formulate brand plans and policies is necessary for the survival and progression of any organization. Detail and inflexible long-term planning is, on the other hand, unnecessary and often counterproductive competitive advantage can be gained by being opportunistic and taking advantage of unforeseen opportunities (Andrews, 1987; Ansoff, 1965; Argenti, 1974).

The Competitive Positioning Approach

The competitive positioning paradigm drawing largely on the work of Porter (1980, 1983), dominated strategic management in the 1980s. It emphasized the idea of 'strategic fit' between the organization and its environment so as to achieve competitive advantage, referring to this as 'competitive positioning. The approach is often described as outside-in as the initial emphasis is on analysis of the environment before determining how to achieve a strategically desirable position.

The Emergent or learning approach

An alternative to the strategic planning movement is the emergent or learning approach (Lindblom, 1950; Mintzberg and Walters, 1985; Mintzberg et al, (1995). This is based up on the view that the modern dynamic and hypercompetitive business environment will inevitably mean that there will be a gap between planned and realized or actual strategies.

A rapidly changing environment means that organizations must incrementally change and adapt strategy on the bases of organizational learning. This does not preclude 'deliberate' strategic planning completely but implies that strategic plans must be flexible guiding the overall direction of the organization but adapted when changing circumstances dictate.

The Core Competence Approach

In the 1990s, a strong movement developed which suggested that competitive advantage arise from an organization's internally developed core competences or distinctive capabilities rather than from its environment (Hamel and Prahalad, 1994:stark et at..1992). whereas Porter (1980, 1985) stressed the importance of the industry in determining competitive advantage, this approach suggests that the core competence of the organization plays a crucial role in achieving goals set.

When we look at various aspects of the strategy planning process, John Thompson with Frank Martin (2006) stated four general aspects these are:-

1. "*The strategy itself,*" this is concerned with the establishment of a clear direction for the organization, for every business, product and service, and a means for getting there which requires the creation of strong competitive positions.
2. "*Requirement,*" is excellence in the implementation of strategies in order to yield effective performance.
3. "*Creativity and innovation,*" are needed to ensure that the organization is responsive to pressures for change and that strategies are improved and renewed.
4. "*The ability to manage strategic change,* "including continuous and gradual incremental changes and more dramatic, discontinuous changes. Innovation and changes concern the strategy process in an organization.

Organizations must understand the strategic value of the resources that they employ and deploy, and how they can be used to satisfy the needs and expectations of customers and other stakeholders while out performing competitors.

2.3. ELEMENTS OF STRATEGY MANAGEMENT

Environmental Scanning

Before an organization can begin strategy formulation, it must scan the external environment to identify possible opportunities and threats and its internal environment for strengths and weaknesses. Environmental scanning is the monitoring, evaluating, and disseminating of information from the external and internal environments to key people within the corporation. Its purpose is to identify strategic factors—those external and internal elements that will determine the future of the corporation. The simplest way to conduct environmental scanning is through SWOT analysis. SWOT is an acronym used to describe the particular **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats that are strategic factors for a specific company. The **external environment** consists of variables (**O**pportunities and **T**hreats) that are outside the organization and not typically within the short-run control of top management. These variables form the context within which the corporation exists. They may be general forces and trends within the natural or societal environments or specific factors that operate within an organization's specific task environment—often called its industry. The **internal environment** of a corporation consists of variables (**S**trengths and **W**eaknesses) that are within the organization itself and are not usually within the short-run control of top management (Thomas L. Wheelen and J. David Hunger, 2012).

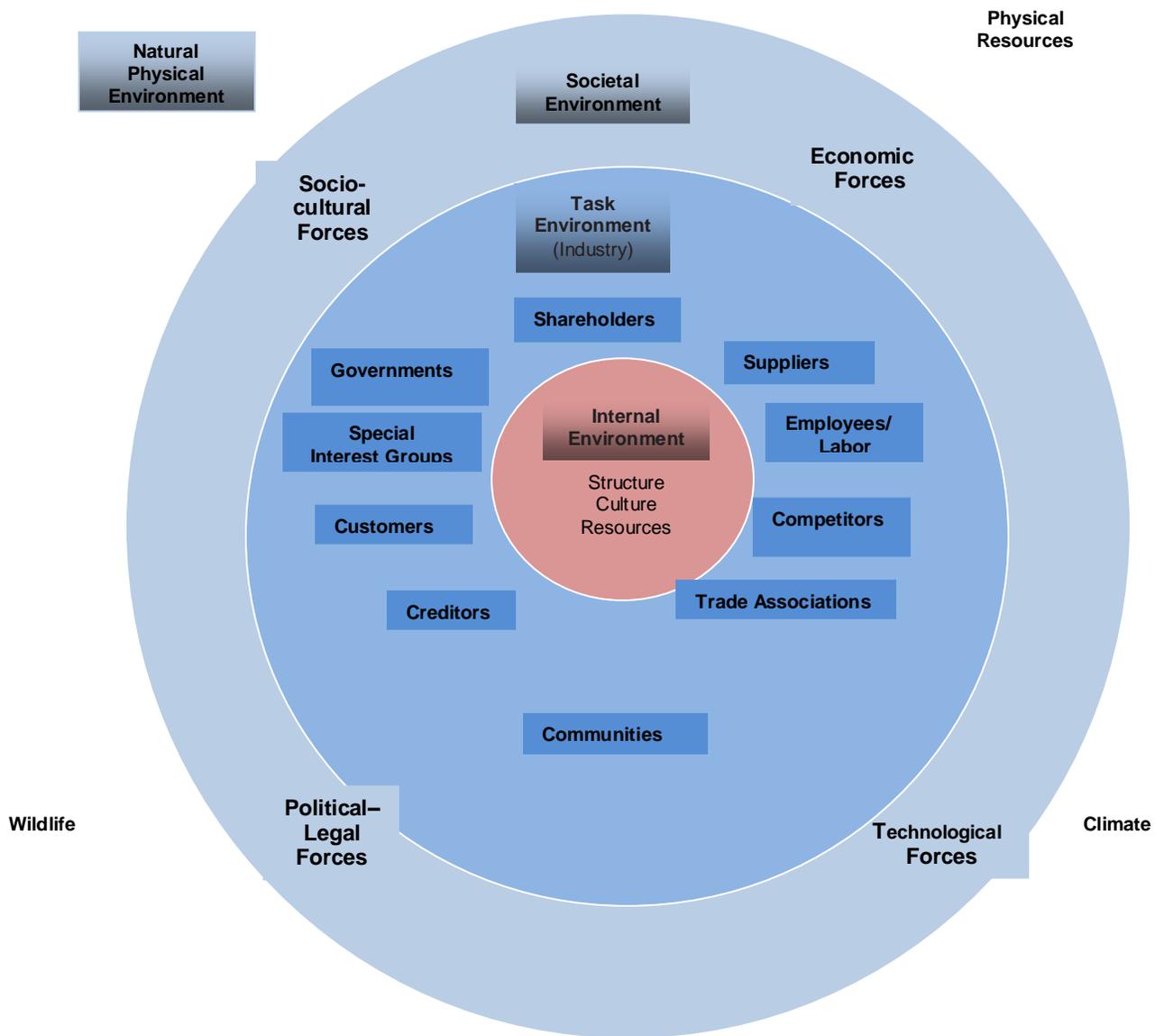


Figure 2.2: Environmental Variables (source: Thomas L. Wheelen and J. David Hunger, 2012)

These variables form the context in which work is done. They include the corporation's structure, culture, and resources. Key strengths form a set of core competencies that the corporation can use to gain competitive advantage (Thomas L. Wheelen and J. David Hunger, 2012).

Strategy Formulation

Strategy formulation is the process by which an organization chooses the most appropriate courses of actions to achieve its defined goals. This process is essential to an organization's success, because it provides a framework for the actions that will lead to the anticipated result. Strategic plans should be communicated to all employees so that they are aware of the organization's objectives, mission, and purpose. Strategy formulation forces an organization to carefully look at the changing environment and to be prepared for the possible changes that may occur. A strategic plan also enables an organization to evaluate its resources, allocate budgets, and determine the most effective plan for maximizing return on investment (Saylor URL: www.saylor.org/bus208/#7.3.1.1).

The company that has not taken the time to develop a strategic plan will not be able to provide its employees with direction or focus. Rather than being proactive in the face of business conditions, an organization that does not have a set of strategy will find it is being reactive; the organization will be addressing unanticipated pressures as they arise; and the organization will be at a competitive disadvantage.

Strategy formulation requires a defined set of six steps for effective implementation.

Those steps are:

1. Define the organization,
2. Define the strategic mission,
3. Define the strategic objectives,
4. Define the competitive strategy,
5. Implement strategies, and
6. Evaluate progress (Saylor URL: www.saylor.org/bus208/#7.3.1.1).

Step1. Define the Organization

The first step in defining an organization is to identify the company's customers. Without a strong customer base, whose needs are being filled, an organization will not be successful. A company must identify the factors that are valued by its customers. Is the value based on a superior product or service relative to the competition? Are your customers buying your products for your low prices? Do you produce products that meet image needs of your customers? to review some of the ways in which companies can define themselves include; end benefits, target market and technology are among the most important (Saylor URL: www.saylor.org/bus208/#7.3.1.1).

Step2. Define the Strategic Mission

An organization's strategic mission offers a long-range perspective of what the organization strives for going forward. A clearly stated mission will provide the organization with a guide for carrying out its plans. Elements of a strong strategic mission statement should include the values that the organization holds the nature of the business, special abilities or position the organization holds in the marketplace, and the organization's vision for where it wants to be in the future (Saylor URL: www.saylor.org/bus208/#7.3.1.1).

Step3. Define the Strategic Objectives

This third step in the strategic formulation process requires an organization to identify the performance targets needed to reach clearly stated objectives. These objectives may include: market position relative to the competition, production of goods and services, desired market share, improved customer services, corporation expansion, advances in technology, and sales increases (Saylor URL: www.saylor.org/bus208/#7.3.1.1).

Strategic objectives must be communicated with all employees and stakeholder in order to ensure success. All members of the organization must be made aware of their

role in the process and how their efforts contribute to meeting the organization's objectives. Additionally, members of the organization should have their own set of objectives and performance targets for their individual roles (Saylor URL: www.saylor.org/bus208/#7.3.1.1).

Step4. Define the Competitive Strategy

The next step in strategy formulation requires an organization to determine where it fits into the marketplace. This applies not only to the organization as whole, but to each individual unit and department throughout the enterprise. Each area must be aware of its role within the company and how those roles enable the organization to maintain its competitive position. Another step in the competitive strategy process requires an organization to develop proactive responses to potential changes in the marketplace. Therefore, an organization must not wait for events in the marketplace to occur before taking steps; they must identify possible events and be prepared to take action.

The final step in defining a competitive strategy is identifying an organization's resources and determining how those resources will be used. Each department, division, or location will have its own set of needs, and a company must determine how it will allocate resources in order to meet those needs. Three factors must be considered when determining the overall competitive strategy: the industry and marketplace, the company's position relative to the competition, and the company's internal strengths and weaknesses. When evaluating the overall industry, factors to be looked at include:

- Size of the market,
- Past and potential market growth,
- Competitive profitability,
- New market entries, and
- Industry threats (Saylor URL: www.saylor.org/bus208/#7.3.1.1).

Step5. Implement Strategies

Developing a strategy is only effective if it is put into place. An organization may take all the necessary steps to understand the marketplace, define itself, and identify the competition. However, without implementing the strategy, the organization's work will be of little to no value. The methods employed for implementing strategies are known as tactics. These individual actions enable an organization to build a foundation for implementation. Companies are able to identify which of their efforts are more successful than others and will uncover new methods of implementation, if necessary (Saylor URL: www.saylor.org/bus208/#7.3.1.1).

Step6. Evaluate Progress

As in any plan, a regular evaluation of processes and results is vital to ongoing success. An organization must keep track of the progress it is making as defined by its strategic plan. If goals are not being met, the organization must be adaptable and flexible to recognize that changes may be needed. An organization should consider the following questions on a continuous basis in order to evaluate progress: Have market conditions changed that may require a change in corporate direction? Are there new entries in the marketplace to pose a competitive threat? Has the organization been successful in translating their strategy into actionable steps? An organization will be able to successfully implement its strategy both now and in the future through evaluating feedback. *Source: Saylor URL: www.saylor.org/bus208/#7.3.1.1*

The foremost direction setting question senior managers need to ask is "what is our vision for the company, what are we trying to do and to become?" developing a careful reasoned answer to these questions pushes managers to consider what the company's business character is and should be and to develop a clear picture of where the company needs to be headed over the next 5 to 10 years. What a company seeks to do and to become is commonly termed as the company's mission (A. Thompson Jr. & A.J. Strickland III, 1995)

Strategy formulation is the process of establishing the organization's mission, objectives, and choosing among alternative strategies. Sometimes strategy formulation is called "strategy planning"

Strategy formulation is designed to guide executive in defining the business their company is in, the aim it seeks, and the means it will use to accomplish these aims. Strategy formulation involves an improved approach to traditional long-range planning. The strategy formulation begins with a definition of the company's mission. (John A. Pearce II and Richard B. Robinson, Jr., (2003)

Strategy formulation is influenced by many factors, including:

- (1) Evaluating the internal and external organization (especially the projected future environment);
 - (2) Establishing the predetermined mission and goals of the organization;
 - (3) Setting the organization's strategic policies or guidelines; and
 - (4) Assessing the needs, values, and skills possessed by those who develop the
- (Saylor URL: www.saylor.org/bus208/#7.3.1.1)

Strategy Implementation

According to Pearce and Robinson (2003), strategy implementation process involves activities and choices required for the execution of a strategic plan. It is a process by which strategies and policies are put in to action through programs, budgets, and procedures.

Strategy implementation requires a firm to establish annual objectives, devise policies, procedures, and rules in addition motivating employees and allocating resources.

Effective strategy implementation includes the following main issues

- ✓ Developing strategy supportive culture
- ✓ Creating an effective organizational structure

- ✓ Redirecting marketing efforts
- ✓ Repairing budgets
- ✓ Developing and utilizing information system and
- ✓ Linking employee compensation to organizational performance
(Pearce and Robinson 2003).

According to Steve Brown, Richard Lamming, John Bessant and Peter Jones (2005), the implementation process can also be thought of as having several parts, which include the following:

- I. Resource planning and the logistics of implementation. The process will address the problems of the tasks that need to be carried out and also the timing of them. There may need to be changes in the mix of resources required to implement the strategy and decisions will be taken about who is to be responsible for the change.
- II. The organizational structure may need to be changed, for example, from hierarchical to matrix or from centralized to decentralize.
- III. The systems employed to manage the organization may be improved. These systems provide the information and operational procedures needed in the organization. It may be that a new information management system is required to monitor the progress of the strategy. Staff may need to be retrained or new staff recruited.

Strategy implementation is the sum total of the activities and choices required for the execution of a strategic plan. It is the process by which objectives, strategies, and policies are put into action through the development of programs, budgets, and procedures. Although implementation is usually considered after strategy has been formulated, implementation is a key part of strategic management. Strategy formulation and strategy implementation should thus be considered as two sides of the same coin (Thomas L. Wheelen and J. David Hnger 2012).

The strategy-implementation stage of strategic management is revealed in successful strategy formulation does not guarantee successful strategy implementation. It is

always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation)! Although inextricably linked, strategy implementation is fundamentally different from strategy formulation. Strategy formulation and implementation can be contrasted in the following ways:

- Strategy formulation is positioning forces before the action.
- Strategy implementation is managing forces during the action.
- Strategy formulation focuses on effectiveness.
- Strategy implementation focuses on efficiency.
- Strategy formulation is primarily an intellectual process.
- Strategy implementation is primarily an operational process.
- Strategy formulation requires good intuitive and analytical skills.
- Strategy implementation requires special motivation and leadership skills.
- Strategy formulation requires coordination among a few individuals.
- Strategy implementation requires coordination among many individuals
(Thomas L. Wheelen and J. David Hnger 2012).

Bonoma (1984), on the other hand argue that, marketing strategy formulation and implementation affect each other. Proposes four types of managerial skills that facilitate implementation:

- 1) Interacting with parties involved in implementation,
- 2) Allocating resources
- 3) Monitoring information and control systems, and
- 4) Organizing information flow internal and external to the organization.

Nutt (1998) in his literature of success of managerial implementation approaches in strategy execution conceptualizes and empirically measures implementation success with multiple measures related to adoption (sustained and complete), economic value (decision value rating) and efficiency (duration).

Strategy implementation is defined as the communication, interpretation, adoption, and enactment of a strategy or a strategy initiative, so strategy implementation relates

both processes and results. Strategy implementation processes involve such organizational activities as executing strategic plans, coordinating implementation processes. And disseminating information to the concerned and involves parties (Nobele and Mokwa 1999).

According to Kalman J. Cohen and Richard M. Cyert (2012), in order to implement any specific strategic program successfully, it is necessary to obtain enthusiastic cooperation from executives at various level of the company. One way of achieving acceptance of the strategic plan by lower-level executives is to have these executives actively participate in the planning process. The approach to strategy formulation that we have described requires such participation in the process of developing the plan (especially in the micro process of strategy formulation and in strategic search).

It is critical as part of the implementation process to examine the formal organizational structure. Although major changes in structure will occur relatively infrequently, it is nevertheless important to determine whether minor modifications will increase the likelihood of achieving the goals specified by the strategic plan. By organizational structure we mean the particular description of the roles of the organization, the allocation of decision-making power, and the placing of responsibility. There must be a matching of the structure with the requirements for decision making, coordination, and control emanating from the plan. Generally, changes in organizational structure are made along the centralization-decentralization dimension. The strategic plan should be analyzed to determine whether the organizational structure should be shifted in either direction. For example, if the firm acquires a new product that has little relationship to the current product mix, it may be desirable to decentralize decisions relating to the product. Such decentralization places decision-making power in the roles where appropriate information and knowledge exist (Thomas L. Wheelen and J. David Hnger 2012).

Strategy Evaluation

Many business strategies designed to ensure sustainable competitive advantages, fail in their implementation, especially due to the lack of evaluation and control. The role of the evaluation process is to ensure that the strategic goals set by the strategy are met, and also to synchronize the performance standards with the actual outcomes. In designing the evaluation system the companies must pay attention in setting goals which can be easily quantified. This is necessary in order to obtain real time performance results that can be easily compared with the initial standards. Also the evaluation process must be flexible, so that if necessary, companies can take correction measures with maximum efficiency (Vele C.L. 2010)

Evaluation is a systematic process limited in time of collecting, analyzing and using information to assess the effectiveness, relevance and impact of achieving strategic programs or goals. It provides regular feedback that helps programs analyze the consequences, outcomes and results of its actions (Vele C.L. 2010)

According to (Vele C.L. 2010) there are three perspectives of evaluating strategic implementation processes

- i. Using financial measures in evaluating the strategic implementation process. From financial perspective a strategy can be evaluated by using a series of key financial measures closely related to profit, cash flow and return on investment. Profit and cash flow are good indicators of the investments and the value of money on long-term, while return on investment shows the efficiency in which the capital is used by the company.
- ii. Balanced Scorecard (BSC) represents a very useful method of evaluation; it allows managers not only to keep control of the strategic implementation process but also to constantly identify new ways of increasing the level of efficiency. BSC offers a complete model destined to transform the company's vision and strategy into a

coherent set of instruments which can be used in the measurement and evaluation of performance. These perspectives are internal business process; learning and growth; the financial and the customer perspectives. These perspectives of BSC are briefly discussed below.

Perspectives of BSC

The financial perspective

The BSC method emphasizes the importance of the financial measures in evaluating implementation of strategies, considering them as extremely valuable resource destined to analyze and evaluate the consequences of different actions and decisions. At the same time, financial performance measures are a very good indicator of the contributions brought by the new strategy to gaining sustainable competitive advantages (Kaplan & Norton, 1996).

The customer perspective

Regarding the customers, BSC can be a very useful tool in identifying new clients and new markets for the company, and also to analyze and evaluate the company's strategic business units operating in these markets. The customer perspective includes a series of generic performance measures like the customer's level of satisfaction, their level of attachment, the success of attracting new customers or the customer's level of profitability. Also, one of the key aspects of the customer perspective is the value provided by the company to customers through its products services, especially because this value is the main factor in keeping the customers close.

Internal Business process Perspective

BSC constantly seeks the specific internal processes of a company which are required to perform at their maximum in order to gain competitive advantages. In essence, these

processes allow the company to provide the necessary value in order to attract new customers, and also to meet the stockholder's expectations regarding the financial outcomes.

BSC is able to outperform other evaluation methods due to its ability to go beyond the simple identification and improvement of internal processes and help design new ones which can increase the performance level and, ultimately, leads to competitive advantages. Another, very important aspect of this evaluation method is the ability to embed new innovation in to the existing organizational structure, without significant change. Thus, performance is evaluated not only by analyzing the customer's satisfaction level, but also by the ability to design new products and services destined to satisfy the needs of future customer (Kaplan & Norton, 1996).

Learning and growth perspective

On a long term basis companies must design and implement a system that can support sustainable development. Learning and growth are extremely important regarding meeting the strategic long term goals through customer satisfaction and the constant improvement of internal processes.

People, work systems and organizational procedures, which represent the basis of learning and growth, need to find efficient ways through which to produce the gaps between the existing capabilities and the capabilities needed to gain competitive advantages and increase the performance level (Kaplan & Norton, 1996).

BSC represents not only a method of evaluating the strategic implementation process; it can also be used as a tool for motivating the company's employees to be an active part in this process. At the same time BSC allows companies to easily quantify their implementation process, thus keeping a close and increasing their chance of success.

Audit as a strategic implementation evaluation method can be defined as a systematic and objective way of collecting and analyzing specific information and data related to different actions undertaken by the company (David, 2009).

In evaluating their implementation process companies have a wide variety of audits to choose from; an independent audit lead by specialist outside the company may provide valuable information regarding the financial record, while checking the accuracy of these records in comparison with the legal requirements. At the same time, employees can undertake an internal audit which verifies if the company's procedures are in sync with the main goals set by the strategy. Due to the fact that the company's management team plays a vital role in the success of the strategy, internal and external consultants can perform a management audit set to examine, analyze and evaluate the performance of this team, while making recommendations destined to increase the overall level of performance and efficiency (Alkhafaji, 2003).

It is important to underline the fact that the success of an audit is influenced by a series of factors. First of all, the data and information used in the audit must be objective, and collected and analyzed by following a clear set of criteria. At the same time the standards of performance must be established in a simple, easy to understand, manner and have to be unanimously accepted by everyone involved in the audit. Following these requirements is important in order to obtain a high level of understanding in relation with the strategic implementation process and also in generating a significant volume of information which can be used in future strategies.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 RESEARCH DESIGN

Research Design is the plan and structure of investigation so conceived as to obtain answers to research questions. The plan is the overall scheme or program of the research. It includes an outline of what the investigator will do from writing hypotheses and their operational implications to the final analysis of data (Zikmund Babin and Carr Griffin, 2009).

In order to conduct this study, the researcher employed mixed type research methods that is, both qualitative and quantitative techniques. In qualitative study, the activity of collecting and analyzing data, developing and modifying theory, elaborating or refocusing research questions, and identifying and dealing with validity threats are usually going on more or less simultaneously, each influencing all of the others.

The student researcher used qualitative method to insight the respondent's idea on strategy planning process. This has given a chance for the respondents to share their views and opinion more freely. Thus, interview was used to capture and summarize the respondents' opinions on the practices and challenges of strategic planning process in their own views experiences. On the other hand, the questionnaire was also used for generating quantitative data which can be measurable to formulate facts which are helpful for generalizing major findings of the study, draw conclusions and recommendations.

3.2 POPULATION AND SAMPLING TECHNIQUES

Sampling is the process of selecting units (e.g., people, organizations etc...) from a population of interest so that by studying the sample the student researcher generalizes our results back to the population from which they were chosen. (Donald R. Cooper and Pamela S. Scheduler, 2005) state several compelling reasons for sampling among them lower cost, greater accuracy of results, greater speed of data collection, availability of population element are the major criteria.

The Researcher uses purposive or judgmental sampling enables to use the researcher's judgments to select cases that will best enable him/her to answer the research question(s) and to meet the objectives. This form of sample is often used when working with very small samples such as in case study research and when there is a wish to select cases that are particularly informative (Neuman 2005). Purposive sampling may also be used by researchers adopting the grounded theory strategy. For such research, findings from data collected from your initial sample inform the way you extend your sample into subsequent cases.

According to Zikmund Babin and Carr Griffin (2009), Judgment (purposive) sampling is a non probability sampling technique in which an experienced individual selects the sample based on his or her judgment about some appropriate characteristics required of the sample member. Researchers select samples that satisfy their specific purposes, even if they are not fully representative.

Therefore, purposive sampling ensures proper representation of a cross-section of various strata of the universe if the researcher has full knowledge of the composition of the universe. And also it is more economical and less time consuming. It is very

useful when some of the units are very important and their inclusion in the study is necessary

In this study, samples of managerial employees from branches, processes or departments and executive management are taken. The researcher assumes to have 60 samples from branch managers of Addis Ababa and branches with a radius of 50 kilometers around Addis Ababa, 11 team leaders and 12 directors of various departments, a president and two vice presidents out of the total population of 86 managerial employees.

The researcher managed to distribute the questioners to managerial staffs of the bank indicated above because; strategy planning process is directly related to those employees who participate in the process from the crafting of the strategy to the final implementation and evaluation processes. The operational employees are not included in the sample due to the fact that, their involvement in the strategy planning process is very minimal particularly in the crafting and evaluation process.

The whole executive management and directors of processes are included in the sample. This is because of the fact that the overall corporate strategy is formulated and cascaded to the subsequent organs of the organization by these top management bodies.

Team leaders and branch managers are included in the sample due to the reason that these employees are responsible in participating in the formulation and implementation of the strategy and also communicating and evaluating the performance of strategy in their respective area.

3.3 TYPE OF DATA AND TOOLS OF DATA COLLECTION

Type of Data

The study uses both primary and secondary data in order to get a view on the five years strategy planning process of the organization.

Primary data were collected through interview and questioner. The questionnaire and interview guide were adopted from previously research thesis, which is entitled and “Strategic Orientation of the Commercial Bank of Ethiopia” studied by Worku Lemma in Addis Ababa University. The research paper focused on the strategic orientation of Commercial Bank of Ethiopia.

Tools of Data Collection

These techniques enable to get first hand information on the case to be studied. The interview gives freedom to explain and discuss his/her view on the issue more freely. The questionnaire on the other hand can address large number of respondents as well as gives considerable time to discuss their views. The questionnaire can also be managed with lower cost than other tools.

Secondary data were gathered through desk review, books journals, and internet web sites. These data support the primary data for analysis of the qualitative part of the research.

3.4 PROCEDURES OF DATA COLLECTION

The researcher developed open ended and close ended questions that believed to be addressing the entire factors/variables essential to respond the research questions were incorporated. Before distributing the questioners, the researcher consults the advisor about the appropriateness and relevance of the contents in the questioner. The questioners were distributed to all Executive Management Team (EMT), Directors and

Team leader of various Processes, to all levels branch managers in the city of Addis Ababa and for branches within 50 kilometers radius around Addis Ababa.

The distribution and collection of the questioners were taken place with Fax machine and in person delivery and collection. The questionnaire has been taken as a preferable data gathering tool for this research because it allows the researcher to collect information on facts and attitudes from a wide range of sources. The Researcher made an appointment with the strategy management manager of the organization for the structured interview, and did the interview on the time schedule.

3.5 RELIABILITY AND VALIDITY ASSURANCE

In order to ensure validity and reliability, the questioner was composed of carefully constructed questions to avoid ambiguity and also to enable to answer all the research questions.

Before distributing all questioners, a pilot test was conducted with 15 questioners during the development stage to ensure the internal consistency of the instrument. The result indicated that the internal consistency is rated as 0.88 as measured by Crombchan's alpha coefficient which shows that the instrument is consistent enough. After confirming the validity of the instrument the same instrument is used for all respondents.

3.6 METHODS OF DATA ANALYSIS

After collecting and sorting the relevant data using the data collection tools, quantitative responses are sorted, coded, computed, and analyzed. The collected data were subject to edition, classifying, coding and encoding to computer and an appropriate analysis was generated in tabular and or graphic form.

The data were entered, cleaned and analyzed using SPSS software, which stands for Statistical Package for Social Science and used other important and supporting, tools for analyzing the data. The appropriate statistical analyses such as frequencies and descriptive analysis were used according to respective objectives and descriptions.

In the process of data analysis, data in the Likert's scale was processed by reducing it to the ordinal level. This was done by combining all "Strongly Agree", "Agree", "Neutral", "Disagree" and "Strongly Disagree". The rating so recorded was assigned rating values ranging from 5 to 1 respectively.

Finally, the analyzed data is presented using tables and the data were enhanced using the logical link between the research problems, theoretical background and the results.

3.7 ETHICAL CONSIDERATIONS

Like other aspects of business, research demands ethical behavior from its participants and the researcher him/her self. Prior to the actual data collection, the student researcher asked permission from the prospective organs, such as management of the organizations and individuals of the respondents. All target groups who participated in the study were required to give oral consent after the explanation of the research objectives, procedures, confidentiality as well as the benefit of the study.

The researcher underwent through the following guidelines in the course of conducting the questioners to the respective respondents.

- I. The researcher began the data collection process by explaining respondents the benefits of the research to the organization and other researchers who would like to study in the related areas.

- II. The researcher explained to the respondents that their rights and well being are adequately protected through maintaining confidentiality of not asking their names and other personal identification issues
- III. The respondents who are voluntarily involved in the study had been informed that the data obtained from the interview and questioners would be used for the academic purpose of writing this thesis. The researcher tried to undertake all these activities by communicating as polite as possible to the respondents.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

In this chapter, the findings of the study and their respective interpretations are presented. As it has been mentioned in the previous chapter, this research was conducted by gathering primary and secondary data using various data collecting techniques.

Table 4.1 Number of Respondents and their Respective Return Rate

No.	Job position of the respondents	Total No. of distributed questioners	No. of returned questioners	Rate of return
1	President	1	Non	0
2	Vice presidents	2	1	0.01
3	Directors	12	8	0.09
4	Team leaders	13	10	0.11
5	Branch managers	60	55	0.63
	Total	88	74	84%

Source: Own Survey, 2015

As it is shown in Table 4.1, the questionnaires were distributed to all Executive Management Team members available i.e., the president and two vice presidents; to 12 process directors and their respective 13 team leaders and finally to all 60 Addis Ababa and its around cities branch Managers were distributed with a total of 88 respondents. Out of the total questioners distributed, 74 (84%) were completed and returned, which is adequate to draw conclusions and recommendations.

4.1. RESPONDENTS' PROFILE

4.1.1. Respondents' Age Group and Gender Composition

Table 4.2 Respondents by Age Group and Gender Composition

No.	Age Group	Frequency	Percentage	Gender	Frequency	Percentage
1	Below 30	3	4.1	Male	49	66.2
2	31 to 40	32	43.2	Female	25	33.8
3	Above 41	39	52.7	Total	74	100
	Total	74	100.0			

Source: Own Survey, 2015

Various age groups were taken in to consideration in the questioner from the respondents of CBB employees. The result indicated that above 52% of the respondents are above 41 years old. 43.2% of the respondents are between the age of 31 and 40, the rest 4.1% of the respondents are below the age of 30. The finding shows most of the managerial employees of CBB are occupied by those who are above the age of 31 this indicates the respondent employees have job experience as well as they are in a position of high creativity and innovation in the business development.

Regarding the sex composition of the respondents, majority of them, that is, 49 (66.2%) is male. The rest that is 25 (33.8%) are female. This indicates that the managerial positions in the bank are dominated by male employees. Nevertheless, the number of the female employees holding managerial position is encouraging, as compared to the participation of women in managerial position in Ethiopia.

4.1.2 Respondents' Job Position and Educational Level

Table 4.3 Respondents by Job Position and Educational Level

No.	Job Position	Frequency	Percentage	Educational level	Frequency	Percentage
1	Branch Managers	55	64.9	Diploma	6	8.1
2	Team Leaders	10	16.2	First Degree	54	73.0
3	Director	8	14.9	Second degree	14	18.9
4	Vic Presidents	1	4.0	Total	74	100
	Total	74	100.0			

Source: Own Survey, 2015

Various managerial job positions were taken in to account in the questioner. Table 4.3 illustrates the number of respondents in different managerial position. The findings show (64.9%) of the respondents are branch managers whose branches are located in Addis Ababa and around Addis Ababa, (16.2%) and (14.9%) of the respondents are team leaders and directors of various processes respectively. And the rest (4.1%) of the respondents are the Executive Management Team Members of the Bank. Thus, most of the managerial employees who are believed to be directly involved in the strategic planning process of the bank have been involved on the study.

Table 4.3 illustrated the level of education of the managers. The result indicated 73% of the respondents are graduated with first degree and 18.9% of the respondents had Master's degree and only 8.1% of the respondents had Diploma. The finding shows that the study included all levels of education of the respondents.

4.1.3 The Length of Service of the Respondents

Table 4.4 Respondents by Length of Service

No.	Length of service	Frequency	Percentage
1	6-10 years	23	31.1
2	11-15 years	28	37.8
3	Above 15 years	23	31.1
	Total	74	100.0

Source; Own survey, 2015

The data concerning the length of service of the respondents indicates that 23 (31.1%), 28 (37.8%), and 23 (31.1%) have served for 6-10 years, 11-15 years, and for more than 15 years respectively. This may reveal that all of them are familiar with the system in place and are able to give reliable information about the strategic planning process of the bank and provide constructive suggestions. We can also learn from the data that senior employees are considered to be assigned on managerial position which is likely to motivate other employees to stay with the organization.

4.2. The Practice of Strategic Planning Processes at CBB

Table 4.5 Responses Concerning Strategic Planning Practices

Ser. No.	Practices of strategy planning process	Responses				
		SDA	DA	N	A	SA
1	The mission statement represents CBBs business objectives and purposes.	20.3	43.2	13.5	20.3	2.7
2	The vision statement of CBB was designed to answer what the bank wants to become in specified future time.	-	5.4	29.7	39.2	25.7
3	The strategy management process critically analyses the impact of stockholders and collaborators.	40.2	27	10	14	8.8
4	Regarding external environment analysis, economic conditions, political, legal, social, technology and other major factors taken in to consideration during the formulation process.	45	32.5	-	12	10.5
5	Micro environmental analysis factors, such as industry analysis, entry barrier, bargaining power of buyers and supplies, threats of substitute, rivalry among competitors are analyzed.	38.8	47.6	3.6	6.4	3.6
6	Internal environmental analysis factors, including resources and core competencies are considered during the strategy planning.	37	34.5		18.25	10.25
7	SWOT analysis carefully made (strength, weakness, opportunity and threats)	40	52	2	4	2

Source: Own Survey, 2015

Note: SDA=Strongly Disagree; DA=Disagree; N=Neutral (neither Agree nor Disagree); A=Agree; and SA=Strongly Agree

In assessing the strategy planning process of CBB, various related issues were presented for the reflection of the respondents. Table 4.5 illustrates the reflection of the respondents regarding the practices and challenge of strategy planning process of their organization.

In order to assess the understanding of the mission statement of the respondents, the researcher enquired the respondents how much the mission statement represents CBB's business objectives and purposes. The result shows 20.3% of the total respondents strongly disagreed and 43.2% of them disagreed, 13.5% neutral, 20.3% of them agreed and 2.7 of them strongly agreed on the mission statement representing the objective and purposes of CBB's business. This indicates that the mission statement does not properly represent the goals and objectives of the company. There may be an indication of the absence in communicating the drafted mission statement before finally approving it.

To answer what CBB wants to be in the specified future time, the researcher found out from the respondents view that, more than 60% of the respondents agreed the vision statement of CBB designed to answer what the company wants to become in the specified period of time.

Scanning Internal and external environment is very crucial in obtaining the important information about the environment the business is in. In order to assess the respondents view on the external environment scanning regarding the economic conditions, political, legal, social, technology and other major factors taken in to consideration during the formulation process; 45% of the total respondents strongly disagree, 32.5% disagree, 12% agree and 10.5% strongly the planning process taken those critical factors in to consideration during the formulation process. According to the respondents, this shows environmental scanning had not taken place at the proper level during the formulation process. The same scenario holds to the internal

environment of the organization as described by the statistics above. This implies that, major decisions on resources, introduction of new services and products could not be as effective as desired by the bank.

To assess whether the planning process analyzed the internal environment during the formulation process the researcher found out from the respondent that, 37% of the strongly disagreed, 34.5% disagreed, 18.25% agreed and 10.25% strongly agreed the formulation process analyzed the factors indicated above.

4.3 Respondents' View on the Presence of Supportive Environment, Organizational Culture, Structure and Technology adopted at CBB.

Table 4.6 Responses on the Presence Suitable Organizational Culture, Structure and Technology at CBB

Ser. No.	Practices of strategy planning process	Responses				
		SDA	DA	N	A	SA
1	Supportive environment and organization culture were available for implementing the formulated strategy.	1.4	2.7	1.4	48.6	45.9
2	CBB's organizational structure was suitable for implementation of the formulated strategy.	4.1	12.2	10.8	41.9	31.1
3	The technology adopted supported the implementation of the strategic issues.		2.7		40.5	56.8

Source: Own survey, 2015

Note: SDA=Strongly Disagree; DA=Disagree; N=Neutral (neither Agree nor Disagree); A=Agree; and SA=Strongly Agree

The researcher also tried to find out the presence of supportive environment and organizational culture to implement the formulated strategy. The result from the respondents show, 94.5% of them agreed the presence of the supportive environment of which 45.9% strongly agreed. This indicates that the organizational culture at CBB is suitable for implementing the crafted strategy. In order to assess the supportiveness of the organization's structure, the researcher finds out from the respondents that (41.9%) of the total respondents agreed and 31.1% strongly agreed the presence of supportive organizational structure. Only 4.1% strongly disagreed and 12.2% of the total respondents disagree the presence of supportive organizational structure. The rest 10.8% rated neutral about it. Again here concerning the organizational structure, most of the respondents agreed the existing organizational structure appropriate towards achieving the goals of the organization.

The company employed new highly sophisticated software and all the necessary equipments to enhance the technological advancement of the company. Accordingly 56.8% of the respondents strongly agree the presence of the necessary technology to implement the formulated strategy. This implies that the technology adopted at CBB is well advanced and competent in the industry. But, the bank couldn't get all the benefit out of this technology so that it can get the best competitive advantage.

4.4. Respondents' Understandings Concerning Basic Human Resource Management Elements in Strategic Planning Process

Table 4.7. The Human Resource Aspects of Strategic planning process

Aspects of Human Resource Management	Responses				
	SDA	DA	N	A	SA
i. The HRM were effective in filling the gap of human resource needs to achieve the goals of the organizational.		1.4	2.7	58.1	37.8
ii. Human resource training & development were adequately given to the employees.		1.4	1.4	41.9	55.4
iii. Linking employee compensation to organizational performance was effective and efficient.	8.1	12.2	25.7	37.8	16.2

Source: Own Survey, 2015

Note: SDA=Strongly Disagree; DA=Disagree; N=Neutral (neither Agree nor Disagree); A=Agree; and SA=Strongly Agree

The Researcher tried to see the human resource management aspects of strategy planning process from the point of view of filling the gap of human resource needs, human resource training and development and linking employee compensation to the organizational performance.

As we can see from Table 4.7, 95.9% of the respondents agreed on fulfilling the human resource needs of the company. Out of this 37.8% of them strongly agreed the organization's practice in filling the human resource needs. Therefore, the organization's human resource policies achieve the requirement needs. The training and development policy of the company seems very well according to the respondents.

55.4% of the respondents strongly agreed and 41.9% agreed on the presence of well organized policy of training and development. Therefore, more than 97% of the respondents agreed on the training and development policy of the company.

When we look at the compensation package of the company with respect the strategy planning process, 8.1% of the respondents strongly disagree, 12.2% disagree and 37.8% and 16.2% of them agree and strongly agree on the presence well linked compensation package and organizational performance respectively.

4.5. Strategy Communication, Evaluation and Monitoring at CBB

Table 4.8: Respondents Response on Strategy Communication, Evaluation and Monitoring

	Responses				
	SDA	DA	N	A	SA
Proper communication channel on strategy planning process were deployed for all concerned stakeholders.	8.1	31.1	17.6	36.5	6.8
The evaluation technique (BSC) applied in the strategy planning process were appropriate for measuring the bank's overall performance.	1.4	14.9	10.8	55.4	17.6
Proper monitoring mechanisms were deployed to make sure the implementation of the strategy planning process	8.1	35.1	25.7	23	8.1

Source: Own Survey, 2015

Note: SDA=Strongly Disagree; DA=Disagree; N=Neutral (neither Agree nor Disagree); A=Agree; and SA=Strongly Agree

The presence of proper communication channel is very important in all elements of the strategy planning process. I.e. from initial crafting, formulation, implementation and evaluation and control processes so that all the stakeholder of the organization would be well aware of the current status as well as how and where the company is heading in the future. The assessment from the respondents shows that 21.6% strongly disagree, 31.3% disagree, 11.3% neutral and the rest 35.8 % agreed on the presence of proper communication channel in the organization regarding the strategy planning process.

Construction and Business Bank applied Balanced Score Card (BSC) technique for the evaluation of its performance since the mid of the strategic period. As most strategy literatures states this technique enables managers not only to keep control of the strategic implementation process but also to constantly identify new ways of increasing the level of efficiency. Accordingly, the researcher tried to assess the appropriateness of this technique to the effectiveness of the strategy planning process. As a result 55.4% of the respondents agreed and 17.6% strongly agreed the appropriateness of the technique. 1.4% and 14.9% of the respondents strongly disagreed and agreed respectively. Only 10.8% of them were neutral.

In order to check the presence of the proper monitoring mechanism, the researcher assessed the views of the respondents. As a result 28.1% strongly disagree, 35.1% disagree, 10.7% neutral, 13% agreed and only 13.1% strongly agreed on the monitoring mechanism of CBB. Once a strategy is crafted and formulated, unless there is a proper way of monitoring the implementation and the evaluation process, there will be a good chance to get undesirable result from what were intended.

4.6. The Involvement of Stakeholders in Strategic Planning Process.

Table 4.9 Involvement of Stakeholders in Strategic Planning Process

List of Stakeholders	Percentage of Involvement			
	Very Active	Moderate Active	Less Active	Not involved
Government bodies	4.1	29.7	39.2	27.0
Board of Directors	1.4	5.4	54.1	39.2
Executive Management Team	31.1	52.7	16.2	
Directors, Team Leaders	18.9	56.8	23	1.4
Branch Managers	2.7	39.2	55.4	2.7

Source: Own Survey, 2015

The involvement of stakeholders in the strategy planning process highly determines the achievement of the intended goals and objectives. The researcher tried to identify these stakeholders as internal and external.

The internal stakeholders includes; all levels of employees (managerial and non managerial), board of directors and since CBB is a wholly government owned organization; the government in its respective organs has its internal stake on CBB. To mention some of this government bodies Minster of Finance and Economic Development (MoFED), Government Financial Agency (GFA) are the major stakeholder of the organization.

The external stakeholders included in this study are; corporate level customers, government regulatory bodies and others are involved in the strategy planning process of the company.

The researcher tried to rate the level of involvement of these internal and external stakeholder in the strategy planning process of the company by stating the list of stakeholders and their respective percentage of involvement to the respondents.

➤ **The Involvement of Government Bodies**

The above figure 4.9 describes the involvement of major government bodies in the strategy planning process of CBB according to the respondents. The result shows (3)4.1% of the total respondents rated the involvement of these stakeholders very active, (22)29.7% moderate, (29)39.2% less active and (20)27% said this government bodies did not involved in the strategy planning process. Since CBB is wholly owned by the government all major decisions involve the related government bodies therefore the absence of adequate involvement by these bodies is highly affecting the overall performance of the company.

➤ **The Involvement of the Board of Directors (BOD) in the Strategy Planning Process**

The board of directors has an obligation to approve all decisions that might affect the long-run performance of the organization. This means that the organization is fundamentally governed by the board of directors overseeing top management, with the concurrence of the shareholder. The following five Responsibilities of Board of Directors are listed in order of their importance:

1. Setting corporate strategy, overall direction, mission, or vision
2. Hiring and firing the Chief Executive Officer (CEO) and top management
3. Controlling, monitoring, or supervising top management
4. Reviewing and approving the use of resources
5. Caring for shareholder interests

Therefore, active participation of the Board of Directors (BOD) in the strategy planning process highly affects the performance an organization. In relation to this, the researcher provided various levels of involvement of the Board of Directors in CBB. The finding shows that, 39.2% of the respondents said the BOD did not involve in the

strategy planning process at all. 54.1% said there is less active involvement, 5.4% moderate and 1.4% believe the presence of very active involvement of the BOD.

➤ **The Involvement of the Executive Management Team (EMT) in the Strategy Planning Process**

The Executive Management Team (EMT) of CBB includes the president, the Vice President Operation, the Vice President Resource and the Vice President Corporate Process. This management team leads the company's whole operations. Therefore, the impact of their involvement highly affects the overall performance of the organization. The researcher tried to assess the involvement of EMT by analyzing the respondents' reflection on the questionnaire. Figure 4.1. shows the results of the respondents' reflection on the level of involvement of the EMT in the strategy planning process. 31.1% of the respondents rated the involvement very active, 39% moderate and 16.2 less active.

➤ **The Involvement Of Directors And Team Leader Of Various Processes In The Strategy Planning Process**

The respondents view on the involvement of the organization's directors and team leaders in the strategy planning process indicates; (14)18.9% very active, (42)56.8% moderate, (17)23% less and (1)1.4% not involved. This implies that the involvement of the middle level managers in the strategic planning process is minimal. As a result, the planning process could not get the necessary input that support in relation to getting the necessary information during the environmental scanning, the response and participation of their respective subordinates. And also, not involving the middle level managers adequately, affects the implementation phase as well as the evaluation process in undesirable way.

➤ **The Involvement of Branch Managers in the Strategy Planning Process**

The branches of a bank play the most important role during the implementation of the crafted strategy. Taking this in to consideration, the researcher analyzed the respondents view in this regard. The finding shows 2.7% responded branch managers very actively involved in the strategy planning process, 39.2% moderate, 55.4 less active and 2.7% not involved. Table 10.15 illustrates the findings.

➤ **Tools of Information Gathering during Internal and External Environments Scanning**

Table 4.10: Tools of Information Gathering during Environmental Scanning

Tools Used in Information Gathering	Percentage of Relevance		
	Very relevant	Moderate relevant	Less relevant
Questioners	62.2	37.8	
Brainstorming	6.8	43.2	50
Focus group discussion	45.9	33.8	20.3
Interview	1.4	30.5	68.1
Document review	59.5	31.1	9.5

Source: own survey, 2015

During internal and external environment scanning, data gathering by using the appropriate tool is one of the most important tasks in strategy planning process. CBB used various tools to gather information necessary in strategy crafting, formulation, implementation and evaluation processes. Among these tools the researcher observed some of the most common data gathering tools used during the strategy planning process are;

- Questioners
- Brainstorming

- Focus group discussion
- Interview
- Document review

Table 4.14 illustrates the view of respondents on the relevance of these tools of information gathering during the strategy planning process. 62.2% of the respondents reflected questioners are very relevant information gathering tools and 37.8% moderately relevant. 50% of the respondents believe brainstorming were less relevant, 43.2% of the respondents moderately relevant and only 6.8% of the respondents agreed brainstorming were very important information gathering tool during strategy planning process. 45.9% and 33.8% of the respondents said focus group discussion were very and moderately relevant tools of data gathering tools. And 20.3% believed it was less relevant way of information gathering tool.

Regarding interview as information gathering tool, 68.1% responded it was less relevant, 30.5% moderately relevant and 1.4% very relevant. Document review scored 59.5% very relevant, 31.1% moderately relevant and 9.5% less relevant.

➤ **Methods of Analyzing Information**

Table 4.11: Methods of Analyzing Information

No.	Method of Analyzing Information	Percentage of Importance		
		Very important	Moderate important	Less important
1	SWOT analysis	67.6	28.4	4.1
2	Industry Analysis	10.8	40.0	49.2
3	Competitors analysis	12.2	32.4	55.4
4	Capacity and core competency analysis	34.5	42.4	23.10

Source: own survey, 2015

After the necessary information had been gathered, the analyzing stage is followed. This stage is very critical to make very important decisions. CBB used different techniques to analyze the information gathered. Among these techniques,

- SWOT analysis (Strengths, Weaknesses, Opportunities and Traits analysis)
- Industry Analysis (IA)
- Competitors analysis(CA)
- Capacity and core competency analysis are included in this study.

Table 4.15 shows the level of importance of methods of analyzing the gathered information. 67.6% of the respondents said SWOT analyses were very important, 28.4% moderately important and 4.1% less important. The respondents rated industry analysis 10.8% very important, 40% moderately important and 49.2% less important. 12.2% of the respondents rated competitors analysis was very important, 32.4% moderately important and 55.4% less important. The Capacity and core competency analysis scored by the respondents 34.5% was very important, 32.4% moderately important and 23.10% less important. According to the data collected from the respondents the researcher able to understand that CBB used most of the data analyzing methods available.

4.7 Challenges of Strategy Planning Process of CBB

Table 4.12 Challenges of Strategic Planning Process

Challenges	Degree of Strength of the Challenge			
	Strong	Moderate	Less	Not at all
Financial constraints	25.7	36.5	28.9	8.9
Time constraint	4.1	12.2	58.1	25.7
Lack of experts & consultants in the banking sectors	24.3	52.7	9.5	13.5
Regulatory body policies & procedure	18.9	55.4	14.9	10.8
Capabilities of the management to execute the strategy planning process.	37.8	31.1	19.5	11.6

Source: Own Survey, 2015

During the strategy planning process various challenges were observed. Among these the following major issues including:

- Financial constrains,
- Time constraints,
- Lack of experts and consultants in the organization as well as in the industry,
- Regulatory bodies policies and procedures and finally
- Capabilities of the management to execute the strategy planning process were tried to discuss in this study.

Table 4.12 indicates capabilities of the management to execute the strategy planning process are the strongest challenge by getting 37.8% of the respondents' view. Next to this the financial constraint, lack of expertise and consultants in CBB and in the industry and regulatory bodies' policies and procedure follow with the score of 25.7%, 24.3% and 18.9% respectively. 4.1% of the respondents claim time constraint was one of the strong challenges faced during the strategy planning process. The finding also shows that 36.5%, 18.9% and 18.9% of the respondents scored moderate, less and not at all on financial constraints. 52.7%, 9.5% and 13.5% of the respondents scored lack of experts and consultants in CBB and in the sector are moderate, less and not at all respectively.

Regulatory bodies' policies and procedures as a challenge scored 55.4%, 14.9% and 10.8% by the respondents moderate, less and not a challenge at all respectively. When we look at the time constraint 12.2%, 58.1% and 25.7% of the respondents viewed this challenge moderate, less and not at all. Challenges again regarding the capabilities of the management in executing the strategy planning process scored one of the strongest challenges by getting 31.3%, 19.5% and 11.6% of the respondents understanding as moderate, less and not a challenge at all respectively. 36.5%, 28.9% and 8.9% of the respondents viewed the financial challenge as moderate, less and not a challenge at all.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. SUMMARY OF FINDINGS

This study was undertaken to assess the practice and challenge of strategy planning process in construction and business bank from the year 2010 to 2015. In order to answer the basic research questions both qualitative and quantitative methods were applied. Primary and secondary data was collected from 84 respondents of the questioner employed in this research and the opinions, understandings and perception of the respondents were stated. Various literatures and articles related to the study were used. Basic concepts and definitions of strategy planning management were discussed from the related literatures. The basic research questions in this study are:

In general, this research tries to answer why the company could not stayed as competitive and profitable as anticipated in the market during this strategy period. The major findings obtained are summarized as follows:

- Significant percentage of the respondents disagrees on the mission statement's representation of the organizations goals and objectives. But the design of vision statement was supported by most of the respondents.
The finding shows the crafting of the strategy planning process did not analyze the impact of stakeholders and collaborators.
- The environmental scanning of both internal and external was not taken place properly during the strategy formulation. More than 83% of the respondents strongly disagreed on the environmental scanning process of CBB. Here the finding shows major data gathering tools during environmental scanning process were used properly.
- The strategy planning is mostly carried out by ad hock committee formed for this particular purpose

- The finding stated presence of supportive environment and organization culture, technology and organizational structure to implement the formulated strategy.
- The communication of the strategy planning process including the crafting, implementation, evaluation did not go according to the finding.
- Regarding data analysis SWOT analysis is intensively used
- The researcher found out about the appropriateness of the evaluation technique BSC accordingly, 73% of the respondents agreed its suitability and 17.6% of the strongly agreed. And there is a good start in implementing the BSC method of evaluating individual performance as well as in process level.
- Regarding the involvement of the major stakeholders of CBB, the finding indicates that government bodies, board of directors did not actively participate in the strategy planning process. This indicates the absence of proper attention by the government to the organization's strategy management process. Again here the involvement of the employee is minimal.
- Various challenges were raised in the strategy planning process. Financial constraints, lack of experts and consultants, regulatory body policies and procedures and above all capabilities of the management to execute the strategy were the most challenging issues in strategy planning process according to the respondents view.

5.2. CONCLUSIONS

Strategy planning process is one of the most important processes in an organization. Its impact highly affects the organization's every aspect of existence. This study provided some evidence of strategy planning process in CBB.

The findings discussed in this chapter help us to understand how the strategy planning practices look like and discusses what major challenges encounter in the strategy planning process. The findings from the in-depth interview indicate that the strategy planning process is usually done by an ad-hoc group formed for this purpose. In addition to this the interviewee explains the presence of knowledge gap in the ad hoc committee regarding strategy planning process theories and practices that enables to output a competent strategy for the organization.

As the findings from responds show, the deviations of the expected benefits from the crafted strategy regarding setting goals & objectives are high. The findings also evident that the appropriate environmental scanning of both internal & external was not taken place this affected the strategy planning practice of the organization adversely. In addition, poor presence of stakeholders' involvement from the crafting of the strategy plan to evaluation & monitoring stages of the process was indicated by the findings.

The findings also show supportive organizational culture and environment existed in the company. This can be a valuable asset for the company as long as it is properly managed through creating smooth relationship among employees departments and other organs of the organization. In addition to this, the presence of supportive environment and culture can provide a good team spirit that enables the organization achieve its goals and objectives

The new technology adopted is one of the most advanced core-banking technologies with a very high budget. The efficient and effective utilization of this technology could lead the achievement of the goals of the organization. But, even though, this technology is in place the intended objective regarding provision of new services enhanced by technological innovation could not be achieved.

The finding shows majority of the respondents agreed the suitability of organizational structure crafted. And also the evaluating techniques employed are suitable for strict follow up of the performance.

The same goes to the communication of the whole process to all stockholders, since it is essential with in any system involving appraisal & feedback mechanism help stakeholders share the organization's major goals & objectives.

Furthermore, the challenges raised in this study have significance impact on the strategy planning process. For instance, lack of experts and consultants to execute the strategy plan is observed from the finding. This results in poor quality of strategy planning process. In addition, according to the findings, the management's capability in executing the strategy planning process is very limited which has obvious impact on the overall strategy planning practice towards achieving the goals and objectives of the organization.

The competitiveness and profitability of an organization is highly depends on the whole strategy planning process. The facts from the findings indicated above could be the major reasons and variables for the inefficient utilization of the organizations resource including the technology, well formed organizational structure; suitable organizational culture and other competitive advantages.

5.3. RECOMMENDATIONS

Based on the findings, the researcher forwards the following recommendations.

- In order to achieve the goals and objectives, CBB has to get the proper attention from the government since it is the owner of the organization. This can be done by actively participating in all strategy management issues including, in the crafting of the strategy, monitoring the implementation of every major areas of strategy elements.
- The next strategy crafting and formulation must take in to consideration major competitive advantages of the organization like the new highly sophisticated Information Technology (IT) adopted, the supportive organizational culture and environment and also the organizational structure. In addition to this, proper communication channel must be deployed and a timely updating of the stakeholders must be granted.
- Involving of internal and external stakeholder in the strategy planning process is vital in achieving the final goals and objectives of the organization. It creates sense of belongingness, improves motivation to strive for more results, and highly reduces resistance to changes and vision barriers. Most of all the government should take its active role more than ever in providing its expertise from other its banks or from any other sources. Again the government should resolve the financial, capabilities of the management in executing the strategy issues, constraints of the bank.
- According to C.L.Vele (2013 pp.192), one of the most important aspect of the strategic implementation process is the evaluation method designed to ensure that the strategic goal set by the strategy are fully met. The evaluation technique (BSC) adopted gives the four major perspectives of evaluating and assessing the performance of individual employee as well as the overall performance of the organization. These perspectives; financial, customer, internal business process perspective as well as learning and growth perspective gives different views in assessing the where the organization in going. Therefore, the researcher

recommends CBB should give the necessary attention to this technique and apply accordingly.

- Regardless of how carefully strategies are formulated, implemented, and evaluated, unforeseen events, such as increase new entrants to financial sector, government new policies and actions, increasing of competitors capabilities etc, can make a strategy obsolete. Therefore to minimize the impact of potential threats, CBB should develop contingency plans as part of their strategy-evaluation process. According to Fred R. David (2012) contingency plan is an alternative plan that can be put in to effect if certain key events do not occur as expected. Contingency plans represent alternatives which can be implemented in certain situations which have not occurred yet. It is imperative for companies to have such plans, but only in relation with key aspects of the strategic planning process. Strategists cannot and should not try to cover all bases by planning for all possible contingencies. But in any case, contingency plans should be as simple as possible.

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APPENDIXES

Appendix I

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



QUESTIONNAIRE TO BE FILLED BY MANAGERIAL EMPLOYEES OF CONSTRUCTION AND BUSINESS BANK

Dear respondent,

My name is Zelalem Tilahun. I work in Construction and Business Bank. I am conducting a research on "*Assessment of challenges and practices of strategy planning process in the case of Construction and Business Bank from the year 2010 to 2015*". This research is conducted in partial fulfillment for Masters Degree in Business Administration. In this research I tried to point out various variables that are considered in the performance of the bank for the last four and half years with respect of strategy planning theories and practices. the researcher will have no way of connecting the information to you personally. Therefore, I will keep any individual information provided herein confidential. Furthermore this research is conducted only for academic purpose.

It will be a great contribution if you may complete all the items covered in the questionnaire since your opinion is utmost importance. I thank you in advance for sharing your valuable experience and time in completing the questionnaire.

Part I: Personal Data

1. Sex

Male

Female

2. Age range in years

Below 30

31 – 40

Above 40

3. Job position

Customer Service Manager

Branch Manager

Team Leader

Director

Vice President

President

4. Level of education

Diploma

1st Degree

Masters Degree

PhD

Other: please specify _____

Part II:

The following statements are intended to get your reflection on various issues regarding strategy management processes of Construction and Business Bank. Indicate your degree of agreement/disagreement on the five point scale below please tick on the space provided corresponding to each indicator you think appropriate.

SDA = Strongly Disagree

DA = Disagree

N = I can't say

A = Agree

SA = Strongly Agree

Ser No	Indicators	Scale				
		SDA	DA	N	A	SA
1	The mission statement defines CBBs business objectives and purposes.					
2	The vision statement of CBB is designed to answer what the bank wants to become in specified future time.					
3	The strategy planning process participated stakeholder of the bank.					
4	The strategy management process critically analyses the impact of stockholders and collaborators.					
5	Regarding external environment analysis, economic conditions, political, legal, social, technology and other major factors taken in to consideration during the formulation process.					
6	Micro environmental analysis factors, such as industry analysis, entry barrier, bargaining power of buyers and supplies, threats of substitute, rivalry among competitors are analyzed.					
7	Internal environmental analysis factors, including resources and core competencies are considered during the strategy planning.					
8	SWOT analysis carefully made (strength, weakness, opportunity and threats)					
9	Supportive environment and organization culture were available for implementing the formulated strategy.					
10	CBB's organizational structure was suitable for implementation of the formulated strategy.					
11	The technology adopted supported the implementation of the strategic issues.					

12	The Human resource management of the bank enhances the implementation process with respect to:-					
	i. Filling the gap of human resource needs.					
	ii. Human resource training & development					
	iii. Linking employee compensation to organizational performance.					
13	Proper communication channel were deployed for all concerned stakeholders.					
14	The evaluation technique (BSC) applied in the strategy planning process were appropriate for measuring the bank's overall performance.					
15	Proper monitoring mechanisms were deployed to make sure the implementation of the strategy planning process					

❖ How do you rate the challenges in the strategy planning process regarding the following main points stated below?

Challenges	Strong	Moderate	Less	Not at all
Financial constraint				
Time constraint				
Lack of experts & consultants in the banking sectors				
Regulatory body policies & procedure				
Capabilities of the management to execute the strategy planning process.				
Other related challenges if any please specify.				

- ❖ How do you rate the involvement of stakeholder in the strategic planning process?

Action	Very Active	Moderate Active	Less Active	Not involved
Government bodies				
Board of Directors				
Executive Management Team				
Directors, Team Leaders				
Branch Managers				
Other Staffs (Please specify)				
Others (Please specify)				

- ❖ Which tools were very relevant, for gathering the information on the internal and external environment?

Tools	Very relevant	Model relevant	Less relevant
Questioners			
Brainstorming			
Focus group discussion			
Interview			
Document review			

- ❖ Which methods were useful to analyze the information

Action	Very import	Model import	Less importer
SWOT analysis			
Stockholder analysis			
Competitors analysis			
Capacity and core competency analysis			
Others (Please specify)			

3.3 Do you think the formulation process critically analyze the competitors in the industry? Please discuss your views

3.4 Other comments and suggestions.

Appendix II
INTERVIEW QUESTIONS
ST. MARRY UNIVERSITY
SCHOOL OF GRADUATE STUDIES

Master of business administration check list for in depth interview questions for CBB strategy management director.

Question N° 1.

Would you please tell me who you are and for how long you served the bank in this position?

Question N° 2.

What were the effect of strategy planning process on the profitably and competitiveness of the bank.

Question N° 3.

How did strategy planning process taken place?

What did the practice look like, such as the internal and external environmental scanning; competitors analysis?

Did the strategy planning process take due consideration on the organization's competitive advantage? I. e. resources and capabilities

Question N° 4.

What major challenges encountered during this strategy planning period?

Question N° 5.

Were the performance evaluation technique BSC effective and supported the achievements of the goals and objectives set?

Question N° 6.

Did the strategy plan of the period (for 2010 to 2015) have contingency plan?

Question N° 7.

Do you have any additional points, suggestions and remarks on the strategy planning of the process?