ST MARY'S UNIVERSITY
SCHOOL OF GRATUATE STUDIES

ASSESSMENT OF STRATEGY IMPLEMENTATION PRACTICES AND CHALLENGES AT NYALA INSURANCE SHARE COMPANY

By
NIGAT MENGESHA ABEBE

June, 2017
ADDIS ABABA, ETHIOPIA

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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 (PROJECT MANAGEMENT CONCENTRATION)

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APPROVED BY BOARD OF EXAMINERS

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Dean, Graduate Studies Signature

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Advisor Signature _____

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External Examiner Signature

_____ _____

Internal Examiner Signature

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of the research advisor. 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.

_____   _____

Name Signature

St. Mary's University, Addis Ababa June, 2017

ENDORSEMENT

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

_____ _____

Advisor Signature

St. Mary's University, Addis Ababa June, 2017

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Contributed to this work in one way or the other.

List of Abbreviation/ Acronyms

BSC- Balanced Score Card

ERP- Enterprise Resource Planning

HR-   Human Resource

HRM- Human Resource Management

HRMS- Human Resource Management System

HRIS- Human Resource Information System

ICT Information Communication Technology

IS Information System

IT Information Technology

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Abstract

The main purpose of this research is to examine the opportunity and challenges of implementing ERP in ethio-telecom and to recommend possible solutions for the gap. The data was collected using questionnaire and semi-structured interview from a target population. From the total of 147 target population this research selected 108 sampleand collected data after that analyzed by using SPSS version 20. Then the data presented using descriptive statistics with the help of frequency, tables and percentage to provide information. Mean and Standard Deviation through measure of central tendency were also used to analyze data. for the data that were collected by semi-structured interview questions and open-ended questions, interpreted it manually The result shows that network problem, limited support from vendors and lack of knowledge transfer to the internal asset from vendor were the main challenge. On the other hand the main opportunities the company get by implementing ERP includes the report generated from the system are providing more timely information to the staffs as well as for top management to made more effective decision and improves services for Human Resource (HR) clients. But commitment of top management is required to remove the existing challenge such as continuous system down, lack of support from vendors, it takes long time to recover the system down and lack of adequate training from vendors and better to have clear measurement tool to know the company is enjoyed the opportunities. The finding is also identified the above discussed challenges and opportunity for the company and suggests solutions to prepare proactively to minimize the effects of the challenges and to enjoy the opportunities.

Key Words: Opportunities, Challenges, Enterprise Resource Planning andEthio Telecom.

CHAPTER ONE
INTRODUCTION

1.1   Background of the Study

According to Hitt, Ireland, Hoskisso, (2007) strategy is an integrated, coordinated set of commitments, actions designed to exploit core competencies and gain a competitive advantage. Currently strategy planning is the leading document for sustainable development of all organization. The strategic planning and implementation are important for the survival of company, because today many organizations are applying strategy as guideline for the success of the company's missions.

Nevertheless, making strategy work by executing or implementing it throughout the organization is even more difficult. Thus, according to Denise Lindse Wells, (2000) in order to achieve effective strategy implementation the company should consider the following execution issue Do lower-level plans need to be created?, How do we establish oversight and accountability for implementation action?, Do the current process improve teams, working group, committee etc. link with plan?, Do they need to be refocused to align with the plan?, Do they need to be eliminated?, How does the plan link with the budget process? and How will we measure and evaluate progress? Those key questions could lead us to understand the role of managers and executors for successful enactment strategies. Strategic management is the process of formulating, implementing and evaluation of strategy to achieve the company objectives (Fred R. David, 2011). Other researcher said that strategy management is asset of decision and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce and Robinson, 2011).

Due to globalization world technology, economic, political etc. environment are changing dramatically and the public special developing countries like Ethiopian people awareness about insurance service change gradually from time to time. Hence, insurance like business institution formulating and implement strategic planning process and try to keeping competitive advantage from the industry. Implementing strategy is the best way to exploit internal and external environment in order to analyzing operational framework to achieve the objective by using world

scarce resource. Specially, profit seeking company like insurance and bank are needed a strategy to be the first compotator from the industry.

Insurance is one of the key pillars of the financial services sector in the world. It is also a central element of the trade and development matrix.So this sector have a long time history in our county modern forms of insurance service, which were introduced in Ethiopia by Europeans, trace their origin as far back as 1905 when the Bank of Abyssinia began to transact fire and marine insurance as an agent of a foreign insurance company according to the report of (2002 - 2012 National Bank Of Ethiopia).

Insurance companies in our country are owned by both the government and private sectors. As of June 2015 the Ethiopian insurance industry has 17 private insurance companies and one government insurer, the Ethiopian insurance corporation (EIC) which were established in 1974 in E.C. from these 18 companies, one is licensed to undertake re-insurance operation seven companies run general insurance while the remaining ten are composite, operating both general and life insurance business. From 17 private insurances industry Nyala Insurance S.C. (NISCO) insurance is one of the first insurance company. NISCO was established in 1995 pursuant to the enactment of the Insurance Business Licensing and Supervision Proclamation 85/1994 to engage in general insurance business with a subscribed capital of Birr 25 million and paid-up capital of Birr 7 million. In 2005, NISCO turned into a composite insurer by adding life business and increasing its paid-up capital to Birr 35 million. In 2013, the Company's shareholders increased the company's paid up capital to Birr 125 Million. Currently NISCO is operating with a head quarter and 17 Service Centers in Addis Ababa, 10 Service Centers at major regional cities, throughout the country.

From the establishment date up to 2013 Nyala Insurance S.C. (NISCO) did not have strategies, but since 2014 the company launched a five years strategic plan, which was implemented for the past three years. However, in Ethiopia, there have been few studies on such kinds of insurance industry concerning strategy related issues, in particular in NISCO. Thus, the intention of this research proposal is to assess strategy implementations at Nyala Insurance S.C. branches, head office and different departments found in Addis Ababa, Ethiopia.

1.2 Statement of the Problem

According to proclamation statesNegaritGazeta.(2012), the insurance sector plays an important role in economic development by providing insurance services against different risks, provision of alternative means for saving and mobilization of financial resources. Other related contributions of the insurance industry are creation of employment opportunities for youth, generation of revenue, and multiple economic impact by link-ageing other economic sectors.

Nyala Insurance Share Company is one of the pioneers in the insurance sector in Ethiopia. This fact has put the company in the list of top insurance company today. The company started implementing the five year strategic plan in 2014. Since 2014, the company has been restructured in a way that all the functional unit of the company could work towards achieving the corporate strategy objectives of the company. According to NISCO's annual report, (2015/16) the company also engaged in different work place amendments and initiatives which would transform the company and enhance the strategy implementation. From those initiative and transformation programs, the main vehicles for NISCO's strategy implementation were the procurement and implementation of a new and cutting edge information and communication technology system. Accordingly, NISCO enterprise information system project office was established and the office with the guidance of management team laid down the road map. Currently, the preparation of requirement specification document (RSD) is almost finalized (NISCO's annual report, 2015/16).

The other initiative is the face lift- up project which main objective is to enhance NISCO's overall brand and image through introducing complete makeover of NISCO's visible manifestation which will enhances both customer satisfaction and create conducive working place for the staff members. The project is consists of three components; office look that include layout, furniture etc.; deliverable (policy and document, etc.) and staff look (the dressing). During the year under review the project is completed in almost all Addis Ababa service centers and started in the outlying service centers. Thus, as the researcher observed the first time in the company's history, NISCO's frontline staffs are currently serving the customer by wearing a

uniform with standard office setup and furniture. This shows the company are working to attract its customer and to satisfy their wants with short time.

There have been studies which revealed the strategic implementation as observed from the literature review section and other secondary sources. NiclasBrinkschroder,(2014)had conducted a study on Key Factors,Challenges and Solutions of Strategy Implementation in Netherlands. In this research it was revealed that the most relevant factors when implementing a strategy, challenges that can restrain during strategy implementation and solutions to overcome those challenges.

As we can see from the above studies , though different reports and researches tried to reveal the positive and negative aspects of strategic implementation with in the insurance industry but, there was no any specific investigation on how the NISCO performance after the implementation of the new strategy in 2014. It is obvious that NISCO has a great competitive advantage with in the industry implementing the new strategy, but still we lack awareness on how this company is exposing the employee's job dissatisfaction and employee turnover due to the new implemented strategy, improper implementation of the strategy specially upcountry branches and contact offices, inefficiency to implement the strategy, lack of awareness about the strategy and strategic implementation related consequences. Even if the strategic plan schedule stated that the new system adapt on the first year of the strategy started, but still the new system is on the buying process. So there is two and half year gap between the schedule and actual performance of purchasing the system. Therefore, the aim of this study is to research the involved persons to implement the strategy, statements that are used to make the strategy in to action plan, how the company implemented the strategy, preparation of policy to implement the strategy and challenges that rises during the implementation time and fill specific knowledge gap by assessing the strategic plan implementation at Nyala Insurance S.C.

1.3 Research Questions
In this study the following research question were raised.

♦ What policies are used to implement the corporate strategy?

♦ How does the stakeholders participate in corporate strategy implementation?

- ♦ What are the programs, budgets and procedures used to implement the corporate strategy?

- ♦ How the company organizing, staffing and leading during corporate strategy implementation?

- ♦ What are the major challenges during corporate strategy implementation?

1.4 Objective of the Research
1.4.1 GENERAL OBJECTIVE

The major objective of this study was to assess the strategy implementation at Nyala insurance S.C., Ethiopia.

1.4.2 SPECIFIC OBJECTIVE
- ♦ To assess the designed policies for implementation of the strategy.

- ♦ To study the program, budget and procedure used during strategy implementation.

- ♦ To examine the role of executors during strategy implemented.

- ♦ To identify the participated stakeholder during strategic implementation.

- ♦ To assess the major challenges during implementation.

1.5 Significance of the Study

The aim of this research was to provide relevant data on the strategy implementation of Nyala Insurance S.C managements and employees. This study could contribute for the company that changing corporate strategy had negative or positive effects on the organizational competitive advantage. The findings of the study was encourage the concerned bodies and insurance company owner to be more aware of the issue. In addition, it would initiate the management staff to check the strategy either going accordingly or not after that the management try to revised the strategy or make some amendment. Moreover, this study will be supplementary literature input for future researchers in this area as a reference material for their investigations.

1.6 Definition of Terms

* Strategy:- an integrated and coordinated set of commitments and actions designed to exploit core competencies' and gain a competitive advantage.

* Strategy implementation: it is a process by which strategies and policies are put into action through the development of programs, budgets, and procedures.

* Strategic planning: is the process of defining an organization's plans for achieving its mission.

1.7 Scope of the Study

This study is limited to geographical and thematically. Accordingly this paper was only study strategic implementation at Nyala insurance S.C., all Addis Ababa's branch, and head office and claims department. And the study tried to focus on strategy implementation issues and related practice and challenges in the study area.

1.8 Organization of Study

The thesis is composed of five chapters. In the first chapter is the background of study, statement of the problem, objectives of the study, significance of the study, Scope of the study, and Operational definitions are included. The second chapter deals with reviewing related literature. In chapter three the Methodology, sampling procedure and sample size, data gathering instrument and procedure, data analysis, description of the study are included. The fourth chapter deals with data analysis and discussion. Finally, conclusion and recommendation section is organized.

1.9 Limitations of the Study

The study was limited to up country branches and could not givea general picture of implementation problems and challenges faced by up country staffs/ branches and contact offices. Other constraint CEO was out of country and busy top managements and service that required frequent follow ups and visits which obliged the researcher to extend the allocated time for the questionnaire and that iswhy the response rate is high enough. Moreover, traveling cost for data collection was also another challenge.

CHAPTER TWO

LITERATURE REVIEW

According to Borg (1987), the literature in any field forms the foundation upon which all future work will be built. If we fail to build the foundation of knowledge provided by the review of literature our work is likely to be shallow and naive and will often duplicate work that has already been done better by someone .This section will review research works and written articles on the review of the over view of strategy, strategic management process, success of strategy implementation and faller of strategy implementation.

2.1 Over View of Strategy

Today Strategy is a road map for competitive advantage of the company with in the industry. As a result firms choose one or more strategy to achieve their mission and vision which means to use competitive advantage and to gain above average return. Different scholars also define strategy in different ways among them, Hitt et al., (2007) define that strategy is an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage. Linda Parker Gates, (2010) Said Strategy is a derived approach to achieving the mission, goal, and objectives of an organization. Glueck W., (1980) Strategy is a set of objectives, policies, and plans that, taken together, define the scope of the enterprise and its approach to survival and success.

Client buy only what they need or want rather than what the company produce. To fulfil the client need or want producers have to launch good strategic plan. In 2008 most USA firms were struggling, but McDonald increased its revenues from $ 22.7 billion in 2007 to $23.5 billion in

2008. The net income also increased from $ 2.4 billion to $4.3 billion. The reason behind these success is McDonald has well planned strategy, Jim Skinner, CEO of McDonald's says "We do so well because our strategies have been so well planned out." So well planned strategy is the best solution for making profit and competitive advantage of the firm, (Hitt et al., 2007).

2.2 Strategy Management

Strategic management is the process of formulating, implementing and evaluation of strategy to achieve the company objectives. David, (2011) define Strategy Management is the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. Hitt et al., (2007) also define Strategy Management is a rational approach firms use to achieve strategic competitiveness and earn above-average returns.

According to Hitt et al., (2007) there are four Strategy Management Process
1. Environmental scanning
2. Strategy Formulation
3. Strategy implementation
4. Strategy evaluation and Control

2.2.1 ENVIRONMENTAL SCANNING

Organizations that have long term objectives should be formulate a strategy to achieve the objectives. In order to launch the strategy organization must determine external opportunities and threats and internal strengths and weaknesses.

David, (2011) suggested External opportunitiesand external threatsrefer to economic, social, cultural, demographic, environmental, political, legal, governmental, technological, and competitive trends and events that could significantly benefit or harm an organization in the future. Opportunities and threats are largely beyond the control of a single organization. Global economic recession, a few opportunities and threats that face many firms are listed here:
• Availability of capital can no longer be taken for granted.
• Consumers expect green operations and products.
• Marketing has moving rapidly to the Internet.

• Consumers must see value in all that they consume.

• Global markets offer the highest growth in revenues.

David, (2011) internal strengthsand weaknessesare an organization's controllable activities that are performed especially well or poorly. They arise in the management, marketing, finance/accounting, production/operations, research and development, and management information systems activities of a business. Identifying and evaluating organizational strengths and weaknesses in the functional areas of a business is an essential strategic management activity. Organizations strive to pursue strategies that capitalize on internal strengths and eliminate internal weaknesses.

Strengths and weaknesses are determined relative to competitors. Relative deficiency or superiority is important information (David, 2011). Also, strengths and weaknesses can be determined by elements of being rather than performance. For example, a strength may involve ownership of natural resources or a historic reputation for quality (Ibid). Strengths and weaknesses may be determined relative to a firm's own objectives. For example, high levels of inventory turnover may not be a strength to a firm that seeks never to stock-out. Internal factors can be determined in a number of ways, including computing ratios, measuring performance, and comparing to past periods and industry averages (Ibid). Various types of surveys also can be developed and administered to examine internal factors such as employee morale, production efficiency, advertising effectiveness, and customer loyalty (Ibid).

2.2.2 STRATEGY FORMULATION

David, (2011) Strategy formulation is deciding what new businesses to enter, what businesses to abandon, how to allocate resources, whether to expand operations or diversify, whether to enter international markets, whether to merge or form a joint venture, and how to avoid a hostile takeover. As Allio notes, good implementation naturally starts with good strategic input: the soup is only as good as the ingredients (Allio, 2005). Because no organization has unlimited resources, strategists must decide which alternative strategies will benefit the firm most. Strategy-formulation decisions commit an organization to specific products, markets, resources,

and technologies over an extended period of time. Strategies determine long-term competitive advantages. For better or worse, strategic decisions have major multifunctional consequences and enduring effects on an organization. Top managers have the best perspective to understand fully the consequences of strategy-formulation decisions; they have the authority to commit the resources necessary for implementation(Ibid).

2.2.3 STRATEGY IMPLEMENTATION

Strategy Implementation defined by different researchers as follows:-
"The sum total of the activates and choice required for the execution of a strategic plan". (Wheelen and Hunger, 2012)
"Designing appropriate organizational structures and control systems to put the organization's chosen strategy into action". (Hill et al., 2007)

David, (2011). Strategy implementation requires a firm to establish annual objectives, develop policies, motivate employees, and allocate resources so that formulated strategies can be executed. Strategy implementation includes preparing program, preparing budgets, preparing procedures, developing a strategy-supportive culture, creating an effective organizational structure, redirecting marketing efforts, developing and utilizing information systems, and linking employee compensation to organizational performance. Strategy implementation often is called the "action stage" of strategic management (Ibid).

David, (2011) Implementing strategy means mobilizing employees and managers to put formulated strategies into action. Often considered to be the most difficult stage in strategic management, strategy implementation requires personal discipline, commitment, and sacrifice. Successful strategy implementation hinges upon managers' ability to motivate employees. Different researcher identified the problem behind that are misunderstanding of the strategy, poorly documented strategy, lack of commitment to the strategy, lack of communication, in sufficient time allocation for strategy implementation, unaligned organizational systems and resources, poor coordination and sharing of responsibility, poor reward system, lack of strategic implementation skill, and other uncontrollable environmental variables (Beer and Eisenstat,2000).

Strategy-implementation activities affect all employees and managers in an organization. David, (2011) every division and department must decide on answers to questions, such as "What must we do to implement our part of the organization's strategy?" and "How best can we get the job done?" The challenge of implementation is to stimulate managers and employees throughout an organization to work with pride and enthusiasm toward achieving stated objectives.

During implementation there are three questions should be consider:-

2.2.3.1 Who Implement The Strategy?

In order to implement the strategy all employee found within the organization have to implement. These staff included of top management, middle management, lower management and non-management. Effectiveness of strategy implementation is, at least in part, affected by the quality of people involved in the process (Govindarajan, 1989). Here, quality refers to skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position. Viseras, Baines, and Sweeney (2005) findings indicate that strategy implementation success depends crucially on the human or people side of project management, and less on organization and systems related factors. Regarding the "who" of strategy implementation, we will now review the individual groups of strategy executors at different hierarchical levels.

Top Management

Top management refers to senior-level leaders including presidents, owners, and other high ranking executives (CEO) and senior-level managers. Several researchers have emphasized the effect of top management on strategy implementation. Most of them point out the important figurehead role of top management in the process of strategy implementation. Hrebiniak and Snow (2006) find that the process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies. Smith and Kofron (1996) believe that top managers play a critical role in the implementation not just the formulation of strategy.

Middle Management

Guth and MacMillan (1986) find that the level of effort that an individual manager will apply to the implementation of a particular strategy depends on his perception of his and the organization's potential to perform, and his perception of the likelihood that successful performance will lead to an outcome that he desires. Managers who believe their self-interest is being compromised can redirect a strategy, delay its implementation, reduce the quality of its implementation, or sabotage. Passive intervention can take the form of giving a strategy a low priority or taking too much time implementing strategic decisions, both of which can result in unnecessary delays and inhibit the implementation effort.

Heracleous (2000) also finds that if middle management do not think the strategy is the right one, or do not feel that they have the requisite skills to implement it, then they are likely to sabotage its implementation. He refers to groups within the organization who will inevitably disagree with the strategy. These groups may sabotage strategy implementation by deliberate actions or inactions, if implementing the strategy may reduce their power and influence.

Lower Management and Non-Management

Alexander (1985) suggests that there are many problems which over half of the corporations experienced frequently, such as the involved employees have insufficient capabilities to perform their jobs, lower-level employees are inadequately trained, and departmental managers provide inadequate leadership and direction. These three are the most frequent strategy implementation problems in relation to human resource. Strategic decisions are nevertheless formulated by senior-level managers of the firm and then administratively imposed on lower-level management and non-management employees with little consideration of the resulting functional-level perceptions (Nutt, 1987). If lower-level management and non- management personnel are not aware of the same information, or if information must pass through several (management) layers in the organization, consensus regarding that information may never come about. Thus, the lack of shared knowledge with lower-level management and non-management employees creates a barrier to successful strategy implementation (Noble, 1999b).

Communication

The research in the relationship between communication and strategy implementation indicated that based on interviews with 21 presidents and 25 governmental agency heads, Alexander (1985) points out that communication is mentioned more frequently than any other single item promoting successful strategy implementation. The content of such communications includes clearly explaining what new responsibilities, tasks, and duties need to be performed by the affected employees. It also includes the why behind changed job activities, and more fundamentally the reasons why the new strategic decision was made firstly

2.2.3.2 What Must Be Done?

To implement the strategy first develop the program, develop budget and develop procedures. Program and procedure development is a statement of the activities or steps needed to accomplish a single plan or to make a strategy action-oriented. Nutt (1986) identified four types of implementation tactics used by managers in making planned changes by profiling 91 case studies: *intervention, participation, persuasion, and edict.* Nutt (1987) explains the four tactics as follows: Intervention refers to strategy adjustments during the implementation stage by introducing new norms and practices. Participation consists of articulating strategic goals and nominating a task force that develops and proposes corresponding implementation options. Persuasion consists of the tactic of using the involved parties to convince employees about the decided course of actions.

Akan, Allen, Helms and Spralls Ш (2006) discuss four generic strategies (differentiation strategy, cost leadership strategy, focus/cost strategy, focus/ differentiation strategy) and their respective key practices. A number of tactics are necessary to follow a given generic strategy:

- For a differentiation strategy, the tactics include: innovation in marketing technology and methods, fostering innovation and creativity and a focus on building high market share.
- The tactic that proved to be most critical for a cost leadership strategy is the minimization of distribution costs.
- Four tactics appear to be critical for organizations attempting a focus/low cost strategy: providing outstanding customer service; improving operational efficiency; controlling the quality of products or services; extensive training of front-line personnel.

- Focus/differentiation's tactics include: producing specialty products and services and producing products or services for high price market segments.

The other one is development of budget is a statement of a corporation's program in birr terms. It is the last real check a corporation has on the feasibility of its selected strategy. During budget preparation, trade-offs and prioritization among programs must be made to ensure that the budget fits corporate strategy.

To adopt evidence-based practices, the implementation process must also address the organizational supports which are necessary to initiate and sustain the practices with fidelity (Barbara Smith, Joicey Hurth, Lynda Pletcher, Evelyn Shaw, Kathy Whaley, Mary Peters and Glen Dunlap, 2014).so procedure is a system of sequential steps or techniques that describe how a particular task or job is to be done.

According to Barbara Smith et al., (2014) there are five stages that described the step of implementation strategy which include:
 1) Exploration, the goals of the exploration stage are to identify the need for change, determine what innovation or set of practices are likely to meet that need, and to decide whether or not to move ahead with the implementation process.   2) Installation, the goal of the installation stage is to build system capacity which will support the implementation of the new practices at selected sites. 3) Initial implementation, the goal of initial implementation is to put the new practices in place at selected implementation sites. 4) Full implementation, the goals of full implementation are to assure practices are used with high fidelity, and are achieving expected outcomes at all initial sites and 5) expansion and scale-up, the goal of expansion or scale-up is to increase the number of sites using the practices with fidelity. During Expansion/scale-up the State Leadership Team plans and provides an expanded infrastructure. This could include providing appropriate policy and funding; increasing numbers of trainers and coaches; and expanding data systems to support the increased number of new sites.

2.2.3.3 How is Strategy to be implemented?

Before plans can lead to actual performance strategy implementer insure that the corporation is appropriately organized, programs are adequately staffed and activities are being directed toward the achievement of desired objectives.

Staffing is the selection and utilization of employees. David, 2011 the job of human resource manager is changing rapidly as companies continue to downsize and reorganize. Strategic responsibilities of the human resource manager include assessing the staffing needs and costs for alternative strategies proposed during strategy formulation and developing a staffing plan for effectively implementing strategies. The human resource department must develop performance incentives that clearly link performance and pay to strategies. The process of empowering managers and employees through their involvement in strategic-management activities yields the greatest benefits when all organizational members understand clearly how they will benefit personally if the firm does well. Linking company and personal benefits is a major new strategic responsibility of human resource manager's (Ibid).

Strategy implementation poses a threat to many managers and employees in an organization. New power and status relationships are anticipated and realized. David, 2011 new formal and informal groups' values, beliefs, and priorities may be largely unknown. Managers and employees may become engaged in resistance behavior as their roles, prerogatives, and power in the firm change. Disruption of social and political structures that accompany strategy execution must be anticipated and considered during strategy formulation and managed during strategy implementation.

Other things when considering the strategy implementation is Organizational Structure .A proper strategy-structure alignment as a necessary precursor to the successful implementation of new business strategies (Noble, 1999b). They point out that changes in the competitive environment require adjustments to the organizational structure. If a firm lags in making this realignment, is may exhibit poor performance and be at a serious competitive disadvantage.

Different strategy types have different requirements regarding an adequate organizational structure (e.g., White, 1986; Olson & Slater &Hult, 2005). White (1986) points out that the fit

between business unit strategy and the internal organization of multi-business companies does have an effect on business unit performance. Specifically, business units with pure cost strategies experience higher ROI when they have low autonomy. Pure differentiation strategies benefit, in terms of sales growth, from strong functional coordination (with responsibility for key functions unified under the business unit manager). Similarly, the ROI of cost strategies is, on average, higher when some functional responsibilities are shared. Olson, Slater and Hult (2005) identify a taxonomy comprised of four different combinations of structure/behavior types, which they label as: management dominant, customer-centric innovators, customer-centric cost controllers and middle ground. These alternative structure/behavior types are then matched with specific business strategies (i.e., Prospectors, Analyzers, Low Cost Defenders, Differentiated Defenders) in order to identify which combination (s) of structures and behaviors best serve to facilitate the process of implementing a specific strategy.

To implement a strategy properly good leadership is must. Yang Li1, Sun Guohui1, Martin J. Eppler 2 (2008) suggested that there are three key administrative mechanisms that firms can use to cope with uncertainty in this context: design of organizational structure (*decentralization*), design of control systems (*budget evaluative style*) and selection of managers (*locus of control*). Govindarajan (1988) identified the following constellations: High managerial internal locus of control and low emphasis on meeting a budget are associated with high performance in SBUs employing a strategy of differentiation. Bivariate results did not provide support for the interaction between SBU strategy, decentralization, and effectiveness.

On the basis of above research, Govindarajan and Fisher (1990) believe that executive leadership characteristics, structural variables, and control systems contribute differentially to the effectiveness of SBUs practicing differentiation and low-cost strategies. The specific findings can be summarized as follows: (1) Strategic Business Units practicing a low-cost strategy tend to have a high level of resource sharing. (2) Output control combined with high resource sharing is associated with increased effectiveness for low-cost SBUs. (3) No conclusions can be drawn about the optimal control system for low-cost SBUs with low levels of resource sharing, since very few SBUs studied here had that combination. (4) SBUs practicing a differentiation strategy in general have lower levels of resource sharing than low-cost SBUs. (5) Differentiation SBUs

have a wider range of levels of resource sharing than low cost SBUs. (6) Behavior control is associated with increased effectiveness for differentiation SBUs with high resource sharing. (7) Output control is associated with increased effectiveness for differentiation SBUs with low resource sharing. (8) The highest effectiveness for differentiation SBUs occurs when behavior control is used in combination with high resource sharing (Govidnarajan& Fisher, 1990).

Roth, Schweiger& Morrison (1991) have different explanations regarding the content of administrative systems. Their study suggests that business units utilize three administrative mechanisms – formalization, integrating mechanisms, and centralization – to create operational capabilities of configuration, coordination, and managerial philosophy – to support the international strategy choice.

2.2.4 STRATEGY EVALUATION

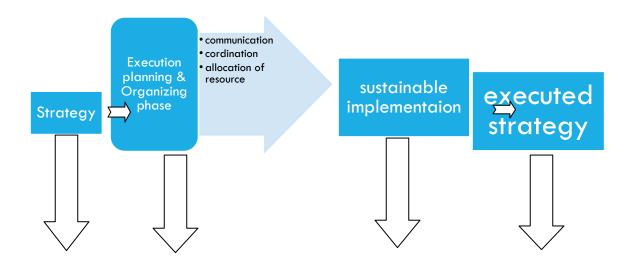Strategy evaluationis the final stage in strategic management process. Managers desperately need to know when particular strategies are not working well; strategy evaluation is the primary means for obtaining this information. According to David, (2011) all strategies are subject to future modification because external and internal factors are constantly changing. Fred R. David, (2011) stated three fundamental strategy-evaluation activities (1) reviewing external and internal factors that are the bases for current strategies, (2) measuring performance, and (3) taking corrective actions. Strategy evaluation is needed because success today is no guarantee of success tomorrow (Ibid).

Glueck W., (1980) suggested that business strategy will fit the following four criteria: (1) Consistency*: The strategy must not present mutually inconsistent goals and policies.(2) *Consonance:* The strategy must represent an adaptive response to the external environment and to the critical changes occurring within it. (3) *Advantage:* The strategy must provide for the creation and/or maintenance of a competitive advantage in the selected area of activity. (4) *Feasibility:* The strategy must neither overtax available resources nor create unsolvable sub problems. A strategy that fails to meet one or more of these criteria is strongly suspect.

2.3 Successful Strategy Implementation

Successful strategy implementation is a key for any organization's survival. Many organizations could not sustain their competitive advantages, even though having a strong strategy formulation process, because they lack the processes in implementing the strategies. Cater and Pucko (2010) concluded that while 80% of firms have the right strategies, only 14% have managed to implement them well. Strategy formulation is the difficult process, strategy implementation is the more difficult one. Strategy formulation is usually assignment of CEO and top management, but its implementation is the responsibility of all staff. Hence, the role of top management is vital in preparing a workable strategy and communicating it clearly so that middle and lower level staff can easily implement it. James Rajasekar, (2014). Strategy formulation is basically entrepreneurial in nature and requires a great deal of analysis, judgment, and innovation. However, implementation requires administrative and managerial talent and an ability to foresee obstacles that might arise in strategy implementation.

Some of the research results prove, it is a factor leading to a reduction in risk accompanying the strategy realization. It results not only in a change in perspective and perception of organizing the strategy implementation process, but also indicates the need for an integration of its aspect Joanna Radomska, (2015). Joanna described in Figure 1
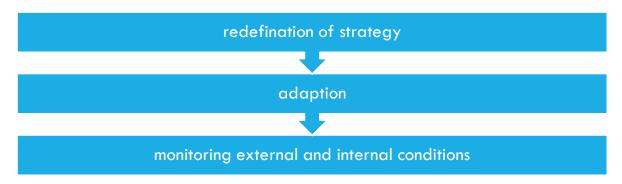
Figure 2.1. Strategy implementation process (including the sustainability concept). Source:JoannaRadomska, (2015).

2.4 Faller of Strategy Implementation

The real reason that strategies fail are varied, John Sterling, (2003) stated some variable which affects the success of the strategies implementation.

Unanticipated market changes

Strategies often fail because the market conditions they were intended to exploit change before the strategy takes hold. Product life cycles are shorter, disruptive technologies emerge with greater frequency, and financial markets can be changeable. And, many markets are experiencing rapid, discontinuous change.

Lack of senior management (CEO) support

The notion that strategy often fails due to a lack of senior management support gains credibility for a number of reasons:

First, many ideas (some good, some bad) that are recommended to senior management are not integrated into an organization's strategy. Second, some strategic initiatives – particularly in information technology – are embraced when initially proposed (sometimes enthusiastically). However, once the true costs of those initiatives are fully understood – in time, capital, and other resources – the support for the initiative evaporates. Finally, senior management often does – and probably should – pull back from strategies for a variety of reasons (e.g. competitor response, changing market conditions, disruptive technologies, etc.). However, while the original strategy may have been announced with great fanfare, the pullback may not be communicated at all. Thus, it appears that the strategy lacks senior management support. For these and other reasons, middle management often reaches the conclusion ''senior management did not support the

strategy'' – this despite the fact that senior management was responsible for the conception, communication, and support of that vision and strategy.

Application of insufficient resources

Some strategies fail because not enough resources were allocated to successfully implement them. Lack of resources is generally a bigger threat to capital intensive strategies. However, the problem can emerge just as readily in a middle market company or a service company that is simply short of people and time.

Failures of buy-in, understanding, and/or communication

Some strategies fail because there is insufficient buy-in to or understanding of the strategy among those who need to implement it.

Timeliness and distinctiveness

Some strategies fail because someone beats the company to market with a similar idea or strategy. Similarly, some strategies fail because they leave the company undistinguished in the market (i.e. others are pursuing the same strategy and/or market position).

Lack of focus

A corollary to the need for timeliness and distinctiveness is the need for strategic focus. Some companies try to be all things to all people. As a result, they lack distinctiveness, but importantly, they also lack focus. As a result, resources are dissipated and priorities are never clearly articulated. With little sense of prioritization, employees are a bit like carnival plate spinners – always frantically working to keep things from collapsing, but never really making progress.

Bad strategy – poorly conceived business models

Sometimes strategies fail because they are simply ill conceived. Returning once more to the telecommunications start-ups – some of their business models were flawed because of a misunderstanding of how demand would be met in the market. That is, their strategies did not include some means of connecting customers at the local level

Checklist for successful implementation

Our experience and the experiences of CEOs interviewed for this column have highlighted a number of approaches that can greatly enhance the effectiveness of strategy implementation – as well as improving the likelihood of success of the underlying strategy.

Align organizational design and capabilities with the strategy

A critical step – often overlooked – is ensuring that organizational capabilities align with the strategy.

Consider potential competitor reactions to the strategy

Your strategy development process should directly consider potential competitor reactions to a strategy and how your company will respond in turn. Likewise, your company should maintain a basic competitive intelligence capability as a matter of day-to-day strategic management.

Involve managers in the strategy development process

Involving people directly in the strategy development process has paid off for a number of the CEOs we interviewed.

Consistent and persistent communication

Because so many strategies fail for a lack of buy-in, understanding, or poor communication, ensure that resources are dedicated to continuing, persistent communication.

Action planning and budgeting

Action planning and budgeting are among the oldest management tools and yet they remain effective for ensuring that implementation occurs and that tactics align with strategy. Plan the initiatives you will undertake and budget for implementation and capability development.

Monitoring and accountability

Effective implementation requires continual monitoring – of progress in implementing the plan, of the competitive environment, of customers' satisfaction, and of the financial returns generated by the strategy. And, monitoring is meaningless if it is not accompanied by accountability – and change when change is warranted.

Alignment of information resources with the strategy

Finally, aligning information technology with strategy is a critical process. This includes applications of information technology as varied as enterprise systems, customer relationship management, Web-based technologies, and manufacturing technologies. Aligning information technology is a double-edged sword – companies often cannot execute strategies in the new millennium without technology and they should not implement new technology without a strategy behind it.

2.5 Conceptual Framework

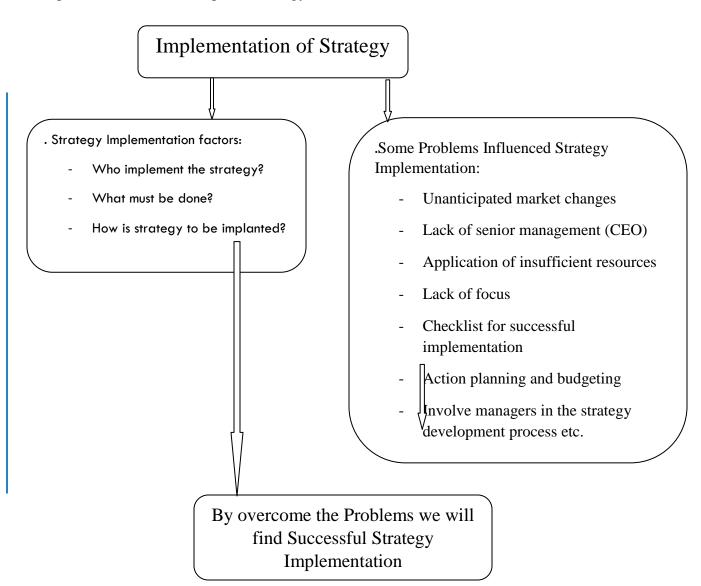Companies which launch corporate strategy

```
                    ┌──────────────────────────────────┐
                    │  Implementation of Strategy      │
                    └──────────────────────────────────┘
```

. Strategy Implementation factors:

- Who implement the strategy?
- What must be done?
- How is strategy to be implanted?

.Some Problems Influenced Strategy Implementation:

- Unanticipated market changes
- Lack of senior management (CEO)
- Application of insufficient resources
- Lack of focus
- Checklist for successful implementation
- Action planning and budgeting
- Involve managers in the strategy development process etc.

By overcome the Problems we will find Successful Strategy Implementation

Figure 2.2 Conceptual frame work

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

This section discusses the research methodology which was applied in the study. It consists: the research design, source of data, methods of data collections, sampling techniques, and data analysis techniques.

3.1 Research Design

In this study the researcher appliedmixed research methods. The research used mixed research design to get consistent data and to obtained general picture about the topic. In addition, mixed those research methodologies was help the researcher to made triangulated analysis of the findings. Moreover, this research was cross-sectional and descriptive design, since time management is critical in such small scale study.

3.2 Sources of Data

This study used both primary and secondary sources of data. First-hand information about the strategic plan implementation issues were collected through primary sources. The use of these sources supported the researcher to produce accurate data, and to gather first-hand information which could lead the researcher to made valid investigation. The primary source of data were collected through observation, interview and survey methods as discuss below. Secondary source of data were reviewed NISCO new strategic plan documents, annual reports, books, journals and magazine were searched to make the finding credulous.

3.3 Data Collection Methods

The current study employed various types of data collection methods such as experience observation, in depth interview and survey as discussed below in detail.

3.3.1 NON PARTICIPANT OBSERVATION

Non Participant observation were involved the observation of the study organization, population or groups in a certain situation. The researcher was non-participant experience observer in the selected branch and department. This helps to closed with staffs and to know the satisfaction level of employee about the new corporate strategy. The employees were able to understand what the researcher was doing and it gave way to made rapport while selecting accurate informants, and to select informants for the rest of data gathering methods. The researcher got general setting of selected branches, departments which gave empirical insight to grasp the untold accounts of employees.

3.3.2 INTERVIEW

In this type of interview, the researcher wants to know specific information which would be compared and contrasted with information gained in other interviews (Catherine, 2007).

Unstructured interview were prepared, containing interview-guide regarding NISCO's strategy plan and its implementation. Likewise, similar open ended questions were asked in each interview. The interview conducted with 2 top level managers (i.e. Executive Officer of Marketing and Business Developmentand Corporate Strategy and Change Management Head) and 2 senior officer of strategy and change management department. Wee not found. The remaining 3 interviThis method were helps the researcher to gather issues which she did not noticed in her topic of discussion, since the informants have enhanced understanding about the new corporate strategy. The researcher were found out individual information about the working environment after implementing the strategy through detailed interview.

For these purpose all informants were selected from the different departments and from different position located in Addis Ababa. This selection will help the researcher to avoid biased information regarding informant's implementing the strategy.

3.3.3 Survey

The quantitative data were collected through survey methods. Survey were conducted in order to provide the researcher with statistical information regarding the topic. For this study questionnaire wereadapt with modification from Abdifatah M., (2013) and Timoteyos Y, (2015). Since the adapted questioner were used for other research objectives and applied in another country and others sectors, modification was made. And used as instrument to conduct survey about the employees' satisfaction level, management thinking and result of the new strategy in all Addis Ababa branches and departments. Thus, the researcher explicitly applied this method to gather facts which reflected the participants' attitude about their thinking about the strategy implementation and to understand their general view toward the strategy and its impact on employee satisfaction, turnover and company profit. To achieve this aim the researcher adapted close and open ended questionnaires.

This method were also facilitates to collect large and wide amount of data, which produce quantified and descriptive generalization about the study. The questionnaires will distributed for all level of managers, service manager and senior employees of NISCO, in 16 branches and head office staff located in Addis Ababa.

3.4 Sampling Techniques

The researcher employed probability and non-probability sampling techniques. Out of 41 insurance branches throughout the country the researcher were select 17 branches purposively. Those branches are located in Addis Ababa city. The researcher had a good communication with staff members in the chosen branches since she have been working at one of the branches while their approximates were crucial for the researcher.

For the qualitative data, the researcher was purposively select informants that she thought they might gave better information about the topic. Accordingly in depth-interview participants were selected based on their work position and work experiences to avoid biased information and to know detail about the process of strategy in the companies. Based on this 1 top level management staffs, 1 services managers 2 senior officer were selected.

In order to collect quantitative data, survey method were used. Simple random sample technique was applied to select participants for this purpose. The total populations of the study were around

245 based on 2017 report. And the representative sample size for this study was arranged based on the following formula and calculation.

In other way, the minimum sample size required for a very large population (N>10,000) is

$$n= (Z_{\alpha/2})^2 p\ (1-P)/d^2$$

Where Z=1.96 is the values of Z tabulated at a 95 percent confidence interval, p=50 percent or 0.5 where there was no information about the estimate of the proportion to be studied, d= + 0.05 as the margin of error of the estimate proportion (Getu and Tegbar, 2006). Based on this formula, the sample size was 384. However, since the total numbers of the selected insurance staffs are 245 which were less than 10,000, so the sample size from the above formula had been used with some adjustment by using the sample size determination formula:

$$nf = \left(\frac{ni}{1+\frac{ni}{N}} \right) \qquad \text{Where } nf = \text{final sample size, } ni = \text{initial sample size, and } N = \text{total}$$

population $\qquad nf = \left(\frac{384}{1+\frac{384}{245}} \right) \quad nf = \underline{150}$ to calculate the required adjusted sample size .

Therefore, the sample size was **<u>150</u>**. In this study the estimated of the proportion was assumed as 50 percent and confidence level 95 percent within 5 percent degree of accuracy will be used.

In general 154 participants were selected to conduct mixed data collection method and informants. From this 4 individuals were selected purposively for qualitative purpose and 150 individual stratified simple randomly were chosen for survey method. But out of 150 individuals 3 of them were not respond. For interview out of 7 interviewee 4 were found.

3.5 Reliability and Validity

Reliability is essentially the dependability of an instrument to test what it was designed to test. Survey method was the plan of the research, even if the questioner adapted with modification from Abdifatah M., (2013) and Timoteyos Y, (2015) the reliability of the scale were checked which was the collected data were free from error. In order to be reliable, the Cronbach's alpha should exceed 0.70. To check the reliability, the questioners were pretested with 15 sample

questionnaires. If the Cronbach's alpha greater than 0.7 the questioner will be reliable. As a result, Cronbach's alpha is greater than 0.7 this is therefore the reliability of the questioners are approved.

Cronbach's Alpha	Number of Items
0.748	32

Table: 3.1 Reliability Statistics

3.6 Data Analysis Method

For the qualitative data, thematic analysis were employed based on the categories of information which indicated by the specific objective of the research. In addition, the documents related to the topics were reviewed, analyzed and interpreted by content analysis based on the research objectives. The quantitative data were also analyzed using the Statistical Package for Social Scientists (SPSS) Software updated version 20.0 for windows. The researcher used descriptive statistics to generate percentages and frequencies for the most variables in the study. To made the analysis procedural the questionnaires were coded and entered to the SPSS for statistical analysis.

CHAPTER FOUR
RESULTS AND DISCUSSION

This chapter deals with the analysis and interpretation of the primary and secondary data collected from Nyala Insurance Share Company, Addis Ababa .Respondents were mainly few management staff, branch managers, service manager, senior staff and officers. Data collection instrument was questionnaire interview and experience observation for primary data and corporate strategy module for secondary data. The data was analyzed using SPSS 20.0 version; descriptive statistics such as frequency tables, charts, percentages, mean scores, and standard deviation. The chapter is divided into four sections. First, Demographic characteristics of the respondents. Second, Strategy Polices for Implementation. Third, Strategy Implementation Process. Fourth, Capability of Organization in Implementation of Strategy. Finally, Strategy Implementation Challenges.

4.1 Demographic characteristics of the respondents

All the data were examined for missing and outlier, as a result out of the 150 surveys, 147 were found valid and used in the study. The valid response rate is 98% and 3 responses (which are 2%) were canceled from the study because they were not completed and/or shows certain unrealistic systematic response patterns.

Table 2 Frequency table of total sample

Statistics					
	Sex	Age	Work Experience	Educational level	Position in NISCO

		147	147	147	147	147
N	Valid					
	Missing	0	0	0	0	0

Table 3 Demographics of respondents

Characteristics	Classification	Frequency	Percentage
	Below30	66	44.9
	31-40	61	41.5
Age	Above 41	20	13.6
	Female	54	36.7
Gender	Male	93	63.3
	1-5	64	43.5
	5-10	40	27.2
Work	11-15	24	16.3
Experience	Above16	19	12.9
	Branch Manager	17	1.6
	Service Manager	9	6.1
	Senior Officer	29	19.7
Position	Officer	92	62.6
	Diploma	2	1.3
	Degree	123	83.7
Educational Level	Masters	22	15

Age

All participants in the study were older than 18 years of age. Out of total valid 147 respondents the largest age group was below 30, which is 44.9%. The age between 31 and 40 years old were ranking second who took about 41.5% followed by respondents who were with age range of 41and above which is 13.6%. This indicates that most of NISCO's work force are adults.

Gender

30

According to Table 4.2 out of the 147 valid respondents, from gender perspective 63.3% or 93 respondents were males and the remaining 36.7% or 54 respondents were females. This implies that the number of male respondents were greater than the female.

Education Level

From 147 valid respondents, most of them weredegree holders they were 83.7% or 123 in number; 2 of them were diploma holders which is about 1.3%. The rest 15% or 22 respondents were having second degree.

Work Experience

About 43.5% or 64 respondents were below five years' work experience in NISCO. 27.2% or 40 respondents had 6-10 work experience and 16.3% or 24 respondents work in NISCO about 11-15 years. The rest 12.9% or 19 respondents were above 16 years work experience in NISCO. This implies that the researcher try to address all group of employee that had different work experience in NISCO.

Position of Work

From the total 147 respondent 1.6 % or 17 respondents were branch managers; 6.1% or 9 respondents were service managers; most respondents were officers which was 92 in number or 62.6%. The rest 19.7% or 29 respondents were senior officers. This shows that all branch managers and majority of officers were respond the questioner.

4.2 Strategy Polices for Implementation

During face to face interview with strategy and change management manager andexecutive officer of marketing and business development with more than 10 years' work experience in insurance sectors, different points were raised from that polices for implementing the strategy was the first. Strategy implementation policy is the breakdown of the corporate strategy that helps the company to precede the strategy plan to action or execution. From interview with strategy and change management manager officer, the researcher found that NISCO till did not had policies and procedures for implementation of the strategy in different departments. However, during interview service manage and strategy officers believe that new policies are needed because the current policies did not support the new strategies, but still the company did

not launch new policies. The researcher also observed from secondary data that the company had unapproved draft policies which is not applicable. This is therefore, different departments and branches did not had strategy policies that they follow up weather they are right or wrong during implementing the strategy.

4.3 Strategy Implementation Process

Under this section the researcher observed understanding of the staff about the strategy and their participation. The questioner data was analyzed using cross tab table and percentages. Results of the questioners and interview were analyzed as shown below. Below table summarizes the relation between work position and understanding of NISCO's strategy.

Table 4 Strategy understand & position cross tabulation

	Action		Position			
			Branch Manage	Service Manager	Senior Staff	Officer
Strategy Understand	Fully Understand	Count	9	3	2	5
		% within Position	52.9%	33.3%	6.9%	5.4%
	Moderately Understand	Count	3	2	16	26
		% within Position	17.6%	22.2%	55.2%	28.3%
	Neutral	Count	4	2	6	21
		% within Position	23.5%	22.2%	20.7%	22.8%
	Not Understand	Count	1	2	5	40
		% within Position	5.9%	22.2%	17.2%	43.5%

Table 4.3 above were the summary of survey result out of 17branch managers 52.9% or 9 respondents were fully understand NISCO's strategy implementation. 17.6% or 3 respondentswere moderately understand ; 23.5% or 4 respondents were neutral and the remaining 5.9% or 1 branch manager do not understand the strategy implementation. In the other part out of 9 service managers 33.3% or 3 respondents fully understand the strategy implementation the remaining 6 service managers respond moderately understand, neutral and not understand were 22.2% or 2 in number for each . The other respondents were 29 senior

officers. Out of 29 valid senior officers 6.9% or 2 respondents were fully understand the strategy; 55.2% or 16 respondents were moderately understand the strategy; 20.7% or 6 respondents were neutral. The rest 17.2% or 5 respondents were not understand the strategy.

The last and large in number respondents were officers. They were 92 officers respond the questioners out of them 5.4% or 5 respondents were fully understand the strategy; 28.3% or 26 respondents moderately understand the strategy; 22.8% or 21 respondents were neutral. The rest 43.5% or 40 respondents were not understand the stagey.

This shows that most of the officers and senior officers are not understand the strategy, it indicate that lower level staffs are not understand the strategy due to their low level position. In consistent to this the researcher found information from interview with NISCO's executive officer of marketing and business development manager, he said that the responsibility to interpret the strategy is not the department but it is the responsibility of the branch managers and service managers. Hence, from 17 branch managers and 9 service managers only 9 and 3 respondents were fully understand the strategy respectively. Others are not fully understand the strategy so how they infer to others. This seems that there is a gap about knowing their job description. All information collected from survey and interview indicate that large number of employees did not know (understand) the strategy.

4.3.1 PARTICIPATION OF STOCKHOLDERS IN STRATEGY IMPLEMENTATION

In this table below the researcher summarized both participation of stakeholders and participation mechanism. The data analyze using frequency table and percentage.

Table 5 Participation of stakeholder

Action		Frequency	Percent/%
Strategy Participation	Yes	21	14.3
	No	126	85.7
Knowing Strategy Implementation Policy	Yes	52	35.4
	No	95	64.6
Appropriate Strategy Implementation	Yes	47	32.0
	No	100	68.0
Taking Training before Strategy Implementation	Yes	46	31.3

		No	101	68.7

Different researcher wrote about strategy implementation. Among them one of the theory is during strategy implementation all staff should be participated. According to the above table 4.4 from 147 sample only 14.3% or 21 respondents participate in the strategy. The remaining 85.7% or 126 respondents were not participate in the strategy implementation process. In addition one of the strategy and change management department senior officer said that during strategy formulation one person from every function, top management and selected five branch managers were participated. Even the selected branch manager's part were environment analysis. The researcher also had experience observation about the implementation process, so no one participate in the strategy implementation process except CEO and top level management. Therefore, the non-management staff did not participate in the strategy implementation.
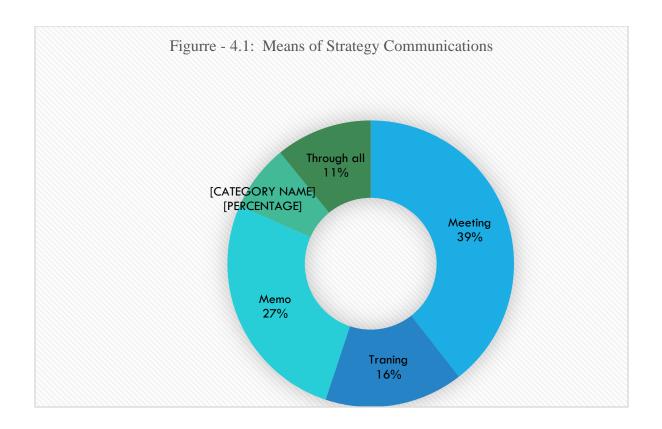
From 147 respondent 35.4 % or 52 respondents were know the strategy implementation polices; the rest 64.6% or 95 respondents were not know the strategy implementation polices. As the researcher observed from interview still NISCO had not strategy implementation policy but, now the strategy and change management department prepare a draft of strategy implementation polices. This data show some confusion between the top management and staff. Because the company still did not had implementation policy but 35.4% of respondent were said they know the implementation polics. Which means some staffs got miss understanding about the implementation policy. So other researchers can investigate about miss understanding of the two parties. For now the researcher found that the company did not had strategy implementation polices up to date but, the strategy is three and half year old after implementing.

Table 4.4 shows that from 147 respondents 32% or 47 staffs were believe that NISCO appropriately implement the strategy; the rest 68% or 100 respondents were not believe that NISCO implement the strategy appropriately. Respondents were stated how they said inappropriately implemented, due to lack of focus, lack of consistent communication, lack action plan and budgeting, poor controlling system, organizational politics, lack of ownership etc. The researcher also observed that once the strategy implemented there is no any dedicated person that control whether the strategy going on plan or not. Therefore, NISCO's strategy are not implementing in appropriate way.

Finally, from the above table 4.4 out of 147 samples 31.3% or 46 respondents were taken training before implementing the strategy; the remaining 68.7% or 101 respondents did not taken training before implementing the strategy. This data shows that large number of employee did not taken training before implementing the strategy.

4.2.2 MEANS OF COMMUNICATION ABOUT STRATEGY IMPLEMENTATION

In this section the researcher summarized the means of strategy communication and analyze through pie chart.

Figurre - 4.1: Means of Strategy Communications

Alexander (1985) points out that communication is mentioned more frequently than any other single item promoting successful strategy implementation. The content of such communications includes clearly explaining what new responsibilities, tasks, and duties need to be performed by the affected employees. It also includes the why behind changed job activities, and more fundamentally the reasons why the new strategic decision was made firstly. Contrary to this the above figure 4.1 reported that from 147 respondents 39% were communicated about the strategy through meeting; 27% were communicated through memorandum; 16% were communicated through training; 11% which was branch managers and service managers were communicated through both meeting, training and memo. The rest 7% did not communicated about the strategy implementation. This indicated that 7% of the staff did not communicated about the strategy. So the company had a gap on addressing the strategy to all staff equally. The researcher also observed from experience observation, CEO call a 3 hours meeting for briefing the strategy implementation. During the meeting time some branch managers, counted senior officers, little officers where participated. But, the up country staff and some Addis Ababa's absent staffs were communicated through internal memorandum. Some staffs that had direct relation to the strategy implementation were communicated through training, others not taken traning. But,

Alexander (1985) suggests that involved employees have insufficient capabilities to perform their jobs, lower-level employees are inadequately trained, and departmental managers provide inadequate leadership and direction are the most frequent strategy implementation problems in relation to human resource. Insufficient training on all staffs had problems on strategy implementation. Therefore, the strategy communication did not precede based on the theory.

4.4 Capability of Organization in Implementation of Strategy

This section contains questions relating to capability of the organization to implement the strategy. The data was analyzed using percentages, mean and standard deviation. The higher the mean score, the more effective the process had been used in strategy implementation and the lower the mean score, the less effective the process had been used in strategy implementation (Micheal, 2004). Before plans can lead to actual performance strategy implementer insure that the corporation is appropriately organized, programs are adequately staffed and activities are being directed toward the achievement of desired objectives. Beside, NISCO strategy implementation was started before three and half years ago, but till now there are problems seen.

The table 4.5 below described that, the capability of the company, Translating the strategic plan to program plan or action plan, 24.5% and 32% of respondents score strongly disagree and agree respectively;25.2% and 4.8% of respondents score agree and strongly agree respectively; the rest 13.6% score neutral. The other one is, helping financial resources for the plan (have enough budget), 20.4% and 32% of respondents score strongly disagree and agree respectively; 15.6% and 8.2% of respondents score agree and strongly agree respectively; the rest 23.8% score neutral. Enhancing capacity of the expertise were scored 22.4% and 29.3% of respondents score strongly disagree and agree respectively; 19% and 8.2% of respondents scored agree and strongly agree respectively; the remaining 21.1% scored neutral.The other parameter is in placing the required organizational systems and procedures were scored 23.8% strongly disagree, 37.4% disagree, 20.4% neutral, 13.6% agree and 4.8% strongly agree. On the establishing coordination with different departments of organization 24.5% of respondents were strongly disagree, 31.3% of respondents disagree, 19% were neutral, 19.7% of respondents were scored agree and the rest 5.4% of respondents cored strongly agree. In placing the required information technology infrastructure, 19.7% of respondents were strongly disagree, 34% of respondents

disagree, 21.1% were neutral, 19% of respondents were scored agree and the rest 6.1% of respondents cored strongly agree.

The result indicated that the company had not the capacity on translating strategic plan to action. For instance, the company had not enough budgets to accomplish the strategy. The researcher perceived from interview the company had not budget to implement the strategy. But, if the strategy implementation process needed the company will be cover the cost. The other one is the company had problems on enhancing the capacity of experts and in placing the required organizational systems and procedures. The researcher also observed from interview and secondary data that NISCO still did not had break down policies and procedures for implementing the strategy. However, now there is a draft of policies and procedures. The coordination of department scored 55.8% of the respondents said strongly disagree and disagree. This implies that more than half respondents were agree that the capacity of the company to coordinate departments were weak. In addition the researcher observed from experience observation there is a gap that different departments coordinate each other's and knowing their responsibilities. The company capacity about information technology infrastructure 53.7% of the respondents score strongly disagree and disagree. According to NISCO's strategy plan, it had plan to buy new information technology system in the 1st year of strategy period, now the strategy left one and half years but still there is no any actions.

Table 6 Organization program, budget and procedures to implement strategy

Action	Strongly Disagree/%	Disagree/%	Neutral/%	Agree/%	Strongly Agree/%	Mean	Standard Deviation
Translating the strategic plan to	24.5	32.0	13.6	25.2	4.8	2.5400	1.2400

program plan or action plan							
Helping financial resources for the plan (have enough budget)	20.4	32.0	23.8	15.6	8.2	2.5900	1.2090
Enhancing capacity of the expertise	22.4	29.3	21.1	19.0	8.2	2.6100	1.2520
In placing the required organizational systems and procedures	23.8	37.4	20.4	13.6	4.8	2.3800	1.1310
Establishing coordination with different departments	24.5	31.3	19.0	19.7	5.4	2.5000	1.2130
In placing the required IT infrastructure	19.7	34.0	21.1	19.0	6.1	2.5800	1.1820

By using 5 point likert scale, respondents were asked to rate organization capacity to implement the strategy. Enhancing capacity of the expertise being the highest organization capacity to implement the strategy with the mean 2.61 followed by Helping financial resources for the plan (have enough budget), In placing the required IT infrastructure, Translating the strategic plan to program plan or action plan and Establishing coordination with different departments. In placing the required organizational systems and procedures had the least NISCO's capacity to implement the strategy with the mean of 2.38. But, according to Achilleas K, (2013) NISCO's capacity were low in terms of all parameters because Achilleas said that mean from 1.00-1.80 very low, 1.81-2.60 low, 2.61-3.40 average, 3.41-4.20 high and 4.21-5.00 very high. Therefore all parameters mean were vary between low and average. However, the capacity of the organization on implementing the strategy is poor.

The standard deviation of the above table 4.5 vary between 1.131 and 1.252. The highest standard deviation was enhancing capacity of the expertise parameter this shows that individuals' response can deviate from the mean. The lowest standard deviation was in placing the required organizational systems and procedures parameter this leads to come up with individual response cannot deviate from the mean.
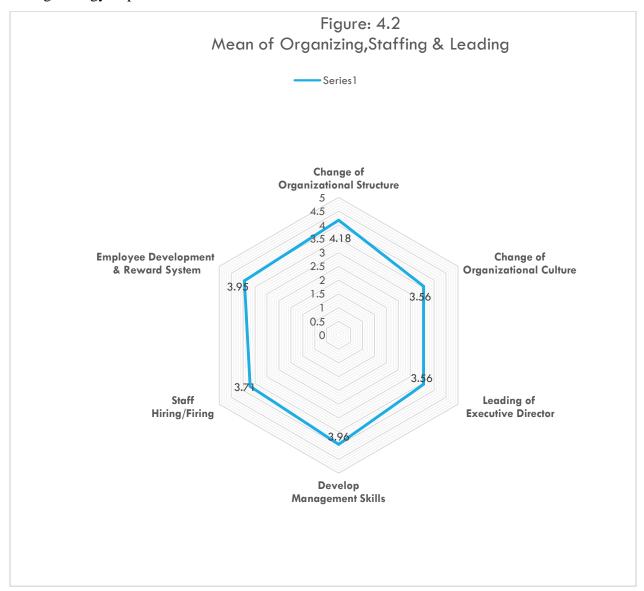
4.5 Organizational factors contributed to strategy implementation

This section contains data collected with rating scales from 1-5 where 1 is the lowest and 5 is the highest point. Data was analyzed with percentages and standard deviation; mean sores also analyzed by figure 4.2 below.

Table 7 Organizational factors contributed to strategy implementation

Factors	Very Low/%	Low/%	Medium/%	High/%	Very High /%	Std. Deviation
Change of Organizational structure	2.0	2.7	15.0	35.4	44.9	.929
Changing Organizational culture	5.4	6.8	32.0	37.4	18.4	1.041
Leading of the Executive Director/CEO	1.4	14.3	31.3	33.3	19.7	1.008
Develop management Skills	3.4	6.1	17.0	38.1	35.4	1.039
Staff hiring/firing	7.5	8.2	19.7	35.4	29.3	1.189
Employee development and reward system	2.7	7.5	16.3	39.5	34.0	1.026

From the above table, only 80.3% of NISCO's staff believe that change of organizational structure had high contribution for strategy implementation; 15% of respondents said it had medium contribution and 4.7% said had low contribution. Therefore change of organizational structure had the first highest contributor for strategy implementation. Next to that both employee development and reward system and develop management skills had 73.5% of high contribution, 10.2% and 9.5% low contribution, 16.3% and 17% medium contribution respectively. Hence, employee development and reward system and develop management skills also had the next highest contribution to NISCO's strategy implementation. Staff hiring and/or firing also the highest percentage that 64.7% respondents said had contributed for implementation; 15.7% were had low contribution and 19.7% were had medium contribution. Changing organizational culture and leading of the executive director/CEO had 55.8% and 53% high contribution respectively. Again 32% for changing organizational culture and 31.3% for leading of theexecutive director/CEO had medium contribution; the rest 12.2% and 15.7% had low contribution respectively. Consistence to this, different writers thought that the above factors are the highest contributors for successful strategy implementation. This implies that the staff agree that the above factors are important to strategy implementation. However, NISCO did not

appropriately apply the theory of how organizing, staffing and leading company and employees during strategy implementation.

Figure: 4.2
Mean of Organizing, Staffing & Leading

The above figure 4.2 shows that the mean of respondents to rate organizational factors that have contributed to the success of strategy implementation. Respondents rated changing organizational structures being the first highest success factor with the mean 4.18 followed by develop management skills and employee development and reward system having mean value 3.96 and 3.95 respectively. Leadership of the executive director and changing organizational culture were score highest mean of 3.56. Staff hiring or firing had the least contribution to successful strategy implementation with the mean of 3.71.

The standard deviation of the above table 4.6 vary between 0.929 and 1.189. The highest standard deviation was staff hiring and/or firing this shows that individuals' response can deviate by 1.189 from the mean. This implies individual's response can deviate more than 1 value. The lowest standard deviation was in placing the change of organizational structure parameter this leads to come up with individual response cannot deviate from the mean.

4.5.1 NISCO'S PERSPECTIVE ABOUT ORGANIZING, STAFFING AND LEADING

During strategy implementation one company needed to consider organizing, staffing and leading the organization. Accordingly, NISCO also change organizational structure (organizing) but, on staffing and leading the organization had a gap. According to new strategy plan of NISCO, the organization is properly structured by usingbalanced scorecard (BSC) model. The researcher also found from experience observation the company had a gap on staffing and leading of the organization. Because, in the corporate strategythere were developed new products and services, enhance existing, develop NISCO's financial, physical and intellectual resources, development and utilization of cutting edge ICT, upgrade staff competence and professionalism and motivate and empower employees to implement strategy were not implementing. In addition, staffs is not motivated and satisfied because new directives are implementing like staff reward and growth are differ from their first experience. As a result demotivation and staff turnover occurred.

4.6 Strategy Implementation Challenges

In this sub topic the researcher intends to identify major strategy implementation challenges faced by NISCOs. The questionnaire lists fifteen implementation problems that NISCOs might face. With the use of five point likert scale rating, respondents were asked to rank problems as they always face, frequently face, occasionally face, rarely face and never face. According to Abdifatah Mohamed (2013) scale problems having mean score of more than 3.00 were major problems while those having mean score between 2.50 – 2.99 were moderate problems, and obstacles with mean score of 2.00 – 2.49 were minor problems. Problems having mean score of less than 2.00 were grouped as the least implementation challenges. The data was analyzed using percentages, mean scores and standard deviation. The higher the mean score interprets the more

severity of the problem in strategy implementation and the lower the mean score the less severity of the problem in strategy implementation.

From the table 4.7below74.1% respondents found unanticipated market change was strategy implementation problem. Hence, 25.9% did not consider as implementation problem. The mean score was 2.46so the parameter have minor problem for implementation. Lack of senior management (CEO) support was the major problem with 99.3% respondents were approved, only 0.7% of respondents did not found that lack of senior management (CEO) support was a problem. Having the highest mean score of 3.3. Raising financial resources in order to achievestrategic objectives is important for implementation; 97% of the respondents identified insufficient financial resources as a major problem while 2.7% are not a problem and has a mean of 3.73. Fallers of buy-in, understanding, communication and alignment of information resources with the strategy also the major problem for implementation having a mean 3.78. For fallers of buy-in, understanding, communication 100% of respondents accept as major problem and for alignment of information resources with the strategy 95.9% accept as a major problem only 4.1% reject.

Timeliness and distinctiveness, lack of focus, checklist for successful implementation, align organizational design and capabilities with the strategy and involve managers in the strategy development process also the major problems. Because more than 90% of respondents were selected as the obstacle for implementation; with mean score 3.31, 3.00, 3.68, 3.09 and 3.04 respectively. Hence, the challenges have major problem for successful strategy implementation. The other one is monitoring and accountability and action planning and budgeting were the major problems with the fist and the second mean score of 3.89 and 3.81 respectively.

The rest bad strategy-poorly conceived business models respondents were asked so 74.9% stated as a problem the remaining 25.1% not a problem. Since the mean is 2.22, it is minor problem for implementation.When the researcher observed from questioner potential competitors reaction role in the implementation, 22.4% indicated that competitors did not play active role in the implementation as a major issue while 77.6% as a moderate problem,. It has a mean 2.59 and it was ranked as moderate problem.Finally, the respondents said that consistent and persistent

communication have 78.8% problem for implementation and 21.1% respondents said have not a problem having mean value 2.88 which is moderate problem.

The researcher found data from the top management and strategy and change management staff. The challenges in strategic implementation are making appropriate team formulated and managed formulated team, knowledge gap within the formulated team, time challenge, change management resistance, automation, lack of management staff/professionals and many more are challenges on the implementation of the strategy.

The standard deviation of the table 4.7 below vary between 0.947 and 1.238. The highest standard deviation was Consider potential competitor reactions to the strategy this shows that individuals' response can deviate from the mean.The lowest standard deviation was Lack of senior management (CEO) support this leads to come up with individual response cannot deviate from the mean.

Table 8 Challenges of strategy implementation

Challenges	Never/%	Rarely/%	Occasionally/%	Frequently/%	Always/%	Mean	Standard deviation
Unanticipated market changes	25.9	29.3	24.5	14.3	6.1	2.46	1.195
Lack of senior management (CEO) support	0.7	21.1	36.7	30.6	10.9	3.30	0.947
Application of insufficient resources	2.7	10.2	27.2	30.6	29.3	3.73	1.075
Failures of buy-in, understanding, and/or communication	0	10.9	27.2	34.7	27.2	3.78	0.969
Timeliness and distinctiveness	2	23.1	25.9	40.1	8.8	3.31	0.990
Lack of focus	10.9	18.4	38.8	23.8	8.2	3.00	1.092
Bad strategy – poorly conceived business models	25.2	40.8	25.2	4.1	4.8	2.22	1.026
Checklist for successful implementation	5.4	6.8	29.3	31.3	27.2	3.68	1.110

Align organizational design and capabilities with the strategy	7.5	21.1	36.7	24.5	10.2	3.09	1.079
Consider potential competitor reactions to the strategy	22.4	27.9	28.6	10.9	10.2	2.59	1.238
Involve managers in the strategy development process	7.5	23.8	35.4	23.8	9.5	3.04	1.078
Consistent and persistent communication	21.1	24.5	15.6	23.1	15.6	2.88	1.394
Action planning and budgeting	2.7	9.5	22.4	34.7	30.6	3.81	1.062
Monitoring and accountability	.7	8.2	23.1	37.4	30.6	3.89	0.959
Alignment of information resources with the strategy	4.1	6.1	26.5	34	29.3	3.78	1.063

4.7 Discussion

The objective of the study was to assess the strategy implementation at Nyala insurance S.C.was carried out and experience observation, interview and questionnaires were completed. The sample size of the study was 150 individuals for questioner, 7 individuals for interview. Out of 150 individuals 147 were responded the questionnaire and 4 interviewee were founded. Individuals did not fill the questionnaire and top management were absence excluded from the analysis. Findings showed that the researcher try to address all group of employee that had different work experience in NISCO and all branch managers and majority of officers were responded the questioner. In addition most of NISCO's work force are adults from them number of male respondents were greater than female. Also most of NISCO's staff were degree holder.

Findings from the data analysis indicate that different departments and branches did not had strategy policy that they follow up weather they are right or wrong during implementing the strategy. In addition, 43.5% respondents were not understand the strategy this shows that most of the officers and senior officers are not understand the strategy. It indicate that lower level staffs are not understand the strategy due to their low level position. Top management not willing to

predicate the low staff in strategy implementation. Contrarily, to this 52.9% branch managers fully understand the strategy. This seems that there is a gap in knowing their job description between departments. All information collected from survey and interview indicate that large number of employees did not know (understand) the strategy.

Also, the study found that majority ofnon-management staff which were 85.7% did not participate in strategy implementation process. In addition, during strategy formulation one person from every function, top management and selected five branch managers were participated. Even the selected branch manager's participation were only environment analysis. They were not participate on strategy formulation, strategy implementation andstrategy evaluation and control process. The study also found that, no one participate in the strategy implementation process except CEO and top level management. Therefore, the non-management staff did not participate in the strategy implementation.Viseras, Baines, and Sweeney (2005) findings indicate that strategy implementation success depends crucially on the human or people side of project management, and less on organization and systems related factors.

The study found that 64.6% respondents were not know the strategy implementation policies. As the researcher observed from interview still NISCO had not strategy implementation policies but, now the strategy and change management department prepare a draft of strategy implementation policies. This data show that some confusion between the top management and staff. Because the company still did not had implementation policies but 35.4% of respondent were said that they know the implementation policies. Which means some staffs got miss understanding about the implementation policies. Therefore, the company did not had strategy implementation policies up to date but, now the strategy is three and half year old after implementing the strategy.

Furthermore, it was found that 68% or 100 respondents were not believe that NISCO implement the strategy appropriately. The reason behind were lack of focus, lack of consistent communication, lack action plan and budgeting, poor controlling system, organizational politics, lack of ownership etc. The researcher also found that once the strategy implemented there is no any dedicated person that control whether the strategy going on plan or not. Therefore, NISCO's strategy are not implementing in appropriate way. In addition, 68.7% or 101 respondents did not

taken training before implementing the strategy. This data shows that large number of employee did not taken training before implementing the strategy. However, Alexander (1985) points out that communication is mentioned more frequently than any other single item promoting successful strategy implementation. The content of such communications includes clearly explaining what new responsibilities, tasks, and duties need to be performed by the affected employees. It also includes the why behind changed job activities, and more fundamentally the reasons why the new strategic decision was made firstly. Contrary to this theory the researcher found that CEO call a 3 hours meeting for briefing the strategy implementation. During the meeting time some branch managers, counted senior officers, little officers where participated. But, the up country staff and absent Addis Ababa's staff were communicated through internal memorandum. Some staffs that had direct relation to the strategy implementation were communicated through training. But, Alexander (1985) suggests that involved employees have insufficient capabilities to perform their jobs, lower-level employees are inadequately trained, and departmental managers provide inadequate leadership and direction are the most frequent strategy implementation problems in relation to human resource. Insufficient training on all staffs had problems on strategy implementation. Therefore, the strategy communication did not precede based on the theory.

The result also indicated that the company had not the capacity on translating strategic plan to action. For instance, the company had not enough budgets to accomplish the strategy. Even the company had not budget to implement the strategy. But, if the strategy implementation process needed the company will be cover the cost. The other one is the company had problems on enhancing the capacity of experts and in placing the required organizational systems and procedures. The researcher found that NISCO still did not had break down policies and procedures for implementing the strategy. However, now there is draft policies and procedures. The coordination of department scored 55.8% of the respondents said strongly disagree and disagree. This implies that more than half respondents were not agree that the capacity of the company to coordinate departments. In addition there are gaps between different departments on coordinateion and knowing their responsibilities. The company capacity about information technology infrastructure 53.7% of the respondents score strongly disagree and disagree. According to NISCO's strategy plan, it had plan to buy new information technology system in

the 1st year of strategy period, now the strategy left one and half years but still there is no any actions.

Furthermore, it was found that NISCOs rated changing organizational structures as the most important factors that contributed to the successful strategy implementations. Develop management skills and employee development and reward systemhave also contributed to the strategy implementation success. Lastly, leadership of the executive director and changing organizational culture were good contributor. However, staff hiring and/or firing had the least contribution to successful strategy implementation.

During strategy implementation one company needed to consider organizing, staffing and leading the organization. Accordingly, NISCO also change organizational structure (organizing) but, on staffing and leading, the organization had a gap. The organization is properly structured by usingbalanced scorecard (BSC) model. The researcher also found that the company had a gap on staffing and leading of the organization. Because, in the corporate strategythere were develop new products and services; enhance existing, develop NISCO's financial, physical and intellectual resources; development and utilization of cutting edge ICT; upgrade staff competence and professionalism and motivate and empower employees to implement strategy were not implementing. In addition, staffs is not motivated and satisfied because new directives are implementing like staff reward and growth are differ from their first experience. As a result demotivation and staff turnover occurred.

The study findings have organized strategy implementation challenges into three groups; major problems, moderate challenges, and minor obstacles (Abdifatah M, 2013). Eleven major problems were identified in the study. These were lack of focus, checklist for successful implementation, align organizational design and capabilities with the strategy, involve managers in the strategy development process, monitoring and accountability, action planning and budgeting, alignment of information resources with the strategy, timeliness and distinctiveness, failures of buy-in, understanding, and/or communication, application of insufficient resources and lack of senior management (CEO) support. In addition two moderate problems were identified, this includes consider potential competitors reactions to the strategy and consistent

and persistent communication. The rest bad strategy-poorly conceived business models and unanticipated market changes were minor problems.

CHAPTER FIVE
CONCLUSION AND RECOMMENATIONS
INTRODUCTION

The chapter deals about gave conclusion and recommendation to the objective of the research. And proposed further studies related to the title. Finally, limitations of the study were discussed.

5.1Conclusion

The objective of the study was to assess the strategy implementation at Nyala insurance S.C. The study concluded that different departments and branches did not had strategy policies. In addition, lower level staffs are not understand the strategy rather some branch managers and all top management fully understand the strategy. Also, the study found that non-management staff did not participate in strategy implementation process. Furthermore, only five branch managers were participated on environmental analysis.The company did not had strategy implementation policy up to date but, now the strategy is three and half year old after implementing. Furthermore, due to lack of focus, lack of consistent communication, lack action plan and budgeting, poor controlling system, organizational politics, lack of ownership etc. NISCO did not implement the strategy appropriately. In addition, large number of employee did not taken training before implementing the strategy.

Moreover, the company had not the capacity on translating strategic plan to action. Even the company had not budget to implement the strategy. The company also had problems on enhancing the capacity of experts and in placing the required organizational systems and procedures. NISCO still did not had break down policy and procedures for implementing the strategy. However, now there is a draft of policy and procedures. The company also had problem on the capacity of coordinate departments and information technology infrastructure.

Besides, NISCOs staff believed that changing organizational structures as the most important factors that contributed to the successful strategy implementations followed by Develop management skills ,employee development and reward system, leadership of the executive director and changing organizational culture.However, staff hiring and/or firing had the least contribution to successful strategy implementation. Contrary to this the company had a gap on staffing and leading of the organization as a result demotivation and staff turnover occurred.

Considering strategy implementation challenge eleven major problems that were identified in the study includelack of focus, checklist for successful implementation, align organizational design and capabilities with the strategy, involve managers in the strategy development process, monitoring and accountability, action planning and budgeting, alignment of information resources with the strategy, timeliness and distinctiveness, failures of buy-in, understanding, and/or communication, application of insufficient resources and lack of senior management (CEO) support. In addition two moderate problems were identified, this were consider potential competitors reactions to the strategy and consistent and persistent communication. The rest bad strategy-poorly conceived business models and unanticipated market changes were minor problems on strategy implementation process.

5.2 Recommendations

❖ The researcher recommends NISCO have to approve the draft policy as match as possible time. By using the corporate strategy they have to break down each works in terms of different department and positions, prepare job description for each job grade.

❖ NISCO have to give continues tanning like how to manage implementation problem. Especially, for non-management staff. Because if lower level staffs may fully understand the strategy, they help the company to implement the strategy successfully. Since the staff fully understand the strategy they fill sense of ownership.

❖ The researcher recommend NISCO should be participate all stakeholders (non-management staff) in the strategy implementation process. Even if implementation

process left one and half year, it is better participating the whole stakeholders. If all staffs participated, their willingness to accept the change is high.

❖ The researcher also recommend NISCO have to increase the capacity of translating strategic plan to action, coordinate departments and adopting information technology infrastructure. This all develop by using expertise, check list, discussion with staff and buying ICT. Otherwise the company will not achieve the five year objective.

❖ The company is not still have program, procedure and budget to implement the corporate strategy. According toJohn Sterling, (2003) one of the reason that strategies fail are allocation of budget. So they have to allocate a budget to achieve the strategy effectively. And they have to prepare programs and procedures that help them how to run the strategy.

❖ It is supportive that the company properly organize the structure but, still there is a gap on staffing and leading. Since staffing and leading is the base for strategy implementation NISCO should consider the two variables. By giving attention to the staff, giving a reward and growth for staffs. Using employee friendly communication ways, build sense of ownership among the staff, participate the staff in different implementation process, and preparing get together.

❖ Also, the researcher recommends that NISCO have to find solutions for identified major Implementation obstacles. Like preparing budget, develop communication ways

5.3 Limitations of the Study

The study was limited to up country branches and could not givea general picture of implementation problems and challenges faced by up country staffs/ branches and contact offices. Other constraint CEO was out of country and busy top managements and service that required frequent follow ups and visits which obliged the researcher to extend the allocated time

for the questionnaire and that iswhy the response rate is high enough. Moreover, traveling cost for data collection was also another challenge.

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ANNEX

St. Merry University
School of Graduate Studies

Questionnaire:

My name is NigatMengesha. I am the staff of NISCO and currently studying for master

of Business Administration and Project Management at St. Mary's University. As partial fulfillment of theprogram, I am undertaking a research project entitled "Assessmentof Strategy Implementation at NISCO."This questionnaire dispatched to you in order to assess NISCO experience and also your personal views and feelings on the implementation of strategy in NISCO. Your responses to the specified questions in this instrument shall provide the study with thechance to generate balanced and objective findings on the subject matter. The response to this questionnaire intended only for academic purpose; your anonymity shall bemaintained; and that the output of the study will not be used for other purpose.

Instruction

Please put a tick (✔) mark on the answer of your choice and finally provide additional views and opinions on the overall practice ofstrategy implementation in NISCO.

Thank you in advance!!

Part I.

Personal Information of the Respondent

1 Sex: Male ☐   Female ☐

2 Age Range in Year: Below 30 ☐ From 31-40 ☐ Above 41 ☐

3 Work Experience in NISCO:

1-5 years ☐ 5-10 Years ☐ 11-15years ☐ Above 16 Years ☐

4   Academic status: Diploma ☐Degree☐Masters ☐PhD ☐

5   Position in NISCO: Branch Manager☐Service Manager☐ Senior Staff ☐   Officer☐

Part II.

A. Strategy Implementation Proses.

1. How do you understand NISCOs' Strategy?

Fully Understand ☐Moderately Understand ☐Neutral☐Not Understand ☐

2. Do you participate in NISCO's strategy implementation?Yes ☐No ☐

3. If your answer is "Yes" in question No.2 How?

_____

_____

_____.

4. Do you know strategy implementation policy?Yes ☐No ☐

5. Does the organization implement the strategy appropriately? Yes ☐No ☐

6. If your answer is "No" in question No.6 explains?

_____

_____

_____.

7. How does NISCO communicate you about the strategy?

By meeting ☐By training ☐   By internal memo☐ All ☐   No communication ☐

8. Do you take training before implementing the strategy?Yes ☐No ☐

B. Participation of Stakeholders

9. Would you please rate on scale of 1 to 5 where 1 is the lowest and 5 is the highest.

Action	Very low	Low	Medium	High	Very high
Change of organizational structure					
Changing organizational culture					
Leading of the Executive Director/CEO					
Develop management Skills					
Staff hiring/firing					
Employee development and reward system					

10. How do you rate the capability of the organization in the implementation of the strategy?

Action	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Translating the strategic plan to program plan or action plan					
Helping financial resources for the plan (have enough budget)					
Enhancing capacity of the expertise					
In placing the required organizational systems and procedures					
Establishing coordination with different departments					
In placing the required Information Technology infrastructure.					

C. Strategy Implementation Challenges

11. Please evaluate the extent to which the following problems influenced the implementation of the strategy decision. Please use the five-point scale as shown.

Action	Never	Rarely	Occasionally	Frequently	Always

Unanticipated market changes					
Lack of senior management (CEO) support					
Application of insufficient resources					
Failures of buy-in, understanding, and/or communication					
Timeliness and distinctiveness					
Lack of focus					
Bad strategy – poorly conceived business models					
Checklist for successful implementation					
Align organizational design and capabilities with the strategy					
Consider potential competitor reactions to the strategy					
Involve managers in the strategy development process					
Consistent and persistent communication					
Action planning and budgeting					
Monitoring and accountability					
Alignment of information resources with the strategy					

15. Comment/ Remark on the overall practice of strategy implementation process in NISCO.

_____

_____

_____

_____

_____

_____

<p align="center">**Interview Guiding Questions**</p>

Dear Sir/ Madam

My name is NigatMengesha I am the staff of NISCO and currently studying for

master of Business Administration and Project Management at St. Mary's University. As partial fulfillmentof the program, I am undertaking a research project entitled "Assessment of Strategy Implementation atNyala Insurance S.C." this thesis is my final paper forgraduation. I am conducting this interview to get deeper understanding on the topic. So fara questionnaire is developed and distributed for different NISCO branches and head office.The interview is additional information gathering methods which will help me to getdifferent opinions and views on the topic and you are selected as a key informant, whoknows the sector well while your involvement in the sector. Therefore, your unreservedsupport and honest views/opinions are valuable for the quality of the work. Theinformation you are providing is used only for academic purpose hence, your anonymityshall be maintained that the output of the interview shall be used only for this study.

Question No. 1

What is your experience on the strategy Implementation in the Insurance sector? How do

Insurance companies organizing, Staffing and leading their strategy implementation? Who are involved in strategy implementation?

Question No. 2

What challenge NISCO facing when they engage on strategy implementation, which one

is the most challenging factors (prioritize them) and why, how shall they overcome or reduce these challenges , etc

Question No.3

Did the company have detailed programs, Budgets and procedures to accomplish the corporate strategy?

Question No. 4

Do you have any additional points, remarks, suggestions, etc on the overall practice ofStrategy implementation on NISCO?