



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

ASSESSMENT OF STRATEGY IMPLEMENTATION PROCESS :

THE CASE STUDY OF DEFENSE CONSTRUCTION ENTERPRISE

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION**

Submitted by: TEKLEGIORGIS YEHDEGO (ID=SGS/0273/2005B)

ADVISOR: MATIWOS ENSERMU (PhD)

JUNE/2016

ADDIS ABABA, ETHIOPIA

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Declaration

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Matiwos Ensermu (PhD). All sources of material used for thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any higher learning institutions for the purpose of earning any degree.

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St.Marys University, Addis Ababa

JUNE, 2016

Endorsement

This thesis has been submitted to St. Mary's university, school of Graduate studies for Examination with my approval as a university advisor.

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JUNE, 2016

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Abstract

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives. Organizations seem to have difficulties in implementing their strategies. The construction industry is the engine of infrastructure development in the country. The industry has experienced substantial growth since 2005. Despite such growth, major construction works in Ethiopia have been undertaken by foreign firms due to lack of adequate local capacity in the industry. In the context of this study, the fact that these construction industries have strived from various stages alongside the adoption of various organizational strategies indicates that it has not been easy to achieve optimum strategy implementation. None of the known local studies has ever focused on strategy implementation in construction industries. Given the importance of these processes, this study therefore sought to fill the gap by assess the implementation of strategic decision in a case of Defense Construction Enterprise. The study sought to achieve the following specific objectives: To assess the effects of strategy implementation, commitment of the top level management, organizational culture, coordination of activities communication on strategy implementation; effect of coordination of activities and the effect of organizational culture on strategy implementation at Defense Construction Enterprise in Ethiopia. For the purposes of this study, the researcher employed descriptive research design. This research was conducted through a case study since it is a research on one organization. The researcher used both primary and secondary data. Primary data was collected using self-administered questionnaire while secondary data was collected by use of desk search techniques from published reports and other documents. The respondents of this study were the employees at Defense Construction Enterprise are at top level managers, middle level managers, lower level managers, and project managers. Quantitative data collected was analyzed by the use of descriptive statistics using SPSS and presented through percentages, means, standard deviations and frequencies. A total of 67 questionnaires were distributed to target sample. The study collected data from 62 respondents which constituted response rate of 92.5 % which was adequate for the study findings. The information was displayed by use of bar charts, graphs and pie charts. The study established that Organization culture influences adherence to organizational vision, mission and values thus steering the implementation of organizational strategy in the construction industry; strategy implementation requires a strong alignment between employee attitudes and strategic goals and objectives. The study established that commitment of top level management influence strategy implementation in the construction industry it revealed that while management's commitment is a positive signal for organization to enhance strategy implementation firms in construction industry. The study established that communication is a key success factor in strategy implementation. Communication processes should be planned to match requirements for a strategy to be implemented.

Key terms: Strategy, Strategic Management, Strategy Implementation

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List of Abbreviations

<i>GDP</i>	<i>Gross Domestic Product</i>
<i>NEASE</i>	<i>National Economic Accounts Statistics of Ethiopia</i>
<i>CEO</i>	<i>Chief Executive Office</i>
<i>DCE</i>	<i>Defense Construction Enterprise</i>
<i>BC</i>	<i>Building contractor</i>
<i>RC</i>	<i>Road contractor</i>
<i>GC</i>	<i>General contractor</i>
<i>SWOT</i>	<i>Strength, Weakness, Opportunity and Treat</i>
<i>SPSS</i>	<i>Statistical Package for Social Science</i>
<i>SD</i>	<i>Standard Deviation</i>

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CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

Strategic management is the process undertaken to develop a range of steps and activities that will contribute to achieving the organizational goals and objectives. Strategic management is a management tool used to turn organizational dreams into reality. Strategic management attempts to systematize the processes that enable management process that enable an organization to attain its set goals and objectives. The strategic-management process consists of three stages: strategy formulation, strategy implementation, and strategy evaluation. (Gachie., 2011).

The value of any strategy and its potential contributions include increasing productivity, reducing costs, growing profits, and improving service or product quality (DeWit& Meyer, 2004). Implementing strategy would thus be perceived as being about allocating resources and changing organizational structure. The implementation process involves the collective wisdom, knowledge, and even subconscious minds of the collaborators. This powerful phenomenon is becoming a requirement to effectively compete in today's global marketplace.

According to Fiegner, (2005), implementing strategies successfully is vital for any organization, either public or private. Without implementation, even the most superior strategy is useless. The notion of strategy implementation might at first seem quite straightforward: the strategy is formulated and then it is implemented. Implementing would thus be perceived as being about allocating resources and changing organizational structure. However, transforming strategies into action is a far more complex and difficult task. It is believed that in reality some strategies are planned and some strategies just emerge from the actions and decisions of organizational members. Planned strategy and realized or emergent strategies evolve hand-in-hand and affect each other in the process of strategy implementation, where strategies are communicated, interpreted, adopted and enacted (Noble, 2006). Implementing strategies successfully is about matching the planned and the realized strategies to reach the organizational vision.

Strategy Implementation

Strategy implementation involves organization of the firm's resources and motivation of the staff to achieve objectives. The environmental conditions facing many firms have changed rapidly. Today's global competitive environment is complex, dynamic, and largely unpredictable. To deal with this unprecedented level of change, a lot of thinking has gone into strategy formulation. Strategic management is about managing the future, and effective strategy formulation is crucial, as it directs the attention and actions of an organization. The assessment of strategy formulation processes becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes. (Gachie., 2011).

In recent years' organizations have sought to create greater organizational flexibility in responding to environmental turbulence by moving away from hierarchical structures to more modular forms (Balogun& Johnson, 2004). Responsibility, resources and power in firms has been the subject of decentralization and delayering. Given an intensifying competitive environment, it is regularly asserted that the critical determinant in the success and, doubtlessly, the survival of the firm is the successful implementation of marketing strategies (Chebat, 2006). The role and tasks of those employees charged with strategy implementation duties, the mid-level managers, in these new restructured organizations is under scrutiny.

The construction industry is the engine of infrastructure development in the country. The industry has experienced substantial growth and has been registering an average of 11.5% of the gross domestic product (GDP) in Ethiopia (NEASE, Estimate of the 2010/2011 base year series. Despite such growth, major construction works in Ethiopia have been undertaken by foreign firms particularly by Chinese companies due to lack of adequate local capacity in the industry. It is believed and noted that the industry is currently characterized by fragmentation and lacking in scale, skills and organizational capacity. It is further noted that it is unable to exploit construction opportunities in the expanding regional markets.

The fast growth of the construction industry resulted in increasing number of contractors joining the industry. During the period 2000 up to 2008, the number of contractors

increased by 1.9%. Consequently, there are 7259 numbers of BC/RC/GC registered contractors for 2014/15 budget year, according to the Ministry of Urban Development, Housing and Construction of Industry Development and Regulatory Bureau. Where the numbers of larger contractors up to level three are: 263 BC1/RC1/GC1; 73 BC2/RC2/GC2; 163 BC3/RC3/GC3

Defense Construction Enterprise

Defense Construction Enterprise was established in 2010 by Ethiopian ministry of council regulation NO 185/2010 as public enterprise and national defense as supervising authority of the enterprise.

The purpose for which the enterprise is established is to engage in any construction activity mainly to satisfy the national defense construction and infrastructural development needs. Beside, to engage in the construction of roads, dams, irrigation infrastructure, Buildings and other construction related works in the country.

Henceforth it establishment, the enterprise had completed 20 roads, dam, irrigation, building and real estate projects which worth around birr 4 billion in the last five years. Currently, there are 21 construction projects under construction which worth around 8.1 billion. The enterprise annual income turnover is around 1.7 billion on average for the last three years.

In the strategic plan 2013 – 2016, with the objective to achieve sustainable competitive advantage (sustainable growth in revenue and profitability) in the construction business of the country, the enterprise has identified certain key areas to improve such as improving the project management operating system, human resource management system, establishes modernize construction equipment management, modernize financial management operating system ,and establish integrated construction input procurement and administration. In accordance with this, the study will attempt to assess the implementation of strategic management and challenges that have been encountered in the last three years.

1.2. Statement of the Problem

The need for a sound business strategy plan is the primary steps for successful business managers and due to the importance of strategic plan most business managers are invest significant time, effort, and money in strategy plan formulation. But the real value of strategic plan can only be recognized through execution - the ability to execute strategy is more important than the quality of the strategy plan itself (Kaplan & Norton, 2001; Martin, 2010). Most companies have the know-how and insight to create the right strategic plan but how well it is executed is another crucial matter. The pace of change itself poses many obstacles to successful strategic plan execution - often before the planning process is even finished, that well-crafted plan could be obsolete. More importantly, many companies lack the tools for turning strategic plan into an execution process that guarantees accountability and yet is adaptable to change (Kaplan & Norton, 2001).

According to Miller (2002) organizations fail to implement about 70 per cent of their new strategies. A recent study is a bit less alarming; it says 40 per cent of the value anticipated in strategic plan is never realized (Olson, Slater, & Hult, 2005). Evidence keeps piling of how barriers to strategy implementation make it so difficult for organizations to achieve sustainable success. This has been true for defense construction enterprise since the implementation of the strategy implementation in 2013 as there has been no substantial improvement in profitability, revenue turnover, acquiring new projects through competitive bid, project management, effective contract management, construction equipment management, employee turnover and construction input supply chain.

Several studies have been done on the strategies that the construction industries have employed over time (Noble, 2006 and Bourgeois & Brodwin, 2001). However, to the level of my knowledge, no known study has been done to explore and assess the commitment of the top level management, the communication of strategy, the coordination of activities and the organizational culture on strategy implementation in the construction industry in Ethiopia.

In the context of this study, the fact that defense construction enterprise has strived from various stages alongside the adoption of various organizational strategies indicates that it has not been easy to achieve optimum strategy implementation. There is, therefore, the need to research on strategy implementation process at defense construction enterprise a reason which is expected to contribute to the researcher's interest in conducting the study. Given the importance of this process, this study therefore is sought to fill the gap by assessing the strategy implementation process as to what extent does strategy implementation is effective to achieve the enterprise goal and objectives, the extent to which organizational culture affect strategy implementation, to what extent does the level of commitment of top management in strategy implementation, to that extent does communication affect strategy implementation, to what extent does coordination of activities affect strategy implementation, and explore the implementation of strategy in defense construction enterprise.

1.3. Research Questions

The study answered the following research questions: -

- To what extent does strategy implementation effective to achieve the enterprise goal and objectives?
- What is the extent to which organizational culture affect strategy implementation?
- To what extent does the level of commitment of top management in strategy implementation?
- To What extent does communication affect strategy implementation?
- To what extent does coordination of activities affect strategy implementation?

1.4. Objective of the study

1.4.1. General objective

- The general objective of this study is to assess the strategy implementation process and obstacles at defense construction enterprise.

1.4.2. Specific objective

- To assess the effectiveness of strategy implementation in the organization.
- To assess organizational culture on strategy implementation.
- To assess commitment of the top level management on strategy implementation.
- To assess communication on strategy implementation.
- To assess coordination of activities on strategy implementation.
- To explore the implementation of strategy implementation.

1.5. Scope of the Study

The research would be homogenous in nature. The researcher believes that it would be appropriate to conduct the study in large scale. However, the limited time and other resources do not allow doing so. Hence, the study was confined only to Defense Construction Enterprise.

1.6. Limitations of the Study

The conceptual scope of the study was limited to examine the extent to which the strategy implementation process is undertaken in single construction company. As a project is intended to get an in depth investigation of strategy implementation in a single company, the result cannot be recommended to other industry with in different situations.

1.7. Assumptions of the Study

The study was based on the assumption that all respondents were honest, cooperative and provide reliable responses.

1.8. Significance of the Study

The study is important to defense construction enterprise managers and also for other managers in other construction companies in that it would help them understand the challenges of strategy implementation and how to overcome them. It is expected to provide information on the strategies applied in management and how they influence the performance and long-term success of the organization. To future researchers and academicians, the study will be important in the suggestion of areas requiring further research to build on the topic of strategy implementation among the construction firms in Ethiopia. In addition, the findings of this study will be important source of reference for future scholars and researchers.

CHAPTER TWO: LITERATURE REVIEW

2.4. Introduction

This chapter presents a review of the related literature on strategy and strategy implementation challenges presented by various researchers, scholars, analysts and authors.

2.2. Theoretical foundation

2.1.1. Definition of Strategy

The word strategy has entered the field of management more recently. At first, the word was used in terms of Military Science to mean what a manager does to offset actual or potential actions of competitors. The word is still being used in the same sense, though by few only. Originally, the word strategy has been derived from Greek ‘Strategos’, which means generalship. The word strategy, therefore, means the art of the general. When the term strategy is used in military sense, it refers to action that can be taken in the light of action taken by opposite party Ikåvalko, H. (2002).

According to Oxford Dictionary, ‘military strategy is the art of so moving or disposing the instruments of warfare (troops, ships, aircrafts, missiles, etc.) as to impose upon the enemy, the place, time and conditions for fighting by oneself. Strategy ends, or yields to tactics when actual contact with enemy is made’.

In management, the concept of strategy is taken in slightly different form as compared to its usage in military form; it is taken more broadly. However, in this form, various experts do not agree about the precise scope of strategy. Lack of unanimity has resulted into two broad categories of definitions: strategy as action inclusive of objective setting and strategy as action exclusive of objective setting. Let us see some definitions in these two categories in order to conceptualize strategy properly. You must have heard about the term strategy, let us discuss what it means: First of all, you need to look at the different

views and opinions expressed by leading thinkers in the field of business strategy (Alexander, (2003).

2.1.2. Strategic Management

According to Bhalla et al., strategic management was born as a hybrid discipline, influenced by both sociology and economics. It may be considered an evolution of theories of organizations. It only began receiving more attention, from both the academic and the business worlds, in the 1950s, with its development fully underway in the 1960s and 1970s (Hitt, Ireland, and Hoskisson, 2011)

According to Porth, strategic management emerged as part of strategic planning, which is now regarded as one of its main instruments. It was incorporated into strategic management, which united planning and management in the same process. On the other hand, Stead and Stead stated that strategic management is derived from the concept of enterprise policy. This concept explains the organization as a system in which economic resources are applied effectively with the company's functional activities coordinated around generating profit. Once founded, strategic management expanded swiftly and produced both theoretical and practical models Lares-Mankki, (2006).

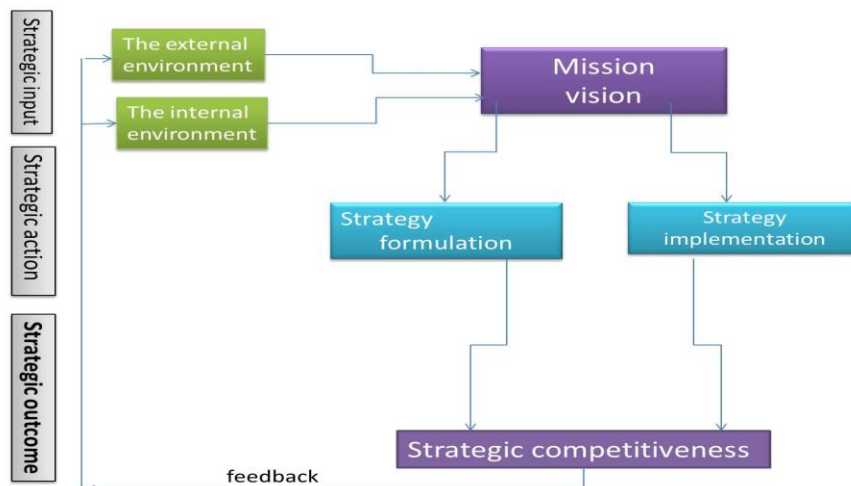
A broad range of models emerged out of market analysis in the 1960s, including the BCG Matrix, SWOT Model, the Experience Curve, and Portfolio Analysis, as well as important concepts such as the economic analysis of structure, behavior and performance, distinctive competences, skills, and the so-called strategic planning systems. Currently, strategic management is one of the most prominent and relevant areas in the management field. It constitutes a set of management actions that enable company managers to keep it aligned with its environment and on the correct path of development, thereby bringing about the achievement of its objectives and its mission.

Despite its importance, Boyd et al. demonstrate that strategic management has many attributes of a still immature field of study, with little consensus and low levels of productivity. This result furthermore explains the reason there are several definitions for the same concept.

According to Gerry Johnson, Kevan Schools and Richard Whittington, Strategic management includes understanding the strategic position of an organization, strategic choices for the future and managing strategy in action. More generally, strategic management is a broad term that includes determining the mission and objective of the organization in the context of its external and internal environments Marginson, D.E.W. (2002).

2.1.3. Strategic Management Process

The strategic management process is the full set of commitments, decisions, and actions required for a firm to achieve strategic competitiveness and earn above-average returns. The firm’s first step in the process is to analyze its external environment and internal organization to determine its resources, capabilities, and core competencies—the sources of its “strategic inputs.” With this information, the firm develops its vision and mission and formulates one or more strategies. To implement its strategies, the firm takes actions toward achieving strategic competitiveness and above average returns. Effective strategic actions that take place in the context of carefully integrated Strategy formulation and implementation efforts result in positive outcomes. This dynamic strategic management process must be maintained as ever-changing markets and competitive structures are coordinated with a firm’s continuously evolving strategic inputs. (Hitt, Ireland, and Hoskisson,2011)



Source: Hitt, Ireland, and Hoskisson, 2011

Figure 1- Strategic Management Process

2.1.4. Strategy Formulation

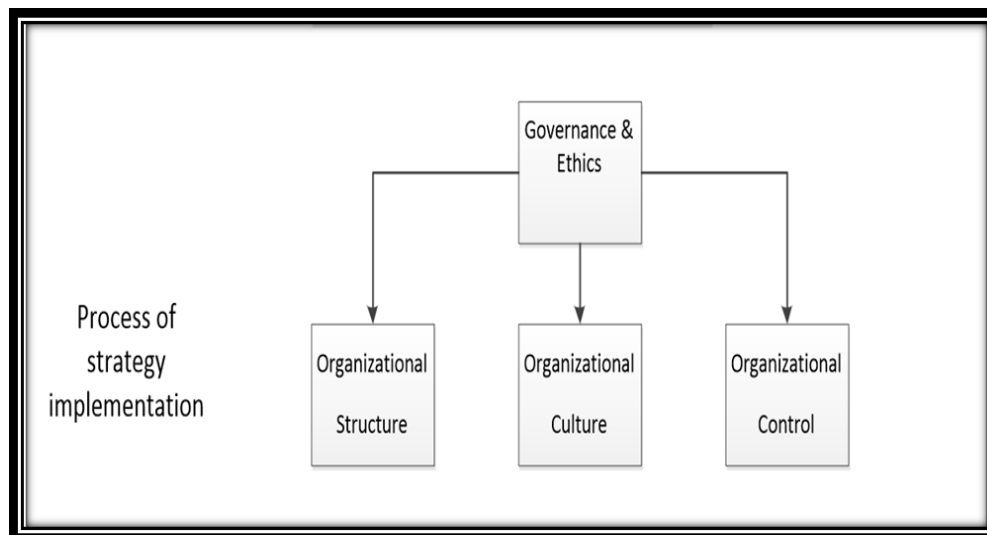
Before an organization can start with the implementation, the strategy first needs to be formulated. The formulation of a strategy starts with the statement of the corporate mission and major corporate goals based on the existing business model. The mission statement of a company consists of 4 different parts, namely the mission, vision, values, and major goals (Hill et al, 2009). The mission is an answer to the question why the company exists. A mission should be timeless and should describe the ultimate goal for the company to accomplish (Strikwerda, 2009). When formulating the mission, it should be taken into account who the customers of the organization are, what these customers need and how their needs can be satisfied (Hill et al, 2009). From the mission, the vision of the organization is derived, which describes how the organization is visualizing the market and the environment in the coming years and what it would like to achieve. It should not be an ambition or dream, but an actual goal that the organization is expecting to attain (Hill et al, 2009; Strikwerda, 2009). The values (including norms and standards) of the organization shape the organizational culture and, with that, the behavior expected from the employees. Values form a strong internal force for controlling how employees execute their tasks and reach their and the organization's goals. Goals are the measurable objectives, as set by management, that the organization is planning to realize based on the mission, vision and values (Hill et al, 2009).

The mission, vision and major organizational goals form the basis for further strategic choices on corporate, business, and functional level. To be able to make these strategic choices, the organization first needs to analyze the external environment to identify the opportunities and threats the organization is facing, which may affect the achievement of its mission. Moreover, the organization should identify its strengths and weaknesses through analyzing the internal operating environment. Based on this, so called, SWOT analysis, the organization is ready to make the necessary strategic choices, where it can use its strengths to correct its weaknesses, take the external opportunities, and counter the threats. The strategic choices are the foundation for the new business model of the organization, which should match the demands from the market to the resources and

capabilities of the organization, and should lead to realization of the organizational goals. Furthermore, chosen strategies for different levels in the organization should be congruent and together build the new business model. At this point the strategy has been formulated and should be checked against the mission statement to ensure that the chosen strategy is in line with the overall mission statement of the organization (Hill et al, 2009).

2.1.5. Strategy Implementation

To put the formulated strategy into practice a number of actions on different levels of the organization are needed. According to Hill et al. (2009) and shown in figure below, the main components of the process for strategy implementation are the design of governance and ethics, the organizational structure, the organizational culture, and the organizational controls.



Source: Hitt, Ireland, and Hoskisson, 2011

Figure 2: Model for Strategy Implementation

Many different visions and models have been formulated on strategy implementation. As described by Hill et al (2009) in their book “Theory of Strategic Management with cases”. Additionally, the levers of control, as designed by Simons (1995), will be taken into account to enrich the model as developed by Hill et al (2009).

Governance & Ethics

Each organization is facing a large group of internal and external stakeholders that need to be satisfied. In formulating the strategy of the organization, management needs to take into account the wishes and needs of all of these stakeholders; otherwise they might withdraw their support to the organization. However, since they might be opposing to one another, management cannot always satisfy all needs from all stakeholders. Therefore, management has to identify who are the most important stakeholders, after which they have to prioritize their needs to determine which strategy should be pursued (Hill et al, 2009). Even though the needs of stakeholders have become part of the strategy, managers do not always act in line with the best interests of the stakeholders and with that the organization. Moreover, employees in the organization do not always act in line with the strategy as laid out by management. The agency theory describes this problem which can arise when one person delegates the authority for decision-making to another. Problems can arise when the principal (i.e. the person delegating authority) and the agent (i.e. the person to whom authority is delegated) have different goals. In that case, the agent may perform his work or make decisions that are not in line with the goals of the principal. One of the reasons for the agency problem to exist, is information asymmetry, i.e. the agent has more information available than does the principal. Hence, it is difficult for the principal to judge whether or not the agent is doing the right things and making the right decisions. To minimize the agency problem principals put in place governance mechanisms (Hill et al, 2009).

Governance Mechanisms

The IIA (2009) defines governance as “the combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives”. This focuses mainly on the governance mechanisms needed to align incentives between management, i.e. the board, and the organization’s employees. There are however also governance mechanisms,

which can reduce the agency problem between stockholders and management, and help to ensure that management is acting in the best interest of its stockholders (Hill et al, 2009).

The Board of Directors is the most important example of such a corporate governance mechanism. The Board of Directors monitors the alignment of strategic decisions with the stockholder's interests. They direct and control management on behalf of the stockholders. Other examples of corporate governance mechanisms are stock-based compensation for management, the publication of audited financial statements, and the takeover constraint. To reduce the agency problems between the Board of Directors, the different levels of management and employees, other governance mechanisms should be in place. Strategic control systems are one of the governance mechanisms that are used by many organizations. By setting formal targets and measurement of achievement of these targets, managers at all levels are able to evaluate whether the organization is executing the formulated strategy as expected in order to achieve the determined goals and maximize its long-run profitability. Moreover, employee incentive plans can be used to stimulate employees to achieve the goals (Hill et al, 2009).

Ethics

In performing their work to achieve the organization's goals and maximize the wealth of stockholders, employees at all levels of the organization, are subject to legal and ethical constraints. Hill et al (2009) define ethics as the "accepted principles of right or wrong that govern the conduct of a person, the members of a profession, or the actions of an organization". When an employee or manager places his own interests above the rights of one or more of the stakeholder groups, he is behaving unethically. This could harm not only the stakeholders, but also the whole organization and all of its employees. To ensure employees are acting ethically when performing their work and making decisions, management can take several measures. Strong governance, as described above is one of those measures. Hiring and promoting people who are behaving ethically, and firing or at least sanctioning people who are not, are also strong measures to promote ethical behavior. Moreover, organizational culture is an important driver of ethical behavior in an organization, and will be explained in paragraph 3.2.3. Finally, organizations can

educate their employees on ethics and how to deal with ethical dilemmas (Hill et al, 2009).

Organizational Structure

The correct organizational structure is crucial to enable the organization to implement its strategy. To facilitate the achievement of the strategic and organizational objectives, organizational structure coordinates and integrates the tasks executed by all employees in the organization, i.e. employees at all levels, and across all divisions and functions (Hill et al, 2009). Organizational structure determines the departments and functions in an organization, it defines the hierarchy, span of control and reporting relationships, and includes the systems for communication, coordination and integration across these divisions and functions, both vertically and horizontally (Daft, 2001). First of all, tasks and people need to be grouped in functions. After this, functions can be grouped into divisions to allow the organization to achieve organizational goals effectively and efficiently. Across these divisions and functions authority and responsibilities need to be allocated. A clear hierarchy needs to be defined from the Board of Directors through middle management all the way down to the operational employees. The hierarchy should clarify the span of control that each of the employees has, i.e. the people and tasks they are responsible for and have authority over. As the organization has been divided into separate functions and divisions, which all together should strive to achieve the same organizational objectives, communication and coordination across these functions and divisions is needed. Through integrating mechanisms, such as direct contact, liaison roles and cross functional or divisional teams, information about activities, ideas and problems are efficiently spread across the organization (Hill et al, 2009).

Organizational Culture

A fundamental part of managing strategy implementation is the organizational culture. Hill et al (2009) define organizational culture as the “specific collection of values, norms, beliefs and attitudes that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the

organization”. Although not as tangible as strategic control systems and organizational structure, culture is one of the strongest elements of control in an organization. A strong organizational culture enhances integration and coordination within the organization. Culture gives members of the organization the ability to develop a collective identity, and guides them in their daily business relationships, execution of tasks, communication and decision making. If propagated correctly, organizational values will become part of the individual’s values through which the individual will follow them unconsciously. To create a strong organizational culture, it is important that leadership promotes what the organization believes is correct behavior. Within the values of the organization, strong emphasis should be given to ethical behavior. A code of ethics can help management to communicate the ethical behavior they expect from everybody in the organization (Hill et al, 2009; Daft, 2001).

A beliefs system as defined by Simons (1995) is “the explicit set of organizational definitions that senior managers communicate formally and reinforce systematically to provide basic values, purpose and direction for the organization”. A beliefs system controls the core values of the organization, which are linked to the business strategy. Such a system is created through symbolic use of information, e.g. inspirational leadership. It attempts to create awareness and understanding of the organization’s core values and should help employees to respond to problems they face during the process of strategy implementation.

Organizational control

The final components of the process for strategy implementation are the organizational control systems. These systems, on the one hand, provide incentives and motivation to management and other employees to pursue the right activities towards achievement of organizational goals. On the other hand, control systems facilitate monitoring and evaluation of performance and progress on strategic goals. This enables managers to take action to, if necessary, adapt and strengthen the organization’s business model. To allow managers to respond to unexpected events, the control system has to be flexible. Moreover, it should provide accurate and timely information on organizational

performance to ensure correct decision-making by managers. When designing an effective control system, an organization first determines the targets against which performance will be measured (Simons,1995)

Control systems should be designed at all levels in the organization, and targets have to be fit to the activities that the employees are responsible for. Moreover, it should be determined, which behavior is rewarded, and how these rewards relate to performance. These behaviors are measured with the control systems. Next, the organization should create means for measuring and monitoring performance. Then, performance can be compared with the established standards to evaluate whether action should be taken to better pursue attainment of strategic goals (Hill et al, 2009).

Strategic control can be accomplished through personal control, output control and behavior control. Personal control relates to the influence managers can have on employees through personal contact. Output control is the system of motivating employees by setting targets and evaluating the employees through comparing their actual performance to the targets. Finally, behavioral control is based on setting rules and procedures to which employees have to comply and with that influence the way employees behave (Hill et al, 2009).

Merchant and Van der Stede (2007) define three other types of control, namely result controls, which are similar to output control, action controls, which are comparable to behavior control, and personnel or cultural controls. Personnel or cultural controls are related to personal controls but they entail more than influencing behavior through personal contact. They also involve control through cultural aspects such as values and norms, and are therefore created through organizational culture as described in paragraph 3.2.3 (Merchant et al, 2007).

The levers of control framework also define control systems that should support management when implementing the strategy. As can be expected from the term “boundary systems”, these systems, based on defined business risks, set the boundaries in which members of the organization can operate. Where beliefs systems try to inspire employees to search for opportunities, boundary systems dictate employees what they should not do when searching for these opportunities. Hereby, boundary systems create a

focused domain which employees can exploit in search for opportunities. Compared to the control systems as described above, boundary systems link closely to behavior and action controls. In line with output control systems and result controls, the lever of control, called diagnostic control systems, is a feedback system where measured performance is evaluated against predetermined critical performance variables, and deviations from these performance variables are corrected. Finally, the fourth level of control, i.e. the interactive control systems, is not truly part of any of the controls as mentioned above. Interactive control systems are the information systems that management uses to identify strategic uncertainties and, with that, search for and respond to opportunities and threats to the organization's strategy. Through these systems, an organization can control its strategy implementation (Simons, 1995).

2.1.6. Drivers for a Successful Strategy Implementation

Strategy Formulation, Involvement & Ownership Successful strategy implementation starts with a good strategy. If the formulated strategy is not implementable or worth implementing, the implementation is deemed to fail from the start. To ensure that an implementable strategy is formulated, key employees from different levels of the organization should be involved in the formulation process. This way, valuable knowledge from all organizational levels is used to create the strategy that best fits the ultimate goals of top management, and can realistically be implemented considering the available resources of the organization, and the market conditions. Moreover, involving key personnel already in the process of strategy formulation will create ownership of strategic decisions, which is crucial for the success of the strategy implementation. Key implementation personnel should also be involved in the detailed implementation planning to increase their commitment (Giles, 1991; Hambrick et al, 1989; Alexander, 1985). The determination of strategic decisions and implementation planning should also include a thorough analysis of the obstacles and risks the organization may face when implementing the strategy. These risks can be both internal and external. Although it is not realistic to expect that all potential risks will be identified, it will give the organization the opportunity to create contingency plans for the identified risks, which

could negatively impact the implementation of the strategy or the organization at large (Hambrick et al, 1989; Alexander, 1985).

Communication

Once the strategy has been formulated, communication is one of the most important vehicles for successful implementation. First of all, management should inform all employees about the content, meaning of, and reasons for the new strategy. However, they should not only inform the employees, they should also leave room for questions from and discussion with the affected employees. Communication also involves the explanation of new tasks and responsibilities to the affected employees. Throughout the implementation process, communication should flow bottom-up to allow management to monitor the implementation process and determine whether changes to the approach are needed (Neilson et al, 2008; Beer et al, 2000; Hambrick et al, 1989; Alexander, 1985).

Resources

Sufficient resources are another crucial factor in strategy implementation. First, because of the large scope of most strategic decisions, sufficient funding is needed for the implementation process. People are the second important resource. Personnel with the right skills for the new strategic decisions should be involved in the implementation. Furthermore, these employees should have enough time available for the implementation. They should either be freed from other tasks or they should understand the priorities given to their different tasks. Enough time should, in general, be allocated to the implementation process (Higgins, 2005; Beer et al, 2000; Hambrick et al, 1989; Alexander, 1985).

Implementation Plan

Finally, creating an implementation plan could help to manage the strategy implementation. Such an implementation plan should identify and explain, for example:

- the scope and goals of the implementation
- the main implementation activities and how they are supposed to be executed
- the key personnel involved and the responsibilities and authority they have
- the planned timelines for the total implementation and the individual activities
- the risks that could adversely impact the implementation

- the contingency plans, which minimize the impact in case the risks occur
- the planned communication effort
- How the progress of the implementation is reported and monitored?

The plan should however be balanced, i.e. include detailed information but not too detailed. Having too little detail would not provide enough guidance to the involved employees and could lead to an ineffective and inefficient implementation. On the other hand, too much detail would make the plan rigid and would leave management and the employees unable to correctly respond to changes in the environment (Neilson et al, 2008; Alexander, 1985).

2.3. Empirical Review

2.3.1. Effect of Commitment of Top level Management on strategy implementation

Aaltonen and Ikåvalko recognize the role of middle managers, arguing they are the “key actors” “who have a pivotal role in strategic communication” (Aaltonen & Ikåvalko, 2002). Meanwhile Bartlett and Goshal (2006) talk about middle managers as threatened silent resistors whose role needs to change more towards that of a “coach”, building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes. If managers are not committed to performing their roles, the lower ranks of employees will not be provided support and guidance through encouragement of entrepreneurial attributes.

The most important thing when implementing a strategy is the top level management’s commitment to the strategic direction itself. According to Rapa and Kauffman, (2005) commitment of top level management is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members (Rapa & Kauffman, 2005).

Chakravarthy and White, (2001) suggest that education and training policies depend on a firm’s management culture and forms of management-led organizational change. While such policies are affected by a firm’s market, production technologies and strategic goals,

managers have the discretion to pursue varied strategies regarding three issues: entry-level education and training, employee development, and company-school relations. Chakravarthy and White, (2001) survey of 406 firms in 2003 indicated that two management characteristics, innovation commitment and resistance to change, and two forms of management-led organizational change, firm downsizing and work redesign, shape education and training strategies.

Eisenstat, (2003) conducted a study among 3,044 white-collar employees of the Western Australian Public Service to study the correlation of employee attitudes towards functional flexibility. It was hypothesized that employees would favor functional flexibility if they have lower levels of perceived job characteristics, perceived reward equity, organizational commitment and affective wellbeing as well as a higher degree of educational attainment.

Kamanda (2006) suggests that employee performance, absenteeism, innovation, turnover and satisfaction may be gauged by the degree of workers' commitment to the company. Corporate loyalty, as affected by corporate restructuring, cultural differences and labor-management relations, is analyzed. Nutt, (2005) points out that subtle changes taking place in the attitudes of employees towards working, their employers, and their lives are requiring companies to change their personnel management techniques accordingly to motivate their employees and instill them with commitment.

2.3.2. Effect of Communication Process in Strategy Implementation

At first look, the suggestion that communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that communication is a key success factor within strategy implementation (Miniace & Falter, 2006), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized.

In this context, many organizations are faced with the challenge of lack of institution of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. In addition to inability to solicit questions and feedback, lack of communications cause more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected

employees, and, furthermore, cover the reason behind changed circumstances (Rapa & Kauffman, 2005).

It is essential both during and after an organizational change to communicate information about organizational developments to all levels in a timely fashion. However, one may misunderstand communication, or the sharing of information, as engagement and direct dialogue that produces lack of active participation in the process. The way in which a strategy is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented (Rapa and Kauffman, 2005).

Lares-Mankki (2006) examined the effects of top management's practices on employee commitment, job satisfaction, and role uncertainty by surveying 862 insurance company workers. Five management practices are analyzed: creating and sharing an organizational goal, acting as a role model, encouraging creativeness, providing support for employees, and allowing employee participation in making job-related decisions. The results indicate that there is a strong relationship between top management's actions and employees' attitudes and perceptions.

2.3.3. Co-ordination of Activities in Strategy Implementation

So far in the review of literature on strategy implementation there is evidence of some recurring themes, including coordination which is essential to ensure that people across the organization know what to do and to ensure that they stay focused on the key targets under the everyday pressures. Strategic control systems provide a mechanism for keeping today's actions in congruence with tomorrow's goals.

Al Ghamdi (1998) replicated the work of Alexander (1985) in the UK and found that for most of the firms, due to lack of coordination, implementation took more time than originally expected and major problems surfaced in the companies, again showing planning weaknesses. He found the effectiveness of coordination of activities as a problem in most of the firms and distractions from competing activities in some cases. In addition, key tasks were not defined in enough detail and information systems were inadequate.

More recent articles confirm notable barriers to successful strategy implementation about which there appears to be a degree of accord including Beer and Eisenstat's (2000) who assert that silent killers of strategy implementation comprise unclear strategic intentions and conflicting priorities and weak co-ordination across functions.

2.3.4. Effect of Organizational Culture

One of the major challenges in strategy implementation appears to be more cultural and behavioral in nature, including the impact of poor integration of activities and diminished feelings of ownership and commitment (Aaltonen & Ikåvalko, 2002). Corboy and O'Corrbui (1999), meanwhile, identify the deadly sins of strategy implementation which involve: a lack of understanding of how the strategy should be implemented; customers and staff not fully appreciating the strategy; difficulties and obstacles not acknowledged, recognized or acted upon; and ignoring the day-to-day business imperatives. Marginson, (2002) contend that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision-making, or as a result of complete coalitional involvement of implementation staff through a strong corporate culture.

Organizational culture refers to the leadership style of managers – how they spend their time, what they focus attention on, what questions they ask of employees, how they make decisions; also the organizational culture (the dominant values and beliefs, the norms, the conscious and unconscious symbolic acts taken by leaders (job titles, dress codes, executive dining rooms, corporate jets, informal meetings with employees).

In Collaborative Model of strategy implementation, organizations have both a strong culture and deep-rooted traditions. The challenge of successful strategy implementation results from lack of cultivation of strong cultural values which are essential in meeting the changing organizational needs. The distinction between “thinkers” and “doers” begins to blur but does not totally disappear.

In organizations adopting the cultural model that emphasizes a lower level employee participation in both strategy formulation and implementation there is separation of “thinkers” and “doers”. It seeks to implement strategy through the infusion of corporate culture throughout the firm. The cultural model contradicts and challenges the basic

objectives from the economic perspective of a firm (Marginson, 2002). A “clan-like” (Ouchi, 2005) organization is expected to prevail, where a powerful culture results in employees aligning their individual goals and behaviors with those of the firm. However, a high level of organizational slack is needed to instill and maintain a cultural model. This model has several limitations: it assumes well-informed and intelligent participants; firms with this model tend to drift and lose focus; cost of change in culture often comes at a high price; increased homogeneity can lead to a loss of diversity, and creativity consequently (Marginson, 2002).

2.4. Conceptual framework

The conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny. The framework is used in research to outline possible courses of action or to present a preferred approach to an idea or thought. A conceptual Framework is a basic structure that consists of certain abstract blocks which represent the observational, the experiential and the analytical/synthetically aspects of a process or system being conceived. The interconnection of these blocks completes the framework for certain expected outcomes.

Figure: Conceptual Framework



Own Source, (2016)

Figure above shows the relationship commitment of top management, lack of communication, coordination of activities, organizational culture and, strategy implementation.

CHAPTER THREE :RESEARCH DESIGN AND METHODOLOGY

3.1. Introduction

As per Creswell (2003) there are three approaches that are used in conducting a given research. These are quantitative, qualitative and mixed research approach. Quantitative research approach focuses primarily on the construction of quantitative data, and quantitative data is a systematic record that consists of numbers constructed by researcher utilizing the process of measurement and imposing structure (Kent, 2007). The quantitative research approach employ measurement that can be quantifiable while qualitative cannot be measured (Bryman& Bell, 2007). In mixed research approach inquirers draw liberally from both qualitative and quantitative assumptions (Creswell, 2009).

In this paper the researcher adopted mixed research approach; the rationale for combining both quantitative and qualitative data is to better understand a research problem by combining both numeric values from quantitative research and the detail of qualitative research and to neutralize limitations of applying any of a single approach. According to Creswell (2009) the mixed research approach uses separate quantitative and qualitative methods as a means to offset the weaknesses inherent within one method with the strengths of the other method.

3.2. Research Design

This study has the intent to assess strategy implementation process in defense construction. To do this, the methods employed are survey design. Survey research according to Fowler (1993) is a means of gathering information, usually through self-report using questionnaires or interviews. Its purpose is to generalize from a sample to a population so that inferences can be made and it is also economical and rapid turnaround in data collection (Creswell, 2003). This survey was conducted by means of self-administered questionnaire which was distributed to top and middle organizational managers, project managers and senior officers that are working in head office and projects that are located in different part of the country. Questionnaire is a common

place instrument for observing data beyond the physical reach of the observer (Leedy, 1989).

3.3. Target Population

The target population for the study was employees at defense construction enterprise in the following departments' building and road construction department, human resource, finance, procurement, internal audit, planning and business development, property administration, construction equipment management,

Table 1:Target Population

	Target population	Number of employee
1	Chief executive officer office	3
2	Building construction department	30
3	Road construction department	10
4	Equipment administration department	20
5	Finance department	23
6	Purchasing department	17
7	Property administration department	15
8	Planning and business development	5
9	Legal service	4
10	Ethics follow up	1
11	Project manager	15
12	Internal audit department	7
13	Human resource department	16
	Total	166

Source: Human Resource Department, DCE

3.4. Sampling Design

A sample of respondents was drawn from the employees of defense construction enterprise. The study used purposive sampling technique to select the sample, where 40% of the target population was taken to arrive at a sample size of 67 respondents. According

to Kothari (2004), purposive sampling starts with a purpose in mind and the sample is thus selected to include people of interest and exclude those who do not suit the purpose. The technique allowed the researcher to use cases that have the required information with respect to the objectives of the study (Kothari, 2004). The study deemed managers and employees in human resource, finance, procurement, internal audit, planning and engineering departments to be knowledgeable on strategy implementation in defense construction enterprise.

Table 2: Sampling Frame

Departments		n (%)
1	Chief executive officer office	1 (1)
2	Building construction department	10 (15)
3	Road construction department	6 (9)
4	Equipment administration department	6 (9)
5	Finance department	4 (6)
6	Purchasing department	4 (6)
7	Property administration department	5 (7)
8	Planning and business development	3 (4)
9	Legal service	2 (3)
10	Ethics follow up	1 (1)
11	Project managers	15 (22)
12	Internal audit department	4 (6)
13	Human resource department	6 (9)
Total sample frame		67 (40)

Source: Human Resource Department, DCE

3.5. Sources and tools of data collection

This study used both primary and secondary data sources. Primary sources of data include questionnaire, whereas to identify the factors affecting the implementation of strategy various literature reviews was taken.

Questionnaire

Questionnaire was distributed to top and middle managements, project managers, and senior officers. This target group is selected as respondents because they were deemed to be knowledgeable about strategic implementation in the enterprise and could provide important perspective on its implementation. The response is expected to help understand the implementation and challenges encountered in the process of strategy implementation in the enterprise.

The research evidence was gathered by using close-ended questionnaires. Close-ended questionnaires have many merits; the most important of this advantage is its considerable flexibility (McNabb, 2005).

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each of measurement, there are /is an appropriate method/s that can be applied and not others. In this research, ordinal scale was used. Ordinal scale is a ranking or a rating data normally uses integers in ascending and descending order. Hence, the questionnaire was structured based on those used by Iyoha and Faboyede (2011), and Sharif (2010). With regard to the close- ended questions, the respondents were asked to indicate their level of agreement on a five point Likert scale with the following ratings.

Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Scale	5	4	3	2	1

On this scale a score of 5 or 4 indicates that the item is perceived to be essential while a score of 3 or 2 indicates that the item is perceived to be fairly important, but not essential, while a score of 1 indicates that the item could be disregarded for being unimportant. Similar scales have been used by Courtis (1992) and Iyoha and Faboyede (2011) and is found suitable.

The relative index technique has been widely used in construction research for measuring attitudes with respect to surveyed variables. Several researches use the relative importance index in their analysis. The respondents were asked to gauge the identified interface problems on a five-point Likert scale (1 for the strongly disagree to 5 for the strongly agree). Based on the survey response, a relative the strongly agree).

3.6. Method of Data Analysis

Computation of percentage and qualitative expression were the methods that were used for analysis of the collected data. The component part of descriptive statistics such as mean and standard deviation were used while analyzing the data. In addition to the above, the researcher used graphs, tables & other components which were also vital to analyze the collected data. To do so, the study used SPSS 23 which is the most suitable for descriptive statistics analysis.

3.7. Reliability of the Instruments

To ensure reliability of the research instrument, the questionnaires was prepared in advance and pre-tested using a small number of respondents, randomly selected from another in the enterprise. This would assist in removal of any ambiguities hence focused the questionnaire to collect data relevant to the study. In addition, the researcher gave the questionnaire for expert opinion from the project supervisors to ensure validity of the data collection instrument. This involved going through the questionnaire in relation to the set objectives and making sure that they contain all the information that can enable answer these objectives.

The pilot study allowed for pre-testing of the research instrument. This reliability estimate was measured using Cronbach Alpha coefficient (α). Nunnally & Bernstein (1994) recommends that instruments used in research should have reliability of about 0.70 and above. The reliability of about 0.893 was computed using SPSS.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1. Introduction

The analysis and interpretation of this study is based on the data collected from the employees of the defense construction enterprise.

The data was collected through survey questionnaire. Out of the 67 questionnaires distributed to the purposely selected employees, 62 were properly completed and returned. This represents a response rate of approximately 93 % from the distributed questionnaires. Hence, data gathered were organized and analyzed in a manner that enables to answer the basic research questions raised at the beginning of the study. Responses provided by the respondents are analyzed in the following sections.

4.2. Demographic Information

1. Respondent Sex

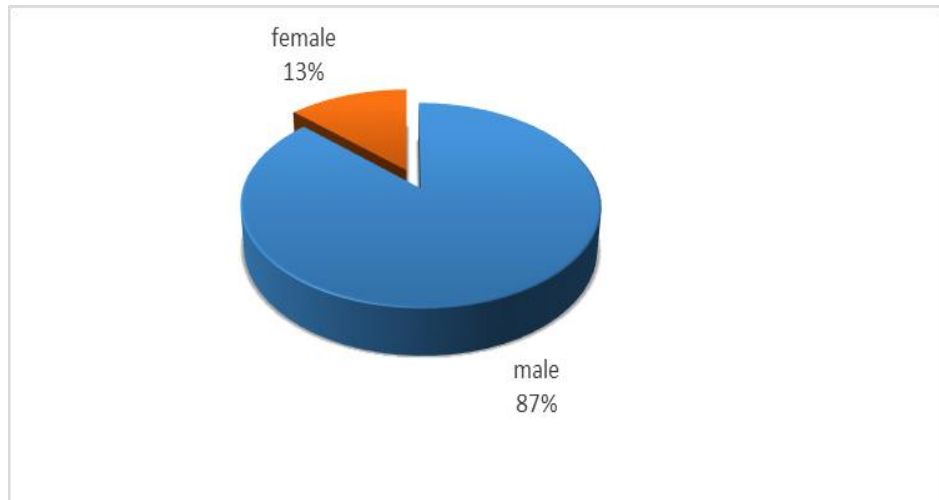


Figure 3: Respondent Sex

The above chart gives information on the composition of the respondents in terms of sex. Accordingly, 87% respondents are male and 13% are female. It means most of the respondents are male.

Table 3: Demographic Information

characteristics	n (%)
Age of Respondent	
21 - 25	4 (6.5)
26 - 30	9 (14.5)
31 - 35	11 (17.7)
36 - 40	12 (19.4)
Above 40	26 (41.9)
Educational Levels of Respondents	
Diploma	3 (4.8)
First Degree	41 (66.1)
Post Graduate	18 (29)
Work Experience of Respondents	
Less Than 5 Years	18 (29)
5-10 Year	25 (40.3)
11 - 15 Year	10 (16.1)
Above 15 Years	8 (12.9)

Source: own Survey, (2016)

The above table shows the age, educational level and work experience of the respondents. Accordingly, majority (41.9%) of the respondents were aged above 40 years and followed by 19.4% of the respondents aged between 36 – 40 years while 17.7% aged between 31 and 35 years, 14.5% aged between 26 - 30 years and 4.6% aged between 21 and 25 years.

In case of educational level of respondents, majorities (66.1%) are first degree holder and followed by 29% second degree holder and 4.8 diploma holder.

Most of respondent (40.3%) had work experience of between 5 to 10 year and followed by 29% less than 5 years, 16.1% between 11 to 15 year, and 12.9 above 15 years of experience.

4.3. Perception on Strategic implementation

4.3.1. Organizational effectiveness

The respondents were asked to indicate their level of agreement with the following statements regarding organization effectiveness and strategy implementation. The response was rated on a five-point scale on which 1=strongly disagree, 2=disagree, 3=Neutral, 4=Agree and 5 strongly agree, Mean and standard deviation were calculated and the findings shown in table below.

The response with mean close to (rounded off to) 1 denotes strong disagreement. In the same continuum, a response with mean close 2.0 to 2.9 denotes disagreement, 3 denotes neutral, 3.0 to 3.5 moderate agreement, 3.5 to 4.5 denotes agreement and 4.5 to 5 strong agreements. Mean and standard deviation were calculated and the findings shown in table below

Table 4: Organizational Effectiveness and Strategy Implementation

s.n	Strategy effectiveness	n					Mean	Sd
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
1	Market share		9	7	35	11	3.77	0.91
2	Revenue growth rate is increasing	1	17	1	37	6	3.45	0.07
3	Profitability growth rate is increasing		23	3	29	7	3.32	0.82
4	Administrative and project overhead decreases	5	21	11	16	8	3.02	1.22
5	Integrated resource management is ensured at head office and project level	12	26	10	10	1	2.34	1.02
6	Number of project obtained through competitive bid increases	6	32	13	8	1	2.43	0.91
7	Outsourcing brings the desired results	1	10	25	19	4	3.25	0.88
8	Short term and long term training have been provided to employees	1	5	6	40	10	3.87	0.85
9	Equipment availability is improved	1	7	14	34	4	3.55	0.85
10	Equipment standardization has been in place	10	31	16	4	-	2.23	0.80
11	Client /owner satisfaction has increased	2	11	19	19	11	3.42	1.08
12	Projects have been completed on time	13	34	11	4	-	2.1	0.80
13	Contract management has been improved	6	11	21	16	8	3.15	1.16
14	Report versus payment certificate is improved	2	7	7	40	5	3.64	0.91
15	Capability of gathering and processing information of new project is improved	3	34	6	13	4	3.35	0.99

Source: own Survey, (2016)

From the study findings in table above, majority of the respondents agreed that DCE's strategy implementation is effective in Short term and long term training provision (mean =3.87), market share has increased (3.77), report versus payment certificate is improved (mean =3.64), and Equipment availability is improved (mean=3.55).

The respondents moderately agreed that revenue growth rate is increasing (mean=3.45), Outsourcing brings the desired results (mean=3.25), Capability of gathering and processing information of new project is improved (mean=3.48).

However, the respondents disagreed to the statement that Integrated resource management is ensured at head office and project level (mean=2.34), Number of project obtained through competitive bid increases (mean =2.43), Equipment standardization has been in place (mean=2.23), Equipment maintenance cost has decrease substantially (mean=2.23), Projects have been completed on time (mean=2.10).

4.3.2. Organizational culture

The respondents were asked to indicate their level of agreement that the following statements regarding commitment of top level management and strategy implementation. Mean and standard deviation were calculated and the findings shown in table-5

Table 5: organizational culture and strategy implementation

s.n	Organizational culture	n					Mean	SD
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
1	My organization has missions and visions statement	1	1	8	25	27	4.23	0.86
2	My organization shows respect for a diverse range of opinions, ideas and people (allows employee participation in decision making)	4	11	17	25	5	3.26	1.05
3	My organization has a culture of tolerating risks	1	9	20	31	1	3.35	0.81
4	There is considerable power distance between the upper and lower cadres in the organization	1	26	2	25	7	3.18	1.16
5	My organization tolerates new ideas	1	8	17	32	3	3.46	0.85
6	Risk tolerance helps in strategy implementation in my organization	3	35	4	18	1	2.66	1.01
7	The power distance in my organization is a hindrance to strategy implementation	1	16	2	38	3	3.43	1
8	The tolerance of new ideas enhances strategy implementation	1	32	1	24	4	2.97	1.12
9	Employee in my organization are motivated	8	30	1	21	2	2.66	1.17
10	The management relates well with juniors in my organization	3	33	1	23	1	2.77	1.07
11	My organization provides a fun and friendly customer-centered environment	4	32	-	24	2	2.81	1.13
12	There is clarity of vision, mission and values among employees throughout the enterprise	4	33	3	19	4.8	2.74	1.12
13	Employees at all levels firmly understand their individual and inter-dependent roles in attaining the corporate vision	1	36	-	22	2	2.8	1.06
14	There is strong alignment between employee attitudes and strategic goals and objectives.	3	42	1	13	3	2.53	1.04
15	The organization sticks to its mission vision and values all the time.	4	33	1	22	2	2.76	1.11

Source: own Survey, (2016)

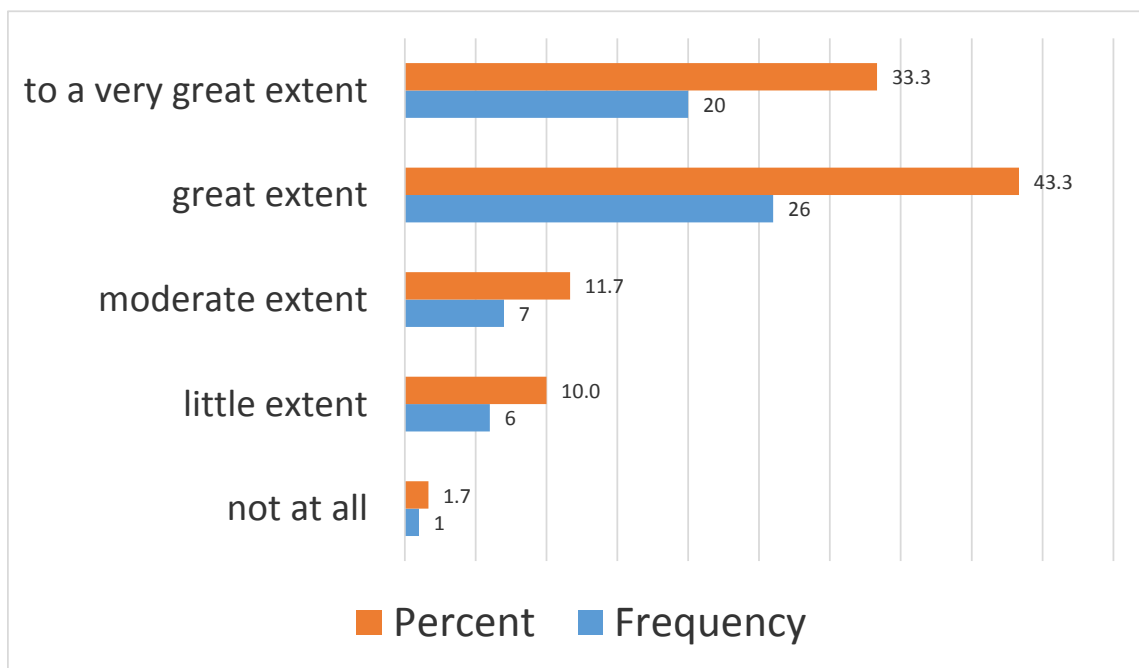
From the study findings in table 4.5, majority of the respondents agreed that DCE has missions and visions statement (mean =4.23).

The respondents moderately agreed My organization shows respect for a diverse range of opinions, ideas and people (allows employee participation in decision making (mean=3.26), My organization has a culture of tolerating risk (mean=3.35), there is considerable power distance between the upper and lower cadres in the organization

(mean=3.18), My organization tolerates new ideas (mean=3.46), and The power distance in my organization is a hindrance to strategy implementation (3.43)

However, the respondents disagreed to the statement that The tolerance of new ideas enhances strategy implementation (mean=2.97) , Employee in my organization are motivated (mean=2.61), The management relates well with juniors in my organization (mean=2.77), My organization provides a fun and friendly customer-centered environment (mean=2.81), There is clarity of vision, mission and values among employees throughout the enterprise (2.74), Employees at all levels firmly understand their individual and inter-dependent roles in attaining the corporate vision mean (2.80) ,and Risk tolerance helps in strategy implementation in my organization (mean=2.76)

The respondents were asked to indicate the extent to which organization culture influence strategy implementation. Figure below shows the findings of the study.



Source: own Survey, (2016)

Figure 4: The Extent to Which Organizational Culture Influence Strategy Implementation

From the study findings in figure, majority (76.6%) of the respondents indicated that organization culture influence strategy implementation to a great extent. The respondents stated that organization culture influences adherence to organizational vision, mission and values thus steering the implementation of organizational strategy.

The study findings are in tandem with the previous studies by Aaltonen and Ikåvalko (2002) that established relationships between organization culture and strategy implementation. Aaltonen and Ikåvalko (2002) argue that one of the major challenges in strategy implementation appears to be more cultural and behavioral in nature, including the impact of poor integration of activities and diminished feelings of ownership and commitment. Marginson, (2002) contend that strategy implementation is a result of complete coalitional involvement of implementation staff through a strong corporate culture.

4.3.3. Commitment of Top level Management

The respondents were asked to indicate their level of agreement that the following statements regarding commitment of top level management and strategy implementation. Mean and standard deviation were calculated and the findings shown in table 5 below.

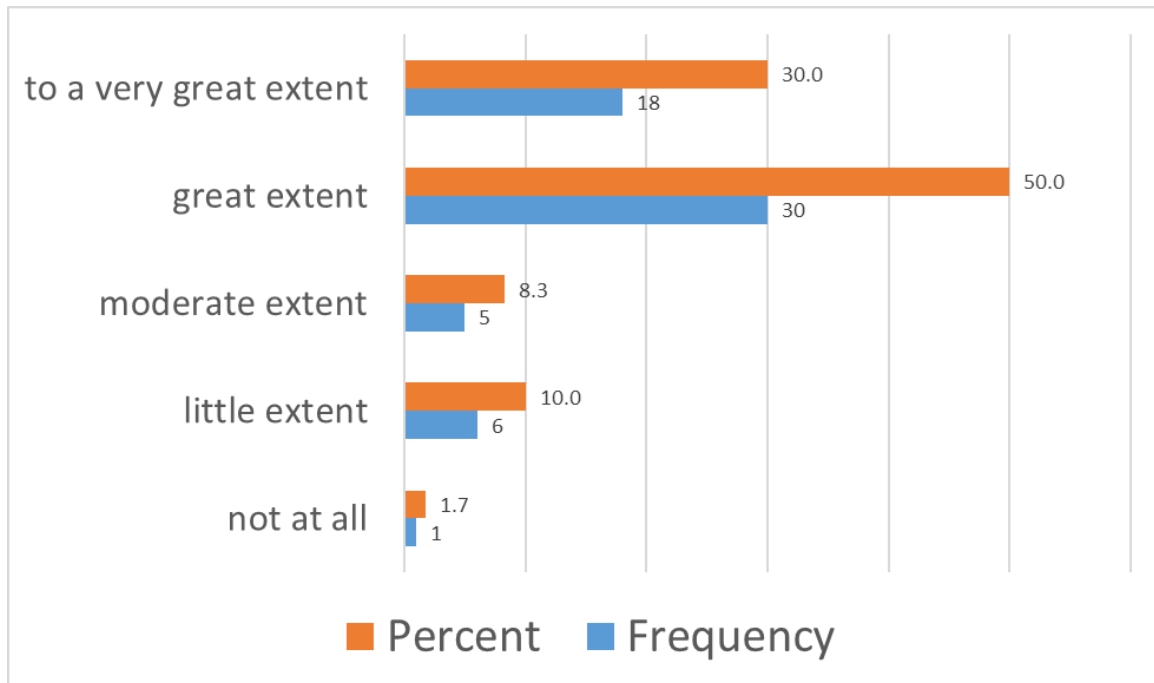
Table 6: 4.3.3. Commitment of Top Level Management and strategy implementation

s.n	Commitment of Top Level Management	n					Mean	SD
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
1	The most important thing when implementing a strategy is the top level management's commitment to the strategic direction.	2	5	4	22	29	4.15	1.1
2	Top managers must demonstrate their willingness to give energy and loyalty to the implementation process.	2	1	9	21	29	4.19	1
3	Demonstrable management's commitment is a positive signal for organization to enhance strategy implementation	1	1	7	29	23	4.18	0.8
4	Current organization top level management does not allow employee participation in decision making	3	21		32	5	3.25	1.2
5	There are clear commitments of top level management that give organizational members certainty during a strategy implementation.	4	29	1	23	5	2.94	1.2
6	To enhance strategic implementation success, my organization selects the right people for key positions	5	35	1	17	4	2.68	1.2
7	The top level managers always determine the degrees of authority needed to manage each organizational unit during strategy implementation.	2	8	2	42	8	3.74	1

Source: own Survey, (2016)

Majority of the respondents agreed that the most important thing when implementing a strategy is the top level management's commitment to the strategic direction (mean=4.15), the top level managers always determine the degrees of authority needed to manage each organizational unit during strategy implementation (mean=3.74), top managers must demonstrate their willingness to give energy and loyalty to the implementation process (mean=4.19), and demonstrable management's commitment is a positive signal for organization to enhance strategy implementation (mean=4.18).

The respondents moderately agreed to the statements that management does not allow employee participation in decision making (mean =3.25). However, the respondents disagreed to the statement that there are clear commitments of top level management that give organizational members certainty during a strategy implementation (mean=2.94) and to enhance strategic implementation success, my organization selects the right people for key positions (mean=2.68).



Source: own Survey, (2016)

Figure 5: The extent to which commitment of top level management influence strategy implementation

From the study findings in figure, majority (80%) of the respondents indicated that commitment of top level management influence strategy implementation to a great extent and to a very great extent

The respondents stated that commitment of the current top level management should be enhanced by ensuring that managers are motivated (monitory and non-monitory) terms and clear communication of duties and responsibilities of the managers to the entire

organization. Enhancing commitment of the current top level management would in turn improve strategic implementation.

The study findings are in tandem with previous studies by Rapa and Kauffman, (2005) that commitment of top level management is undoubtedly a prerequisite for strategy implementation. Kamanda (2006) suggests that employee performance, absenteeism, innovation, turnover and satisfaction may be gauged by the degree of workers' commitment to the company.

4.3.4. Communication Process

The respondents were asked to indicate their level of agreement that the following statements regarding communication process and strategy implementation. Mean and standard deviation were calculated and the findings shown in table 6 below.

Table 7: Communication and Strategy Implementation

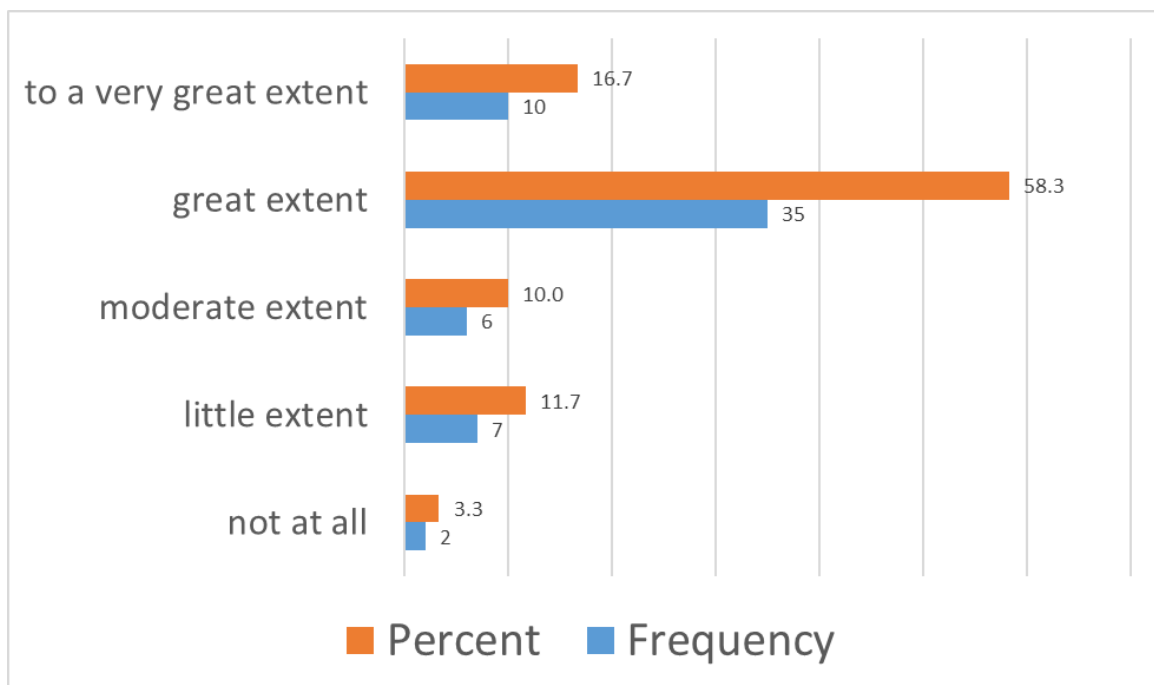
s.n	communication	n					mean	SD
		strongly disagree	disagree	neutral	agree	strongly agree		
1	Communication processes in my organization are planned to match requirements for a strategy to be implemented.	2	29	2	27	2	2.97	1.09
2	In my organization communicating with employees concerning strategy implementation is frequently delayed	2	8	1	43	8	3.76	0.95
3	My organization is faced with the challenge of lack of institution of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy.	3	7	2	42	8	3.73	0.99
4	Lack of communications cause more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees	-	6	9	35	12	3.85	0.85
5	The way in which a strategy is presented to employees is of great influence to their acceptance of it.	1	6	13	32	9	3.69	0.9

Source: own Survey, (2016)

From the study findings in table, majority of the respondents agreed that communication with employees concerning strategy implementation is frequently delayed (mean=3.76), DCE is faced with the challenge of lack of institution of a two-way-communication program that permits a solicits questions from employees about issues regarding the formulated strategy (mean =3.76), and lack of communications cause more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees.

However, majority of respondent disagree with that Communication processes in DCE is planned to match requirements for a strategy to be implemented (mean =2.97).

The respondents were further asked to indicate the extent to which communication process influence strategy implementation. Figure -7 shows the findings of the study.



Source: own Survey (2016)

Figure 6: The Extent to Which Organization Communication Strategy Implementation

From the study findings in figure, majority (75%) of the respondents indicated that communication process influence strategy implementation to a great extent and to a very great extent.

According to Miniace and Falter (2006), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized. Beer and Eisenstat's (2000) argue that in addition to inability to solicit questions and feedback, lack of communications cause more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason behind changed circumstances.

4.3.5. Co-ordination of Activities

The respondents were asked to indicate their level of agreement that the following statements regarding co-ordination of activities and strategy implementation. Mean and standard deviation were calculated and the findings shown in table -8.

Table 8: Co-ordination of activities and strategy implementation

s.n	coordination of activities	n					mean	SD
		strongly disagree	disagree	neutral	agree	strongly agree		
1	Lack of coordination of activities in my organization leads to more time before a strategy is implemented	-	9	7	37	9	3.74	0.89
2	Coordination of activities required to maintain and monitor progress towards strategy implementation.	-	2	6	36	18	4.13	0.71
3	My organization is faced with influences that arise from decentralization and imperfect monitoring of Co-ordination of Activities in strategy implementation.	-	13	15	30	4	3.4	0.9
4	My organization does not have sufficient policies in solving the challenges of co-ordination of activities on strategy implementation	4	28	12	14	4	2.77	1.08

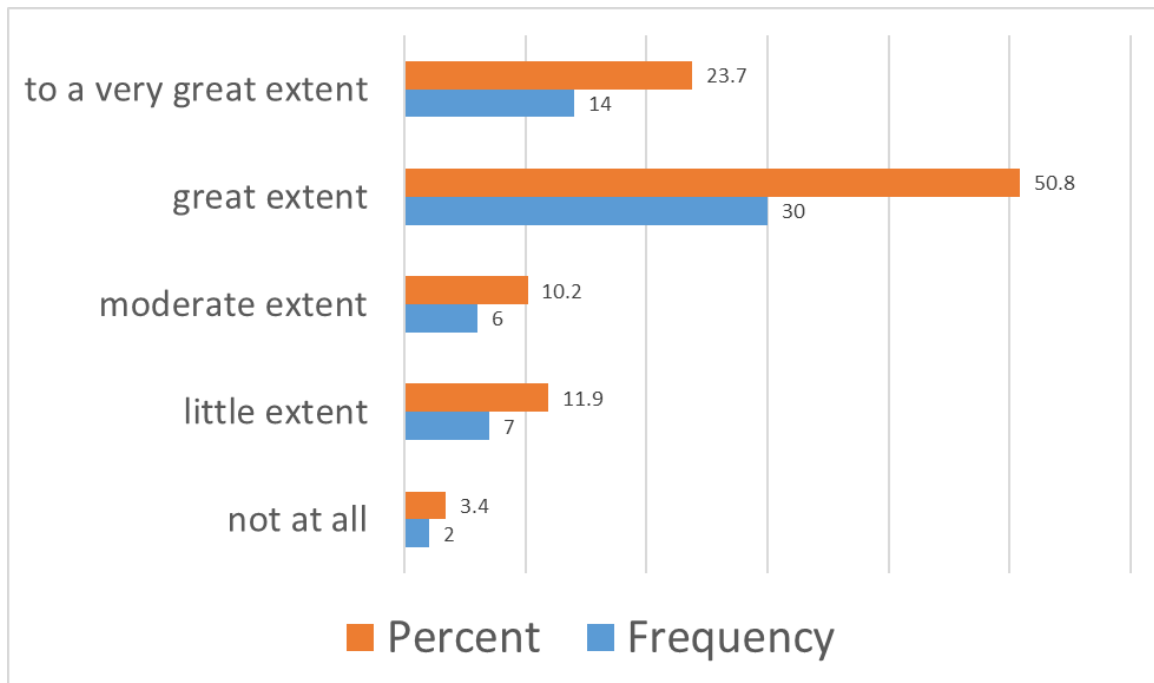
Source: own Survey, (2016)

From the study findings in table, majority of the respondents agreed that silent killers of strategy implementation comprise of unclear strategic intentions and conflicting priorities and weak co-ordination across functions (mean=3.74) and coordination of activities required to maintain and monitor progress towards strategy implementation (mean=4.13).

The respondents moderately agreed to the statement that DCE is faced with influences that arise from decentralization and imperfect monitoring of Co-ordination of Activities in strategy implementation (mean=3.40).

However, the respondents disagreed to the statement that DCE does not have sufficient policies in solving the challenges of co-ordination of activities on strategy implementation (mean=2.77).

The respondents were further asked to indicate the extent to which communication process influence strategy implementation.



Source: own Survey (2016)

Figure 8: The extent to which co-ordination of activities influence strategy implementation

From the study findings in figure, majority of (74.5%) of the respondents indicated that co-ordination of activities influence strategy implementation to a great extent and great extent. The respondent indicated that and efficient operational management is necessary to ensure that an organization meet its strategies.

Previous studies by Beer and Eisenstat's (2000) also lay emphasis on the role of coordination of activities on strategy implementation. Beer and Eisenstat's (2000) asserts that strategy implementation is hindered by unclear strategic intentions and conflicting priorities and weak co-ordination across functions.

CHAPTER FIVE: SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATIONS

5.1. Summary of Finding

Strategy Implementation Effectiveness: The study made an attempt to assess the effectiveness of strategy implementation in DCE in particular and construction industry in general. It was able to see the strategy implementation was effective in attaining corporate objective and goals like market share, revenue growth, and profitability even though the extent of the effectiveness is not as much as possible.

The implementation of strategy to some extent has addressed and improved administrative and project overhead costs, outsourcing of services, contract management, reduction of administrative costs, and capability of gathering and processing information of new projects.

There are also certain areas where strategy implementation is not effective in establishing integrated resource management, obtaining new projects through competitive bid, completion of projects on time, establishing effective bid strategy, and equipment standardization

Organizational Culture and Strategy implementation: The study established that organization culture influence strategy implementation in the construction industry. Organization culture influences adherence to organizational vision, mission and values thus steering the implementation of organizational strategy. For an organization culture to have a positive influence on strategy implementation, the following should be observed: respect for a diverse range of opinions, ideas and people (allows employee participation in decision making), tolerance to new ideas employee motivation, creation of a fun and friendly customer-centered environment, ensuring clarity of vision, mission and values among employees throughout the enterprise and, the organization should sticks to its mission vision and values all the time.

The employees at all levels must firmly understand their individual and inter-dependent roles in attaining the corporate vision. Strategy implementation requires a strong

alignment between employee attitudes and strategic goals and objectives. Creation of power distance between the upper and lower cadres in the organization is a hindrance to strategy implementation and must not be tolerated in an organization

Commitment of Top Level Management and strategy implementation: The study established that commitment of top level management influence strategy implementation in the construction industry. Middle level managers are the “key actors” in strategy implementation since they have a pivotal role in strategic communication and the most important thing when implementing a strategy is the top level management’s commitment to the strategic direction. Top managers must demonstrate their willingness to give energy and loyalty to the implementation process. Top level managers always determine the degrees of authority needed to manage each organizational unit during strategy implementation.

The study findings revealed that while management’s commitment is a positive signal for organization to enhance strategy implementation firms in construction industry, there are still hindrances to strategy implementation. The study established top level management do not always facilitate employee participation in decision making, some firms lack top level management that give organizational members certainty during an implementation effort and some firms do not select the right people for key positions.

Communication process and strategy implementation: Communication is a key success factor in strategy implementation. However, the study asserts as communication are not planned to much for strategy to be implemented. Moreover, it is also revealed as there is frequent delay of strategy implementation communication with employees.

The study has also established that some firms in the construction industry do not have a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy as lack of communications cause more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees.

Co-ordination of activities and strategy implementation: Efficient operational management is necessary to ensure that an organization meets its strategies. The study establishes that a lack of coordination of activities leads to more time before strategy is implemented and that coordination of activities should be maintained and monitored as progress towards strategy implementation. Also, for strategy to be implemented effectively, the study suggests that organizations in the construction industry should be coping up with the influence that arises from decentralization and imperfect monitoring of coordination of activities. Moreover, firms in the construction industry should ensure efficient co-ordination of activities and have sufficient policies in solving the challenges of co-ordination of activities.

5.2. Conclusion

The study concludes that successful strategy implementation requires comprehensive analysis of challenges that might affect the process and coming up with a matrix of solutions to the identified challenges. The study presents four categories of challenges that influence strategy implementation: challenges related to organization culture, commitment of top level management, efficiency of communication process and efficiency in coordination of activities during implementation.

Organization culture can be a hindrance to strategy implementation if the following are not observed in any organization: unclear vision, mission and values among employees, lack of adherence to organizational vision, mission and values thus steering the implementation of organizational strategy, lack of respect for a diverse range of opinions, ideas and people (not allowing employee participation in decision making), intolerance to new ideas, employee motivation, lack of a fun and friendly customer-centered environment, failure of employees at all levels to understand their individual and inter-dependent roles in attaining the corporate vision, lack of a strong alignment between employee attitudes and strategic goals and objectives, and creation of power distance between the upper and lower cadres in the organization.

The lack of commitment of top level management is a hindrance to strategy implementation in the construction industry. Top level managers always determine the degrees of

authority needed to manage each organizational unit during strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. However, top level management do not always facilitate employee participation in decision making, some firms lack top level management that give organizational members certainty during an implementation effort and some firms do not select the right people for key positions

Communication is a key success factor in strategy implementation but some firms in the construction industry do not have a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. Moreover, a delayed communication with employees is a hindrance to strategy implementation.

With regard to coordination of activities, the study hindrances to strategy implementation comprise of unclear strategic intentions and conflicting priorities and weak co-ordination across functions. Lack of coordination of activities leads to more time before a strategy is implemented.

5.3. Recommendation for policy interventions

Policies should be enacted to allow firms in the construction industry undertake the following actions during strategy implementation.

Inclusion of all employees in the implementation process: Bring influential employees, not just executive team members into the planning process. Not only will they contribute meaningfully to strategy, they will also be critical in ensuring the organization engages with the strategy. Engage them emotionally in the vision. The vision needs to give people goose bumps – a vision they believe in, that they want to invest and engage with.

Monitor and adapt to the strategy: Strategies must be adaptable and flexible so they can respond to changes in both our internal and external environments. Strategy meetings should be held regularly throughout the year, where initiatives and direction are assessed for performance and strategic relevance.

Put metrics in place to regularly measure both the output and process goals of the implementation effort, and ensure organizational adaptability to evolve the implementation plan based on the learning achieved. Effort to scope and design these metrics is often very high-reward. Without them it's impossible to tell if and why implementation is succeeding or failing, and to take timely corrective action as required. In our experience almost all implementation plans need to get tweaked at least now and then as unforeseen events, roadblocks, and/or consequences occur.

Communicate to all stakeholders: Ensure every staff member understands the strategic vision, the strategic themes and what their role will be in delivering the strategic vision. Communicate the strategy through a combination of presentations, workshops, meetings, newsletters, intranets and updates. Continue strategy and performance updates throughout the year.

Clarify the expectations: It is important that all employees are aware of expectations. How are they expected to change? What and how are they expected to deliver? Each individual must understand their functions within the strategy, the expected outcomes and how they will be measured.

5.4. Recommendation for Future Research

The construction industry is the basis for this study. Therefore, strategy implementation in line with organizational culture, top management commitment, communication and coordination of activities are particularly important. However, the setting is relatively unique, and thus to ensure generalizability, the implementation of strategic should be examined in other industry contexts, thus, the pattern of findings showed in this work need to be replicated in other industry contexts.

The study assesses strategy implementation by focusing on organizational culture, top management commitment, communication and coordination of activities, there are other different categories of strategic management that have been ignored. Thus, for further study it is suggested that strategic management practices have to be assessed for all relevant factors.

Further study may be conducted to know the latest perception towards strategic management practices in the construction industry. Future studies should include strategic management practices from other governmental and non-governmental construction companies in order to compare the differences in the practice of strategic management in different institutions. Moreover, in countries like Ethiopia, where are public and private companies adopt different kind of strategic management process, practice it becomes important to have a comparative study of both institutions to understand the practice of strategy implementation in a better way.

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Appendices

St.Mary's University

School of Graduate Studies MBA Program

(Questionnaire)

The Assessment of Strategy Implementation Process

The Case Study of Defense Construction Enterprise

Dear Respondent,

The aim of this questionnaire is to study **The Assessment of Strategy Implementation Process** the case study of Defense Construction Enterprise. This questionnaire is required to be filled with exact relevant facts as much as possible. All data included in this questionnaire will be used only for academic research and will be strictly confidential. After all questionnaires are collected and analyzed, interested participants of this study will be given feedback on the overall research results.

Teklegiorgis Yehdego

Best regards

Section A: general information

1. What is your Gender?

Male **0**

Female **0**

2. Indicate your Age Group

21-25 **0**

26-30 **0**

31-35 **0**

36-40 **0**

Above 41 **0**

3. Indicate your Level of Education

High school **0**

Certificate **0**

Diploma **0**

Degree **0**

Post Graduate **0**

4. How long have you worked in this organization?

Less than 5 years **0**

Between 5 and 10 years **0**

11 to 15 years **0**

Above 15 years **0**

Section B: Effectiveness of strategy implementation

5. What is your level of agreement with the following statements regarding strategy implementation effectiveness in achieving the organizational goals and objectives? Use a scale of 1 to 5 where 1 = strongly disagree, 2= disagree, 3= neutral, 4= agree, and 5 = strongly agree

		strongly disagree	disagree	neutral	agree	strongly agree
5.1	Market share increases					
5.2	Revenue growth rate is increasing					
5.3	Profitability growth rate is increasing					
5.4	Administrative and project overhead decreases					
5.5	Integrated resource management is ensured at head office and project level					
5.6	Number of project obtained through competitive bid increases					
5.7	Outsourcing brings the desired results					
5.8	Employee turnover decreases substantially					
5.9	Competent employee recruitment system has been established					
5.10	Short term and long term training have been provided to employees					
5.11	Equipment availability is improved					
5.12	Equipment standardization has been in place					
5.14	Equipment maintenance cost has decrease substantially					
5.15	Productivity of driver and machine operator has improved					
5.16	Client /owner satisfaction has increased					
5.17	Projects have been completed on time					
5.18	Contract management has been improved					
5.19	Reworks has been decreased					
5.20	Project administrative cost has					

		strongly disagree	disagree	neutral	agree	strongly agree
	decreased					
5.22	Report versus payment certificate is improved					
5.23	Effective Bidding strategy is established					
5.24	Capability of gathering and processing information of new project is improved					
5.25	Standardized information of labor, materials and equipment and other resource is established					
5.26	Relationship with consultant, sub-contractor/suppliers and government organization is improved					

SECTION C: Organizational Culture

6. What is your level of agreement with the following statements regarding organization culture and strategy implementation? Use a scale of 1 to 5 where 1 = strongly disagree, 2= disagree, 3= neutral, 4= agree, and 5 = strongly agree

s.n		strongly disagree	disagree	neutral	agree	strongly agree
6.1	My organization has missions and visions statement					
6.2	My organization shows respect for a diverse range of opinions, ideas and people (allows employee participation in decision making)					
6.3	My organization has a culture of tolerating risks					
6.4	There is considerable power distance between the upper and lower cadres in the organization					
6.5	My organization tolerates new ideas					
6.6	Risk tolerance helps in strategy implementation in my organization					

s.n		strongly disagree	disagree	neutral	agree	strongly agree
6.7	The power distance in my organization is a hindrance to strategy implementation					
6.8	The tolerance of new ideas enhances strategy implementation					
6.9	Employee in my organization are motivated					
6.10	The management relates well with juniors in my organization					
6.11	My organization provides a fun and friendly customer-centered environment					
6.12	There is clarity of vision, mission and values among employees throughout the enterprise					
6.13	Employees at all levels firmly understand their individual and inter-dependent roles in attaining the corporate vision					
6.14	There is strong alignment between employee attitudes and strategic goals and objectives.					
6.15	The organization sticks to its mission vision and values all the time.					

SECTION D: Commitment of Top Level Management

7. What is your level of agreement with the following statements regarding commitment of top level management and strategy implementation? Use a scale of 1 to 5 where 1 = strongly disagree, 2= disagree, 3= neutral, 4= agree, and 5 = strongly agree

		strongly disagree	disagree	neutral	agree	strongly agree
7.1	Middle level managers are the “key actors” in strategy implementation since they have a pivotal role in strategic communication					
7.2	The most important thing when implementing a strategy is the top level management’s commitment to the strategic direction.					
7.3	Top managers must demonstrate their willingness to give energy and loyalty to the implementation process.					
7.4	Demonstrable management’s commitment is a positive signal for organization to enhance strategy implementation					
7.5	Current organization top level management does not allow employee participation in decision making					
7.6	There are clear commitments of top level management that give organizational members certainty during a strategy implementation.					
7.7	To enhance strategic implementation success, my organization selects the right people for key positions					
7.8	The top level managers always determine the degrees of authority needed to manage each organizational unit during strategy implementation.					

SECTION E: Communication Process

8. What is your level of agreement with the following statements regarding Communication Process and strategy implementation? Use a scale of 1 to 5 where 1 = strongly disagree, 2= disagree, 3= neutral, 4= agree, and 5 = strongly agree

		strongly disagree	disagree	neutral	agree	strongly agree
8.1	Communication processes in my organization are planned to match requirements for a strategy to be implemented					
8.2	Communication is a key success factor in strategy implementation					
8.3	In my organization communicating with employees concerning strategy implementation is frequently delayed					
8.4	My organization is faced with the challenge of lack of institution of a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy.					
8.5	Lack of communications cause more harm as the employees are not told about the new requirements, tasks and activities to be performed by the affected employees					
8.6	The way in which a strategy is presented to employees is of great influence to their acceptance of it.					
8.7	An integrated communications plan is an effective vehicle for strategy implementation					

SECTION F: Co-ordination of Activities

9. What is your level of agreement with the following statements regarding co-ordination of activities and strategy implementation? Use a scale of 1 to 5 where 1 = strongly disagree, 2= disagree, 3= neutral, 4= agree, and 5 = strongly agree

		strongly disagree	disagree	neutral	agree	strongly agree
9.1	Lack of coordination of activities in my organization leads to more time before a strategy is implemented Silent killers of strategy implementation comprise of unclear strategic intentions and conflicting priorities and weak co-ordination across functions.					
9.2	Coordination of activities required to maintain and monitor progress towards strategy implementation.					
9.3	My organization is faced with influences that arise from decentralization and imperfect monitoring of Co-ordination of Activities in strategy implementation.					
9.4	My organization does not have sufficient policies in solving the challenges of co-ordination of activities on strategy implementation					

Section G: Strategy implementation

10. To what extent do you think the following factors influence strategy implementation your organization?

Commitment of top level management

Not at all	0
Little extent	0
Moderate extent	0
Great extent	0
To a very great extent	0

Communication

Not at all	0
Little extent	0
Moderate extent	0
Great extent	0
To a very great extent	0

Coordination of activities

Not at all	0
Little extent	0
Moderate extent	0
Great extent	0
To a very great extent	0

Organizational culture

Not at all	0
Little extent	0
Moderate extent	0
Great extent	0
To a very great extent	0