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## **School of Graduate Studies**

# **PRACTICES AND CHALLENGES OF STRATEGY IMPLEMENTATION AT ETHIOPIAN AGRICULTURAL BUSINESS CORPORATION**

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**January, 2017**

**Addis Ababa, Ethiopia**

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**Addis Ababa, Ethiopia**

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

Acknowledgements.....	i
Acronyms.....	ii
Abstract.....	iii
List of figure.....	iv
List of Tables.....	iv
CHAPTER ONE INTRODUCTION .....	1
1.1 Back ground of the study .....	1
1.2 Statement of the problem .....	3
1.3 Research questions .....	3
1.4 .Objective of the study .....	5
1.4.1 General objective.....	5
1.4.2 Specific objectives.....	5
1.5 Significance of the study .....	6
1.6 Scope of the study .....	6
1.7 Limitations of the Study .....	6
1.8 Organization of the paper.....	6
CHAPTER TWO REVIEW OF RELATED LITERATE .....	8
2.1. Definition of strategy .....	8
2.2 Strategy concept .....	8
2.3 Stages of Strategic Management .....	9
2.3.1 Elaboration of the model of strategic management.....	11
2.3.2 Strategic management models.....	13
2.3.2.1. Thompson and Strickland’s Strategic Management Model .....	13
2.3.2.2. Wheelmen and Hunger’s Strategic Management Model .....	14
2.4 Management support.....	14
2.5 Presence of competent and adequate staff.....	15
2.6. Organizational Culture .....	16
2.7 Organizational Structure .....	16
2.8 Strategy implementation process .....	17
2.9 Factors Affecting Strategy Implementation .....	19
2.9.2The Role of human resource in Strategy Implementation.....	20
2.9.3 The Role of Organizational Structure in Strategy Implementation .....	20
2.10. Challenges of Strategy Implementation .....	22

2.11 Strategy Implementation Style .....	26
CHAPTER THREE RESEARCH DESIGN AND METHODOLOGY .....	29
3.1. Research Design.....	29
3.2. Population and Sampling design .....	29
3.3. Data sources .....	29
3.3.1 Primary data sources .....	30
3.3.2 Secondary data sources .....	30
3.4. Data Collection Instruments.....	30
3.5. Reliability Analysis .....	30
3.6 Data Analysis Method.....	31
3.7. Ethical Consideration .....	31
CHAPTER FOUR RESULTS AND DISCUSSION.....	33
4.1 Demographic of the respondents.....	33
4.2.1. Strategic implementation Practices .....	34
4.2.2. Strategy Implementation challenges .....	36
4.2. 3. Corporation objectives .....	50
4.2.4. Content/Structure .....	51
4.2.5. Information System.....	57
4.2.7. Human resource management .....	57
4.2.8 Leadership .....	59
4.9 General variable analysis .....	62
CHAPTER FIVE CONCLUSIONS, RECOMMENDATION& FINDINGS .....	64
5.1. Summary of findings.....	64
5.2. Conclusions .....	65
5.3. Recommendations .....	66
References .....	lxix
Appendix .....	lxxv

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## **Acronyms**

GDP	Growth Domestic Product
EABC	Ethiopian Agricultural Business Corporation
HRM	Human Resource Management
ICT	Information Communication Technology
SBU	Strategy in Business Unit
SHRM	Strategic Human Resource Management
SWOT	Strength, Weakness, Opportunities and Treats

## List of Tables

Table 3.1 Reliability Statistics .....	31
Table 4.1. Responses on Demography.....	33
Table 4.2. Strategy Implementation Practices .....	35
Table 4.3 Strategy implementation challenges .....	38
Table 4.4 corporation objectives .....	50
Table 4.5 Content/Structure .....	53
Table 4.6 Information System .....	57
Table 4.7 HRM .....	59
Table 4.8 Leadership .....	61
Table 4.9.General variable analysis .....	62



## List of figure

Figure:-2.1 Strategy Implementation mode .....	24
Figure:-2.2 Conceptual framework mode.. .....	28

## **Abstract**

*This study aimed at assessing practices and challenges of strategic implementation at Ethiopian Agricultural Business Corporation. The study used both quantitative and qualitative research approach and the study has employed descriptive research. Primary data were collected by using 5-point Likert-scale questionnaire distributed to customers and unstructured interview conducted with managers selected through purposive sampling. A total of 144 questionnaires were filled and returned by the employees who were used by census methods of sampling. The analysis is made by making use of descriptive statistics. The empirical result shows that employees' level of understanding the strategic implementation is inadequate and, the organizational structure does not facilitate the implementation. The strategy implementation has faced various challenges such as of leadership, poor communication integrations, lack of employees' motivation and sense of ownership, and poor organizational structure. Based on these findings appropriate recommendations were provided.*

*Key words: strategy implementation, challenges of strategy implementation, practice of strategy implementation.*

## **CHAPTER ONE**

### **1. INTRODUCTION**

#### **1.1 Back ground of the study**

Today's organizations operate in a continuously changing and at times turbulent environment which makes it necessary to incessantly adapt their activities for survival through formulation and implementation of the strategy. Many companies, small and large, spend a lot of resources on the formulation of strategy since it is known that successful implementation of well-formulated strategies produces superior performance. However, implementation of the strategy is a more difficult task which is illustrated by the unproductive low success rates. As Mintzberg and Quinn (1991) stated, 90% of well-formulated strategies fail at the implementation stage.

Thompson, Strickland, and Gamble (2008) observed that there is no one universal approach to strategy implementation. Therefore when it comes to strategy implementation, each organization's implementation process should be exclusive. Management should realize that for successful strategy implementation, the process needs to be customized to different situations and circumstances under which each organization operates. Many studies (Mihaela,2014) acknowledge that strategies frequently fail not because of inadequate strategy formulation but because of insufficient implementation. Strategy implementation is complex and is accompanied with a lot of challenges which organizations need to manage.

According to Musyoka(2011), implementation of a strategic plan is an operation- oriented process as well as putting plans into action. It involves a procedure of changing over the defined methodologies into suitable operations that will give up the organization's targets.

According to Hitt et al (2011), implementation is the most challenging and time consuming part of strategic management since it engages changing key planning into activities and results

subsequently testing a supervisor's capacity to control reliable change, influence individuals, assemble and reinforce association abilities and aggressive abilities, make and sustain a methodology strong work atmosphere, and meet execution targets .

According to Coulter (2005), Says the factors emerge from the fact that implementation of strategic plans involves assessing what an organization can do it better; given organization's particular operation practices and organizational environments, implementing a strategy completely and realizing the targeted financial and strategic which support an organization to examine how its plan has been realized in addition to its target outcomes.

According to Ogunmokun et al (2005), implementation includes the resource based theory of the firm and the institutional theory among others. Resource- based theory of strategy focuses on firm's possession and use of resources and competencies as a competitive advantage. Strategy implementation is informed by various theories which help the organizations to understand factors that may affect them. Theory guides proper strategic management for organizational functioning and survival.

According to Wheelen & Hunger (2008), strategic fit theory involves aligning organizational strategy to the environment. Grant (2010) noted that for a strategy to be successful there must be consistency between organizational internal elements such as goal, values, structures, systems, resources, capabilities and the external environment. Finally, systematic planning view entails that organizations predetermine the strategic direction of the organization. That means management plays tremendous role by predetermining the strategic direction of the organization

The research was concerning about how to solve the strategy is implemented in the EABC. The corporation has a strategic plan which is used for four years but it have a problem of implantation which is enameled from leadership, human resource management ICT and other characteristics. Similarity with the environment and the question of changing the corporate boundaries dynamically to adapt to an environment (or create a new environment) become important themes in corporate strategy implementation. Corporation have to determine strategy aims for sustainably competitive products, services, and business models, and realize them by implementing optimal designs for both vertical (value chains to achieve company-determined

strategies) and horizontal (expansion and diversification of business domains) corporate boundaries. This optimal design of a corporate system congruent with its environment corresponds to “business structural design” as mentioned in thesis, there for the researcher stand for to solve and give the recommendation how to solve the problem in the scientific form in addition to this give a new insight into strategic management.

In this context, the research to investigate what are the problems of strategic management is being implemented along with the aim of identifying the gaps between the plan and the practice. Therefore, the study is concerned to suggest a solution for the practical problem of strategic implementation in EABC.

## **1.2 Statement of the problem**

While implementing strategies in any organization, strategy implementation challenges are inevitable. Strategy implementation is more challenging and delicate task than strategy formulation as it involves sensitive issues such as resource mobilization, restructuring, cultural changes, technological changes, system and process changes, policy changes, leadership among others. Implementation challenges tend to originate from various sources, some internal to the organization while others are from the external environment. Wheelen & Hunger (2008),

According to Aaltonen and Ikavalko( 2001), strategies are a critical element in an organization functioning, whereas most organizations have good strategies, successful strategy implementation remains a major challenge. Strategy Implementing might seem quite straightforward; a strategy is first formulated and then implemented. In the contrary, transforming strategies into action is a far more complex, difficult and challenging undertaking and therefore not as straight forward as one would assume (Alexander, 1991; Giles, 1991; Galpin, 1998; Lares-Mankki, 1994; Beer and Eisenstat, 2000), Researchers have revealed a number of problems in strategy implementation: These include weak management roles in implementation, a lack of communication, lacking a commitment to the strategy, unawareness or misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, competing activities, and uncontrollable environmental factors.

This thesis focus on strategy implementation challenges. In the case of The Ethiopian Agricultural Business corporation have no documented studies had been carried out on strategy implementation process, challenges and how the challenges had been overcome existed.

According to Jennifer Franczak, 2009, the participation of the needed stakeholders in the planning phase is not included which means the employees did not clear information about what is in the strategy. The corporation has an organizational structure that includes all need employees however in placing the need job and the number of employees is not related in some part the number of employees is small related to the job need working force.

According to EABC (2016), the arranged organizational structure in the corporation has a problem addressing the need task to the expected body. Not only this but also unclear works and the number of employees where the place in it, this shows that a problem of implementing the existing strategy. The annual report of the organization shows that 65% of its annual plan is achieved. It below the expected in the plan

According to EABC (2016), the house of peoples representatives groups checked the accomplishment of the organization and listen report tells that the problem of implementation of the strategy and recommended improving their implementation

### **1.3 Research questions**

The research answered the following research questions;

- How the corporation strategy is implemented?
- What are the challenges of strategy implementation?
- How organizational structure has been arranged to support the strategy implementation process?
- How HRM practices of strategy implementation?
- How Leadership practice supports successful strategy implementation?
- How IT of the company assists the strategy implementation?

## **1.4 .Objective of the study**

### **1.4.1 General objective**

The general purpose of this study is to assess the practice and challenges of strategy implementation in Ethiopian Agricultural Business Corporation.

### **1.4.2 Specific objectives**

Specifically, the researcher achieved the following objectives;

- To assess the practice of strategy implementation.
- To investigate the challenges of strategy implementation.
- To assess whether the appropriate organizational structure has been arranged to support the strategy implementation process.
- To determine HRM practice supports successful strategy implementation.
- To determine leadership practice supports successful strategy implementation.
- To assess whether IT of the company assists the strategy implementation.

## **1.5 Significance of the study**

The research has both theoretical and empirical contributions to academics and management practices. The research benefits managers to easily identify problems and use the recommendation to improve the existing problems in the corporation and to easily understand the strategy implementation and control its success. For the company, it can easily achieve the expected goals by effectively implementing the strategy also enduring competitive advantage. The findings of this research add to the knowledge of the subject of strategy implementation by deepening readers' understanding of the subject of strategy implementation from the perspective of corporations. The other companies, on how to implements when they create a new strategy. Besides contributing to the existing pool of knowledge, it also contributes to the academia by deep starting future researchers

## **1.6 Scope of the study**

The study focused on the Ethiopian Agricultural Business Corporation at the Head office, which is found in Addis Ababa because the strategy is to create at head office level and the pilot study is done at the head office first. More emphasis was given to strategic implementation-related factors such as leadership style, structure, and HRM and ICT resource usage. The time of research is in the 2018and descriptive study was used.

## **1.7 Limitations of the Study**

- There were some limitations in the process of data collection. There was some level of noncooperation on behalf of some to return questionnaires on time.
- There were difficulties in having access to sensitive documents like business plans and their individual planes to evaluation by the strategic management.

## **1.8 Organization of the paper**

The study is divided into five chapters: - chapter one includes background, statement of the problems, objectives of the study, significant of the study, limitation of the study and



organization of the study chapter two also included elaborating the review of literature and conceptual framework of the study, chapter three contains provide the research methodology part, chapter four is illustrate data analysis and findings, and chapter five is about the summary, conclusion, recommendations.

# CHAPTER TWO

## REVIEW OF RELATED LITERATE

### 2.1. Definition of strategy

According to Abu Hassan (2011), definitions of strategic defined by various authors there are no single, universally accepted definition of strategy. The early definition of strategy was provided by the American business historian, Chandler (1962) who defined strategy as determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals. In the other hand defined strategy in term of the extent of diversification, international activity and acquisition policy.

According to Mintzberg (1998), strategy as a plan a direction, a guide or course of action into the future and as a pattern, that is, consistent in behavior over time. In terms of strategic management, it can be defined as a set of managerial decisions and actions that determine the long-run performance of a corporation. It includes strategy formulation, strategy implementation, and evaluation and control.

### 2.2 Strategy concept

Strategic thoughts have existed throughout history, when the earliest historians combined life-and death strategies and converted them into wisdom and guidance for human wellbeing. Later on, and as societies grew and conflicts started to arise, strategy was used mainly in a militaristic fashion. The term strategy“ in the organizational context and other historical uses of the term has been made by Strategies: to give direction and purpose, to deploy resources in the most effective manner and to coordinate the decisions made by different individuals. Many of the concepts and theories of business strategy have their antecedents in military strategy. The term ‘strategy’ derives from the Greek word *strategia*, meaning ‘generalship’. However, the concept of strategy did not originate with the Greeks. Sun Tzu’s classic *The Art of War*, written in about 500 B.C, is regarded as the first treatise on strategy. Military strategy and business strategy share a number of common concepts and principles, the most basic being the distinction between strategy and tactics. *Strategy* is the overall plan for deploying resources to establish a favorable position; a *tactic* is a scheme for a specific action. Whereas tactics are concerned with the maneuvers

necessary to win battles, strategy is concerned with winning the war. Strategic decisions, whether in military or business spheres, share three common characteristics: they are important; they involve a significant commitment of resources; they are not easily reverse.

### **2.3 Stages of Strategic Management**

The strategic-management process consists of three stages: strategy formulation, strategy implementation, and strategy evaluation. Strategy formulation includes developing a vision and mission, identifying an organization's external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing particular strategies to pursue. Strategy-formulation issues include deciding what new businesses to enter, what businesses to abandon, how to allocate resources, whether to expand operations or diversify, whether to enter international markets, whether to merge or form a joint venture, and how to avoid a hostile takeover.

Because no organization has unlimited resources, strategists must decide which alternative strategies will benefit the firm most. Strategy-formulation decisions commit an organization to specific products, markets, resources, and technologies over an extended period of time. Strategies determine long-term competitive advantages. For better or worse, strategic decisions have major multifunctional consequences and enduring effects on an organization. Top managers have the best perspective to understand fully the ramifications of strategy-formulation decisions; they have the authority to commit the resources necessary for implementation.

Strategy implementation requires a firm to establish annual objectives, devise policies, motivate employees, and allocate resources so that formulated strategies can be executed. Strategy implementation includes developing a strategy-supportive culture, creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information systems, and linking employee compensation to organizational performance.

Although some organizations today may survive and prosper because they have intuitive geniuses managing them, most are not so fortunate. Most organizations can benefit from strategic

management, which is based upon integrating intuition and analysis in decision making. Choosing an intuitive or analytic approach to decision making is not an either–or proposition. Managers at all levels in an organization inject their intuition and judgment into strategic-management analyses. Analytical thinking and intuitive thinking complement each other. Competitive advantage strategic management is all about gaining and maintaining competitive advantage. This term can be defined as “anything that a firm does especially well compare to rival firms.” When a firm can do something that rival firms cannot do, or owns something that rival firm’s desire, that can represent a competitive advantage.

Stages and phases of the strategic management models, establishing model of strategic management. During this stage it is necessary to specify two categories of matters, namely the assumptions in relation to which the model of strategic management is elaborated and the main categories of information that can be capitalized in the strategic process.

In this respect, specialists recommend considering the following assumptions: specifying the lifecycle phase in which the organization is (start-up, growth, maturity, decline); choosing the strategy depending on the situation of the organization on the market; taking into account the nature and age of industry; assurance of the continuity of the strategic process; systemic vision on the organization and its working environment; assurance of the flexibility of the strategic process; internationalization of the national economies and of the trends in this area; international transfer of managerial know-how. The main categories of information that can be used in the strategic process

In the strategic process, the information provided by diagnostic studies, studies for analyzing the competitive environment, market studies and environmental studies are necessary. The starting point and, at the same time, the first sequence of establishing the model of strategic management is the diagnosis of the managerial and economic and financial viability of the organization which aims at highlighting the main malfunctions and strengths and, on this basis, to make recommendations, focused on the reasons for generating positive and negative deviations (Greco and Grigore 2013).

The second important basis is represented by the analysis of the competitive environment that must provide relevant information on the absolute and relative market share held by the organization, the competitive forces (competitors, potential new comers, substitute products, suppliers, buyers) existing within the industry in which the organization operates, but also to the main opportunities and threats (vulnerabilities) of the environment (Cârstea et al., 2002).

The marketing study, the third basis of the strategic management model, offers information on markets or market segments with the best prospects for the organization, the level of prices accepted on the market, ways of distribution of products on the market, promotional activities.

Another major element of the content of the justification stage is the development of ecological studies. Its importance is conditioned by the field of activity, the size and location of the organization, but in all cases such studies substantiate the alignment of the organizational development to the requirements imposed by the environment, emphasizing: the polluting activities, the quantity of pollutants emitted into the atmosphere, the costs of pollution, as well as the main ways to mitigate or eliminate the pollutant character of some microeconomic activities.

The last information source for establishing the model is the national economic strategy. The forecasts within it represent major landmarks in directing the organization's strategy, especially in terms of its technical dimension. The global organizational strategy as a whole, especially at the level of large and small to medium sized organizations, should reflect the requirements of the national economic strategy, the integration of Romania into the European Union. This provides guidance to develop the organization in accordance with the main macroeconomic developments foreshadowed for the next period.

### **2.3.1 Elaboration of the model of strategic management**

The elaboration of the model of strategic management reflects the clarity of the top level conception of the organization regarding the major coordinates of the activities and the performance to be achieved given the complexity, but also its importance for the long-term success of the organization, a realist and explicit model of strategic management implies the following stages:-

A. Establishing the organization's mission, meaning explaining the relationships between management, employees and the environment and ensuring consensus on the objectives envisaged in the context of the development and promotion of appropriate policies for the use of resources.

B. Determining the strategic objectives, which means expressing the quantitative and/or qualitative goals for which the organization was founded and it currently runs. The system of categories of objectives is based on the strategic objectives. It includes fundamental, derivate, individual, and specific objectives. This stage is influenced by the potential economic and managerial viability of the organization, environmental threats and opportunities, subject to certain requirements relating to environmental pollution, the objectives of the organization as well as some assumptions (taking the stakeholders into account, flexibility of strategy, and internationalization of the economic activities).

C. Specifying the means for achieving the objectives (strategic choices), in this category we include managerial remodeling, privatization, diversification, specialization, cooperation, and information services. In setting the strategic choices, the management of the organization must consider and take into account the present and future threats and opportunities of the environment, as well as the internal potential of the organization, its strengths and weaknesses, the potential competitive advantages over other competitors, all capacity, its, ability to adapt and respond to environmental challenges. At the same time, it should also be taken into consideration several assumptions, such as: the international transfer of managerial know-how, the internationalization of the economic activities, the strategic differentiation depending on the stage in the life of the organization (Pivodă, 2013).

D. Dimensioning of the resources committed to objectives' achievement, namely dimensioning of the investments fund, working capital, staffing needs. At the same time, the funding sources are specified. In this stage, a major influence is held by the provisioned strategic choices, the stakeholders of the organization, as well as its potential for economic stability.

According to Mohammad (2008), a model is a representation of the proposed structure. It is, basically, a simplified system used to stimulate some aspects of the real life situations.

### **2.3.2 Strategic management models**

A strategic management is a representation of the proposed structure of strategic management in combination of strategies and management activities. It is, usually, a simplified system used to stimulate organization direction, environmental scan, SWOT analysis, strategy formulation, implementation and control in the light of real life situations. There are different types of strategic management models. Some of them are discussed here.

#### **2.3.2.1. Thompson and Strickland's Strategic Management Model**

According to Thompson and Strickland, the term 'strategic management' refers to the managerial process consisting of: developing a strategic vision and business mission, setting objectives, crafting a strategy, implementing and executing the strategy, evaluating performance, monitoring new developments and initiating corrective adjustments.

Strategic management is the managerial process of forming a strategic vision, setting objectives, crafting a strategy, implementing and executing the strategy and then over time initiating whatever corrective adjustments in the vision, objectives, strategy & strategy execution are deemed appropriate. Task-1 is forming a strategic vision of where the organization is headed so as to provide long-term direction, delineate what kind of enterprise the company is trying to become, and infuse the organization with a sense of purposeful action. Task-2 is setting objectives, that is, converting the strategic vision into specific performance outcome for the company to achieve. Task-3 is crafting a strategy to achieve the desired outcomes. Task-4 is implementing and executing the chosen strategy efficiently and effectively. Task-5 is evaluating performance and initiating corrective adjustments in vision, long-term direction, objectives, strategy, or strategy execution in the light of actual experience, changing conditions, new ideas, and opportunities. Environmental scanning is one of the major tasks of strategic management. It makes strategic management separate from traditional management. But it is completely absent in the strategic management model developed by Thompson and Strickland.

### **2.3.2.2. Wheelmen and Hunger's Strategic Management Model**

According to Wheelmen and Hunger, the process of strategic management involves four basic elements. These are: Environmental scanning, Strategy formulation, Strategy implementation, and Evaluation and control. They mentioned that these four basic elements interact each other. At the corporate level, the strategic management process includes activities that range from environmental scanning to performance evaluation. Management scans both the external environment for opportunities, threats and the internal environment for strengths and weakness. The factors that are most important to the corporation's future are referred to as strategic factors and are summarized with the acronym SWOT, standing for Strengths, Weakness, Opportunities and Threats. After identifying these strategic factors, management evaluates their interaction and determines the appropriateness of the corporate mission. The first step in the formulation of strategy is a statement of mission, which leads to a determination of corporate objectives, strategies and policies. Corporation implements these strategies and policies through programs, budgets and procedures. Finally, performance evaluation and feedback ensure adequate control of organizational activities. In this model, organizational direction is not made clear. Missions and objectives are shown in the formulation of strategy. But in the real life situation, mission and objectives, that is, organization directions need to be explained clearly before the formulation of strategy.

## **2.4 Management support**

In day to day activities managers are people who work through other people to coordinate their activities in order to accomplish their organizational goals (Robbins and Coulter, 2003). In this studies one importance of strategic management in firm performance; Letting (2009) established that management was a key factor in the success of strategic plan. Beer and Eisenstate (2000) demonstrated that poor top down management communication can be case of resistance to strategy implementation. As the same time, they observed that top management is responsible for the provision and allocation of implementation factors such as leadership and organizational culture in facilitating strategy implementation. It may be argued that management of an organization strategy should not be restricted to the top managements but managers at all levels.



In fact various authors appear to have a common theme that implementation failures occur at middle level and lower level management (Argyris, 1989; Floyd and Wooldridge; 1992). Successful management requires effective use of power in overcoming barriers to change (Champoux, 2000). Power refers to a leader's ability to get things done in a way he or she wants them to be done. It is the ability of influence other people's behavior, to persuade them to do things that they would otherwise not have done and to overcome resistance and opposition to changing direction. Effective exercise of power is essential for successful leadership (Des, Kiker and Cross, 2005).

## **2.5 Presence of competent and adequate staff**

The evolving and complex dynamic nature of the business environment in recent time has shifted the manner in which firm carryout their business activities in this new era innovative firms turns to be more successful than non-innovative one. Despite advancement in technological, innovation over the past decades have improved work and job performance and satisfaction respectively. The critical significance of the employee can work and job performance and satisfaction respectively. The critical significances of the employee can be underestimated since human resource forms the bases effective execution of this new systems and technologies According to Ashton and Morton, 2005; Kular et al, (2008), therefore a competent and competitive workforce is an essential factor if firms are to survive in this rapidly changing environment. This has provided firms with the opportunity to develop programs and process to recruit motivate and retain employee with capable abilities. This would increase the firms' competitive advantage over others (Boyatzis, 1982; Berger, 2004, and Hartley et al, 1995) in so far, efficient human resources play a significant role in an organizations performance as compared with it financial and technology resources. This is true due to the facts that are resourceful and capable workforce is critical to achieving the overall goals and strategies of a firm (Hyatt, 1966). In order to develop a competent workforce managers need to engage employees in the decision making process and this will provide continuous learning environment where needed skill be obtained when employees have clear idea in- terms of job expectation and the strategic goals of the firm, task and jobs are designed in line with these set targets (Swarnalatha and Prasanna, 2012; Gill, 2011; Harter et al, 2002). This provides employees with job satisfaction and increases their

commitment to both their individual jobs and the organization as a whole. Competent loyal employees increase a firm's strategic implementation potential since it would increase job efficiency and decrease waste (Macey, 2006; Branham, 2005, Forkouh et al, 2012) Value creation is critical to a firm's success and cannot be underrated if a firm is to have sustainable growth. The value creation process is characterized by a series of complex activities with each stage involving to some extent human or employee interaction both within and outside an organization (Heger, 2007) An enabling environment provides employees to utilize their skills and abilities to contribute to the firm's innovation and value creation process is a significant factor (Haygroup, 2004; Markos and Srideve; 2010). When employees are engaged in the value creation and innovation process it has a positive impact on the organization performance (Parrin report, 2003, Baumruk and Gorman, 2006; Coftman and Gomez-Moline, 2002).

## **2.6. Organizational Culture**

According to Ansott and McDannell (1990), have observed that corporate culture requires internal integration such that collective identity and togetherness determines day to day communication, acceptability, behaviors and power allocation in the organization structures, similarly, external adoption for dealing with outside environment will be very much in need when trying to implement a strategic plan. Aosa (1992) has also added that the environment of an organization will affect how the culture relates to implementation. He argues that for external focus, such culture could be adaptability or mission culture where as an internal focus could lean the organization's culture towards clan based or bureaucratic culture. Awino (2007) found out that corporate culture requires collective identity and togetherness in order to determine day-to-day communication, acceptable/non-acceptable behaviors as well as power/ status allocation.

## **2.7 Organizational Structure**

Factors relating to the organizational structure are the second most important implementation barriers according to Heide, Gronhaug and Johannessens(2002) study. Drazin and Howard (1984) see a proper strategy structure alignment as a necessary precursor to successful implementation of strategic plan they point out that changes in the competitive environment require adjustments to organizational structure. If a firm lags in making this realignment, it may exhibit poor

performance and be at a serious competitive disadvantages. Gupta (1987) examines the relationships between SBUS strategies aspects of the corporate SBU relationship, and implementation and finds that structure that are more decentralized produce higher level of SBU effectiveness that adjusting organizational structure according to perfect strategy can ensure successful strategy implementation.

## **2.8 Strategy implementation process**

According to Ibrahim (2013), the most comprehensive definition of strategy implementation, which evaluates both the entire process and the stakeholders, that of Yang Li et al (2008 p. 6), as ‘a dynamic, interactive, and complex process [...] comprised of a series of decisions and activities by managers and employees affected by a number of interrelated internal and external factors to turn strategic plans into reality in order to achieve strategic objectives’.

According to Ibrahim (2013), It is evident that firms which implement strategic planning achieve better performances than those without such planning, but these strategies often fail due to problems encountered at the implementation stage. Strategic decisions should, however, be implemented with an awareness that their success is vital for the organization in question. By identifying the factors that influence the process and outcomes of the strategy implementation stage, an organization will be better prepared for its future performance, which will ultimately contribute to its bottom line.

According to James (2014), strategy implementation is a connecting loop between formulation and control. Herbiniak (2006), argued that while strategy formulation is difficult, making strategy work and executing it is even more difficult. Similarly, Cater and Pucko (2010) concluded that while 80% of firms have the right strategies, only 14% have managed to implement them well. To determine the relationship between strategy formulation and implementation, Egelhoff (1993) investigated when it is best for organizations to think about strategy implementation: at the time of strategy formulation or afterward. Another question of even more importance to an organization is whether it is more difficult to formulate strategy than to implement it. In other words, should executives and organizations formulate innovative and perhaps unique strategy that can offer a competitive advantage and then attempt to implement it or identify the

organization's capability first and then formulate a workable and practical strategy? For example, a well-formulated strategy is meaningless if it is not implemented well. However, too much consideration of various aspects of implementation might result in formulating a strategy that is not competitive and, therefore, implementing it would be a waste of time and resources. Echoing previous studies with similar results, Zaribaf and Bayrami (2010) found that most executives in organizations spend a great deal of time, energy, and money in formulating a strategy, but do not provide sufficient input to implement it properly. Normally, companies change their strategy to reposition themselves and adapt or react to market opportunities and threats; when considering how to implement a strategy, most probably will constrain any creativity in the new strategy. Therefore, one must strike a balance between an innovative and workable strategy and its successful implementation

According to Ibrahim (2013), a strategy fails because of unsuitable or poor implementation, and then the effort invested during the formulation phases becomes worthless. Strategic thinking has no effect on a firm's performance, unless all the elements or factors of the strategy fit together using the appropriate capabilities, system, and structure. Since the implementation of strategies is often accompanied by changes in the process, system, and even structure of an organization, executives must make wise decisions when approaching certain strategies that could affect people and their overall implementation.

According to Zaribaf (2010), the majority of large organizations had problems with strategy implementation. The literature supports the view that unlike strategy formulation, strategy implementation cannot be achieved by top management alone; it requires the collaboration of everyone inside the organization and, on many occasions, parties outside the organization. While formulating a strategy is normally a top-down endeavor, implementing it requires simultaneous top-down, bottom-up, and across efforts.

*According to James (2014), Successful strategy implementation is a key for any organization's survival. Many organizations could not sustain their competitive advantages, despite having a robust strategy formulation process, because they lack the processes in implementing the strategies. Considering the higher failure rates in implementation of*

*strategies, more attention should be given by executives to implementing the strategy. Several reasons are frequently offered for the failure of implementing strategy.*

## **2.9 Factors Affecting Strategy Implementation**

### ***2.9.1 The Role of Leadership in Strategy Implementation***

According to Cater and Pucko (2010), while a well-formulated strategy, a strong and effective pool of skills, and human capital are extremely important resources for strategy success, poor leadership is one of the main obstacles in successful strategy implementation. On the other hand one key challenge in successful strategy implementation is ensuring employees' buy-in and directing their capabilities and business understanding toward the new strategy. Therefore, the need for effective leadership outweighs any other factor.

James (2014), cited from Beer and Eisenstat (2000) addressed this issue from a different perspective; they suggested that in the absence of effective leadership, conflicting priorities will result in poor coordination because employees will suspect that top management prefers to avoid potentially threatening and embarrassing circumstances.

According to James (2014), managers' views on the need to dedicate resources to strategy success; allocation of resources should be in line with the implementation plan for the strategy. As expected, the vast majority refers to allocating the organization's human and capital resources to serve the successful implementation of strategy. One difficult challenge for executives implementing strategy involves their ability to strike a balance between their focus on strategy-related tasks and activities and other tasks not directly related to strategy implementation. Managers consider coordinating activities as a major challenge in implementing a strategy. Such coordination requires streamlining the processes, priority management, and change management for people who are accustomed to a specific task and process. The coordination should both ensure more synergy of resources and strike a balance between these tasks and other tasks that are not linked to the strategy. On the other hand, none of the managers always ignores such coordination.

### ***2.9.2 The Role of human resource in Strategy Implementation***

According to Ed van Sluijs (2010), the relational aspect of the integration between business strategy and human resource management refers to the relationships between the factors and actors involved. In other words, what is at stake here is the relative importance of human resource management in comparison with the business strategy. This is considered more or less regardless of the content of both policy areas and also regardless the way in which both areas are given shape in concrete situations. This issue has received. The integration between human resource management and business strategy focuses on content and relational aspects. On the basis of our review, we concluded that the relational approach is not very helpful in understanding and improving this integration. With respect to the content aspect, we concluded that the interactive theories are the most promising ones, since first, they consider human resource management and business strategy as subsystems within the same system rather than separate entities and second, because both the behavioral and resource-based theories are rather linear approaches.

According to Ed van Sluijs (2010), all specific HR-factors are explicitly connected to the personnel department or HR functions within the firms. Only very little attention is given, for instance, to the amount of time and energy spent by line managers or other key figures on HR issues. Therefore, we are inclined to conclude that the framework of Golden and Ramanujam is about the cooperation and communication between top management and the personnel department, rather than the integration between business strategy and human resource management.

According to Sluijs (1993), cyclic model of strategic human resource management in the interactive approach, the relation between business strategy and human resource management a (as discussed before) is of a two-way or integrated character. On the one hand, the strategic possibilities are restricted by the availability and adjustability of human resources. On the other hand, the current human resources provide opportunities to achieve strategic options.

### ***2.9.3 The Role of Organizational Structure in Strategy Implementation***

According to Todorka (2008), strategic management is an ongoing process that assesses the business and the industries in which the company is involved; assesses its competitors and sets

goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly [i.e. regularly] to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment, or a new social, financial, or political environment .

According to Todorka (2008), the information available for processing and analyzing is constantly and rapidly growing. It is used in all levels in the contemporary enterprises. For its processing different information technologies are developed. Most studies introduce the information technologies from strategic management point of view. The classification of information technologies according to their implementation in the phases of the strategic management process is made. The most important from them are strongly related to the enterprise growth and adaptation by supporting the process of innovation and knowledge development and re-engineering. The use of ICT in strategy formulation, the strategy is a long-term plan of action designed to achieve particular enterprise goals and is strongly related to the environment changes. When the change in the environment appears the enterprise must respond with adapting its strategy according to the environment changes. Information technologies used for forecasting features as well as for reducing uncertainty. Information technologies which support the strategy generation process, Strategy modeling tools – current and ideal state modeling, State space analyzing systems, Scenario development and evaluation systems, Strategy mapping tools, Strategy visualization tools, tools for strategic business modeling and Strategic forecasting technologies.

Strategy implementation: developing the strategy is not enough to achieve results. It needs to implement it by translating it into more detailed policies that can be understood at the functional level of the enterprise. At this phase of the strategic management process we can use strategic plan formulation systems, change management systems, technologies for supporting organizational structure development and re-engineering, team collaboration supporting systems, resources allocation supporting technologies and strategy implementation monitoring tool.

## **2.10. Challenges of Strategy Implementation**

Before going to detail challenges of strategic management the following key issue is need According to Sergio (2011), a Business model is a statement of the way the business will generate profit. Business models vary on complexity, from a simple statement of price advantage, to the description of an entire competitive system. However, a business model is just a reference for strategy-making. Consider that a business model can be smart and sound, but still the company will need to define a good strategy to overrun competitors with the same business model, since unexpectedly or not a business model is not subject of copyright.

According to Sergio (2011), strategic plan is the documentation of the strategy in terms of performance goals, approaches to achieve the goals, and a planned commitment of resources over a specific period (usually three to five years ahead). In large companies, there are strategic plans for each division and the whole corporation, each geographic area and any individual business. Most large companies have a cycle of strategic planning that runs over a year (each year a new plan for the next year within the overall plan for the period).In practicing strategic management the following key pointes are challenges in 21<sup>st</sup> century; some them are uncertainty, volatility complexity and ambiguity

According to Miliken, (1987), uncertainty is an entrepreneur's everyday business. It can be understood as an individual's inability to predict something accurately. In the business world, managers have to deal with different kinds of uncertainty. They face uncertainty in the overall environment the macroeconomic, political, social, technological and environmental framework in which they operate. They also face uncertainty in their specific industry. Another way of categorization is to differentiate between uncertainty about the actual state, uncertainty about effects and impacts, and uncertainty about responses or adequate measures.

According to Schwenker (2013), strategic decisions are strongly influenced by sudden changes that affect a company's individual situation. Large scale changes in macro-indicators such as GDP growth on a national, regional or global level. It can result from having strongly interconnected sectors. "The recent economic crisis has further highlighted the importance of interconnections between firms and sectors in the economy. Both the spread of the risks



emanating from the so-called 'toxic' assets on the balance sheets of several financial institutions to the rest of the financial sector, and the transmission of the economic problems of the financial sector to the rest of the economy have been linked to such interconnections.

According to Schwenker (2013), what factors must managers take into account when formulating strategies? In most organizations today, major change is the rule rather than the exception. Shifts in leadership, overseas initiatives, and new products and services all cause unpredictability. Snowden and Boone identify the following features of complex systems. Complexity results from companies having to navigate a growing number of dimensions when developing strategy. Network effects and change on different levels lead to even greater complexity. The factors involved are often interrelated, making the task particularly challenging.

According to Schwenker (2013), managers are facing complex situations that have never occurred before. It is not clear in which way political short time measures will impact the mid-term and long-term environments of entrepreneurial decisions. Ambiguity means a lack of clarity (Schrader et al., 1993). Strategic decisions are risky because decision makers lack potentially important information and are therefore uncertain about the probability of forthcoming events. "Causal ambiguity" is also a factor here the uncertainty that derives from unclear causal connections between actions and results.

According to Schwenker (2013), first decade of the twenty-first century has been characterized by uncertainty in many different shapes: rapid globalization, accelerating innovation and growing competition, bringing with them volatility, complexity and ambiguity. Neither the aforementioned tools of strategic planning, nor the techniques of predicting the future provide an adequate solution for strategic planning in this uncertain environment.

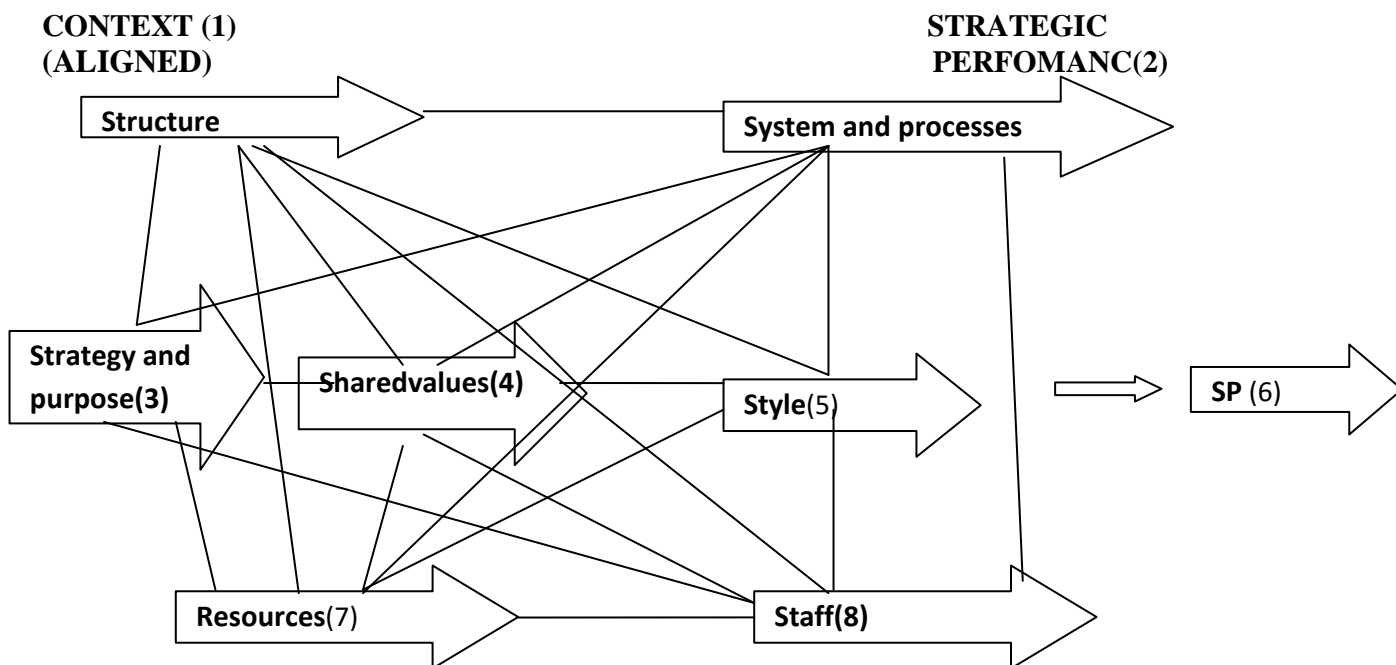
### **Higgins Model of Strategy Implementation**

According to John (2016), in strategic implementation model different models have been formulated on strategy implementation, this study has focused on and used Higgins model. This model of strategy implementation forms the framework of this study and the researcher has used it in reference to Kirinyaga Diocese. This is because the model addresses strategy implementation and in particular the organizational factors that influence strategy implementation as put forward

by Higgins (2005). The model is based on eight factors and hence it has been referred to as the “Eight S’s model. The Eight S’s model enables management to more effectively and efficiently manage the implementation of strategies in their organizations.

Higgins (2005) submitted that strategy implementation involves aligning key organizational functions or factors with the chosen strategy. He however noted that these strategies may not be fully implemented due to changes in the organizational environment. These strategies have to therefore be reshaped and this marks the genesis of strategy implementation challenges. This model has factors such as; structure, system and processes, style of leadership, staff, resources and shared values. These according to Higgins must be met for proper strategy implementation. This makes up the Higgins model of strategy implementation which the researcher will test in this study in reference to the Kirinyaga Diocese.

**Figure:-2.1 Strategy Implementation mode.**



**Source:** - John (2016), Higgins Strategy Implementation mode.

John (2016), cited from Bhati (2011). Eight S’s offer the first “S” refers to strategy and purpose. According to Higgins, strategies are formulated to achieve an organization’s purpose. Change in strategic purpose leads to change in strategy. Strategic purpose includes strategic intent, vision, focus, mission, goals, and strategic objectives. There are four types of strategies famed by

Higgins; corporate-, business-, functional- and process strategies. Corporate strategy defines the business the company is or will be involved in and how business will be conducted in a fundamental way. Business strategy depicts as how a firm in a particular business can gain competitive advantage over its competitors. Functional strategy should be aligned with business strategy, hence functional strategies in areas such as marketing, human resources, research and development, finance and more should be aligned to strategy implementation. Process strategies are cross functional in nature and aims at integrating an organization's processes in order to improve their effectiveness and efficiency.

The second "S" stands for Structure which according to Higgins consists of five parts; jobs, the authority to do those jobs, the grouping of jobs in a logical fashion, the managers span of control and mechanism of coordination. Hence when executing a business strategy, decisions are to be made regarding how an organization is structured. This should take into consideration jobs to be completed, authority to do the jobs, grouping of jobs into departments and divisions, the span of manager's control and the mechanisms of control of such a structure.

The third "S" of Higgins model on strategy implementation refers to systems and processes. Higgins has described systems and processes by stating that systems and process enable an organization to execute daily activities. Hence, this element is about the formal and informal procedures used in an organization to manage information systems, planning systems, budgeting and resource allocation systems, quality control systems and reward systems. Style which is the fourth "S" refers to leadership or the management style exhibited by the leaders or managers especially when relating to subordinate staff or those working under them. Additionally style or leadership or management is about the manner in which management treats their colleagues and other employees and what and how they focus their attention on. Style therefore has great impact on line and staff relationships which in turn affects strategy implementation.

Staff is the fifth "S" and refers to the number of employees needed, their knowledge background, and skills essential to achieve strategy implementation. In addition it encompasses staff aspects such as; staff training, career management, and promotion of employees. After defining company's strategic purpose, management must settle as to how many employees are needed and

what are the required backgrounds and skills essential to achieve the strategic purpose. This is because staff development and motivation are critical factors that affect performance in organizations and by extension strategy implementation.

On re-resources which is the next “S”, Higgins submits that management must ensure that an organization has access to sufficient resources toward successfully strategy execution. These resources are valid and include but are not limited to; people, money and technology and other management systems. Shared values which form the seventh “S” in the Higgins Eight S’s model relate to organizational culture and refer to the values shared by the members of the organization. These are those things that make the organization unique and different from other organizations. They enable the members of the organization and the workers to have a shared direction and unity of purpose which are critical for strategy implementation Muriithi, (2012). Finally Higgins talked of Strategic performance in his model as the eight “S” in his model. According to Higgins strategic performance is a derivative of the other seven ‘S’s. Strategic performance is possessed by an organization as a total, or for profit-based parts of the whole. Performance can be measured at any level. Financial performance measurements are critical barometers of strategic performance.

## **2.11 Strategy Implementation Style**

According to Rhys Andrews (2017), proponents of incremental strategy-making believe that senior managers have only a somewhat generalized idea of the future position of their organizations and so strive to move towards this position gradually through piecemeal improvements rather than radical changes. From this perspective, an incremental strategy implementation style is effective because it acknowledges that the environment of any organization is too complex to be systematically analyzed, predicted, and controlled. In particular, the demands of multiple stakeholders need to be negotiated and operational issues resolved on the ground depending upon the needs of each separate situation. Because strategy-making unavoidably takes the form of a learning process over time, formulation and implementation become indistinguishable, which reduces the likelihood of implementation failure and enhances responsiveness to environmental change. For all these reasons, an

incremental strategy implementation style is likely to be associated with good organizational performance

## **2.12. Empirical Review of the study**

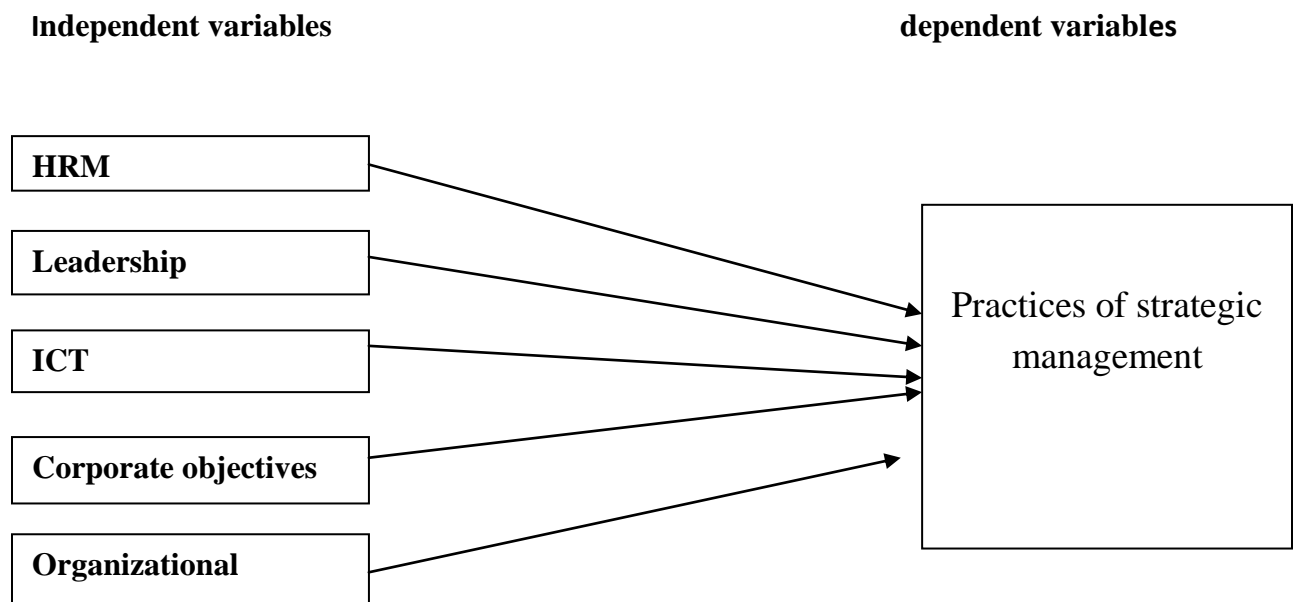
According to Jennifer Franczak, 2009, while the strategic management literature has yielded numerous studies examining the relationship between strategic orientation and firm-level financial performance, relatively few studies have looked at this relationship in the entrepreneurship literature. In this study, we use three samples to first develop an operationalization of strategic orientation in a small-firm context. Moreover, in the final sample of 857 respondents from 21 SMEs, we empirically demonstrate a significant positive relationship between strategic orientation and SME performance. Managerial implications and future research directions are discussed.

According to Nyariki 2011, the study adopted the descriptive cross sectional research design. The target population for this study was the top 100 SMEs (2012) in Kenya because it was the rich area and is concentrated with lots of SMEs. Stratified sampling was adopted so as to give each item in the population an equal probability of being selected. The sample was selected from the population target of 100 possible respondents by taking a 50% sample of the target population in each stratum. Hence the sample size of the study was 50 senior managers in the SMEs which were chosen randomly. The researcher used a questionnaire as the primary data collection instrument. The questionnaire collected qualitative and quantitative data. The study also found out that majority of the SMEs adopted various strategies to a great extent in order to achieve competitive advantage; they included: market strategy, products reputation, customers' differentiation, product pricing, cost control, technology, quality of the product, product and service innovations and customer service strategies. The study concludes that Strategic management has a positive relationship with competitive advantage of the organizations and that SMEs adopted the strategies in order to achieve competitive advantage.

### 2.13. Conceptual framework

Conceptual frame work of this study shows the relation between strategic management practices and challenges and independent variables leadership style, structure, and HRM, corporate objectives and ICT resource usage. In the time of research at 2017and descriptive study was used.

Figure:-2.2 Conceptual framework mode.



## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

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

The primary purpose of this study is to describe practice and challenges of strategic management practices of EABC in light of the theoretical framework and hence it can be said that it has a descriptive nature. The major purpose of descriptive research is to describe characteristics of a certain phenomenon. This research also aims to describe the strategy implementation practices and challenges in EABC. Descriptive research designs describe the characteristics of objects, people, or organizations (Zikmund, Babin, Carr & Griffin, and 2012:15). This research also attempted to give details on the strategy implementation in EBAC. The study was used of descriptive study to describe the data that the researcher was got from the questionnaire and interview

#### **3.2. Population and Sampling design**

According to Hair et al. (2006), the target population is said to be a specified group of people or object for which questions were asked or observation made to develop required data structures and information. In this research, 154 employees of the Ethiopian Agricultural Business Corporation who are working at top management, middle-level management and operational level as operation officers at head office was the target population of this research. From this, the researcher use census sampling was used from this 144 of them respond questionnaire.

#### **3.3. Data sources**

Both qualitative and quantitative types of data were collected from both primary and secondary sources.

### **3.3.1 Primary data sources**

Important primary data for this study was collected through structured key informant interview with 13 respondents with top medium and operational level of managers by identifying professionals in the field and survey.

### **3.3.2 Secondary data sources**

Necessary documents such as journals, books, articles and others were also reviewed to get required secondary data as secondary source.

## **3.4. Data Collection Instruments**

The self-administered questionnaire was used as the main tool for data collection Kohtati, (2004). The choice of a self-administered questionnaire is because the researcher knows that all the respondents were literate and could, therefore, read, comprehend and write to answer questions. The questionnaire was developed and adopted by the researcher based on the research objective. Closed-ended questions were used. Also, the structured interview; this technique sometime called a standardized interview, entails the administration of an interview schedule by an interviewer. The aim is for all interviewees to be given exactly the same context of questioning.

## **3.5. Reliability Analysis**

To measure the consistency of the questionnaire particularly the Likert-type scale the reliability analysis is essential in reflecting the overall reliability of consternation that it is measuring. To carry out the reliability analysis, Cronbach's Alpha ( $\alpha$ ) is the most common measure of scale reliability and a value greater than 0.700 is very acceptable (Field, 2009; Cohen and Sayag, 2010) and according to Cronbach's (1951), a reliability value ( $\alpha$ ) greater than 0.600 is also acceptable.



**Table 3.1. Reliability Statistics**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>No of Items</b>
Strategy implementation practice	.742	12
Strategy implementation challenges	.898	21
Company objectives	.762	5
Content/ organizational structure	.655	10
Information system	.626	4
Human resource management	.608	5
Leadership	.813	4
Total reliability	0.929	61

*Source: Survey result 2017*

From the above table, the value for Cronbach's Alpha ( $\alpha$ ) was 0.924 for all variables. When these calculated reliability values are close to 1 and compared with the minimum value of alpha 0.600 advocated by Cronbach's (1951), then the responses generated for all of the variables' used in this research were reliable enough for data analysis. 3.6 Data Analysis Method

After collecting and sorting the relevant data, the responses were sorted, coded, computed, and analyzed using Statistical Package for Social Sciences (SPSS) software. The appropriate statistical analysis such as frequency and descriptive analysis were used such as mean stand devotion frequency, according to respective objectives and descriptions. The analyzed data were presented using tables. In the process of data analysis, data were processed because of Five-point Likert-scale. The questionnaires were distributed to Ethiopian Agricultural Business corporation for these, 154 questionnaires are distributed both managerial and non managerial positions 144 questionnaires were collected giving the response rate of 93.5%.

### **3.7. Ethical Consideration**

Ethics is one of the major considerations in research. Hence the study has incorporated the following ethical considerations.

- Respondents were clearly communicated about the objective of the study before they were asked to give their answer.
- Respondents were not asked about their name, race, and religion etc.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Demographic of the respondents

As indicated in the previous chapter, the main attempt of this study is practices and challenges of Strategy Implementation in Ethiopian Agricultural Business Corporation. Therefore, this chapter presents the analysis and discussions of research findings obtained from the questionnaires and unstructured interviews. It reports the investigation results obtained from the above-mentioned data collection tools. The discussion begins with the questionnaires' response rate followed by the descriptive statistics of the respondents' related questions; like the gender, occupation, education. The results of the reliability analysis are also reported and presented.

Descriptive Statistics is deals about the demographic relation, which includes gender, age, experience, managerial position, and educational background this details explanation as follows,

*Table 4.1 Demographic of the respondents*

Demographic Questions		Responses of Customers	
		Frequency	Percentage
Gender	Male	88	61.1
	Female	56	38.9
Age	25-35	43	29.9
	35-45	79	54.9
	Over 45	22	15.3
Experience	Below 10	32	22.2
	10-15	67	46.5
	Over 15	45	31.3
Managerial position	Managerial	90	62.5
	Non managerial	54	37.5
Educational back ground	First degree	87	60.4
	Second degree	57	39.6

*Source: Survey result2017*

The table given above describes the general findings regarding the demographic status of the data. It tells that how dependent variables affect the independents. Based on the respondents' gender issues more participants' are male which 61.1%, while 38.9% of them are Female. As shown in the finding majority of the service providers are Male.

The corporation has high demographic status as it is shown in the respondents educational level 60.4% of the respondents are first-degree holders and 39.6% are second-degree holders. In addition, respondents found in the survey were 62.5% are managerial level, 37.5% are the non-managerial position, 22.2% are below 10 years experience and 46.5% are experiencing 10 to 15 year the rest 31.3% have over 15 years experience. Overall, the result shows that the corporation has enough level of experienced and educated employees. In the case of age, 29.9% are 25-35 years, 54.9% are 35-45 years and the rest 15.3% are over 45 years. Therefore, this shows that the corporation has all-embracing employees as shown in the above table.

## **4.2 Analysis of collected data**

### **4.2.1. Strategic implementation Practices**

Strategic implementation practice is concerned on the how strategy plan is excited in the real ground, so the EABC have a strategic plan, which is currently implemented in this case by the following items analysis, and give a meaning how it is practice.

**Table 4.2. Strategy implementation Practices in EABC**

Items		Strongly agreed	Agreed	Neutral	Disagree	Strongly disagree	Mean	S.D
Managers are effective in generating different strategies to deal with issues of the organization	F	42	54	0	32	16	3.15	.970
	%	29.2	37.5	0	22.2	11.1		
The management's commitment in putting strategic plans into actions is commendable	F	16	86	0	42	0	3.18	.611
	%	11.1	59.7	0	29.2	0		
The current information systems facilitate effective and efficient dissemination of information throughout the organization	F	31	74	0	39	0	3.06	.697
	%	21.5	51.4	0	27.1	0		
Having a strategy supportive budgets and adequate resource allocation is considered a priority during implementation of the strategic plan.	F	36	39	0	38	31	3.44	1.08
	%	25	27.1	0	26.4	21.5		
The authority given to project managers determines the success of working through others.	F	52	64	0	28	0	2.83	.729
	%	36.1	44.4	0	19.4	0		
The organizational leadership preference is instrumental for achieving targeted results.	F	16	60	21	47	0	2.96	.960
	%	11.1	41.7	14.6	32.6	0		
Employee empowerment, motivation and reward are considered critical in the organization in the implementation success.	F	8	86	0	47	3	3.31	.608
	%	5.6	59.7	0	32.6	2.1		
Project managers are well informed of the organization's strategic plan	F	0	16	34	94	0	3.54	.688
	%	0	11.1	23.6	65.3	0		
Projects are implemented in line with organization's strategic plan	F	36	66	20	22	0	3.54	.688
	%	25	45.8	13.9	15.3	0		
Policies and procedure are not committing the human resources to continuous improvement	F	16	78	15	19	16	3.03	1.064
	%	11.1	54.2	10.4	13.2	11.1		
The organization's level of available diagnostic, administrative, interpersonal and problem solving skills is the key to strategic performance.	F	44	65	7	28	0	2.99	.836
	%	30.6	45.1	4.9	19.4	0		
The organizational have not management structure enhances strategic leadership.	F	21	74	0	48	0	3.56	.959
	%	14.6	51.1	0	33.3	0		
The top managers cannot create a climate that encourages commitment to the strategic plan throughout the organization	F	54	51	4	21	0	3.36	1.304
	%	37.5	35.4	2.8	14.6	0		
Aggregated mean							3.20	.88

Source: Survey result 2017

Employee empowerment, motivation, and reward are considered critical in the organization in the implementation success is another survey point 5.6% were motivation and reward are considered critical in implementation 59.7% of the respondents agreed, 32.6% disagreed and the rest 2.1% were strongly disagreed. As the data shows the corporation did not consider the above empowerment, reward, and motivations. In the issue of whether the Project managers are well informed of the organization's strategic plan 11.1% of the respondents agreed, however, 23.6% were neither agreed nor disagreed and 65.3% disagreed. These show the project managers are not well informed.

The intensity of Projects being implemented in line with organization's strategic plan in the corporation is 25% are strongly agreed on implementation in line with strategic plan, 45.8% were agreed, 13.9% of the respondents were neutral and 15.3% are opposite the idea of the other. As can be seen in the result the project managers have some gap in implementing the strategic plan.

The policies and procedure are committing the employees to continuous improvement in strategic implementation are 11.1% are strongly support the idea, 54.2% were agreed in the other hand 10.4% were neutral and 13.2% are not agreed. So the employees have no clear image of the policies and procedures.

The key to strategic performance which are level of available diagnostic, administrative, interpersonal and problem solving 30.6% have disagreed 45.1% are agreed in answering the question while 7% are neutral 19.4% highly opposes the issue in practicing strategy in the corporation. This means that some of the employees know the available strategic performances. (Ambiyo, 2011) finds that a few key measures owned by more than one function are more effective than a multiplicity of measures; the key measures are likely to include those concerned with financial performance and operational performance measures relating to critical success factors affecting stakeholders. In recent years, organizations have attempted to manage organizational performance using the balanced scorecard methodology.

In enhancing the organizational management has not strategic leadership has a role 14.6% were strongly agreed, in the other hand 51.1% respondents are agreed the rest 33.3% have disagreed on the organizational management structure enhances strategic leadership.

The top managers cannot create a climate that encourages commitment to the strategic plan throughout the organization on this concern 37.5% are supporting the top management create a climate to encourage strategic plan in the organization 24.3% of the respondents are agreed 2.8% are neutral and 14.6% have disagreed on the creating of climate. (Ngenoh, 2014) studied that top management support is important in strategy implementation process; top managers must work closely with their employees to ensure a successful implementation process, the management is charged with the responsibility of giving directions, supervision, and monitoring to ensure that organizational objectives are achieved. The management should involve its employees in decision-making processes by giving them an opportunity to express their views about the process and how the decisions affect their contributions as employees. The above data shows that 3.20-aggregated mean value and 0.88 stand deviation, which means it one of the problem strategic management.

#### **4.2.2. Strategy Implementation challenges**

Challenges are tackles which hinder to execute the strategic plan, so the EABC have the challenge to perform its plan main challenges are listed explained in the below table and analysis.

**Table 4.3. Strategy Implementation challenges at EABC**

Items		Strongly agreed	Agreed	Neutral	Disagree	Strongly disagree	Mean	S.D
Development partners interference	F	16	45	47	36	0	2.71	.965
	%	11.1	31.1	32.6	25.0	0		
Changes in security levels impact implementation	F	20	14	52	31	0	2.65	.970
	%	13.9	28.5	36.1	21.5	0		
Government interference	F	18	55	54	17	18	2.48	.860
	%	12.5	38.2	37.5	11.8	12.5		
Lack of feedback on progress	F	16	0	75	53	0	3.14	.892
	%	11.1	0	25.1	36.8	0		
Un-supportive organizational culture	F	18	75	34	17	0	2.48	.860
	%	12.5	52.08	23.6	11.8	0		
Major problems surfaced which had not been identified earlier	F	20	53	16	39	16	3.14	1.175
	%	13.9	36.8	11.1	27.1	11.1		
Co-ordination was not sufficiently effective	F	21	0	75	48	0	3.04	.959
	%	33.3	0	52.1	14.6	0		
Competing activities distracted attention from implementing this decision	F	16	41	0	72	15	3.486	1.04
	%	11.1	28.5	0	50	10.4		
Capabilities of employees involved were insufficient	F	51	61	0	17	15	3.326	1.06
	%	35.4	42.4	0	11.8	10.4		
Training and instruction given to lower level employees were inadequate	F	20	56	0	64	4	3.36	1.06
	%	44.4	38.9	0	13.6	2.8		
Uncontrollable factors in the external environment had an adverse impact on implementation	F	15	48	31	32	18	2.93	1.21
	%	10.4	33.3	21.5	22.2	12.5		
Leadership and direction provided by departmental managers were adequate	F	4	59	0	39	42	3.96	.822
	%	2.8	27.1	0	41	24.9		
Key implementation tasks and activities were not sufficiently defined	F	34	54	16	20	20	3.48	1.06
	%	23.6	37.5	11.1	13.9	13.8		



Items		Strongly agreed	Agreed	Neutral	Disagree	Strongly disagree	Mean	S.D
Problems requiring top management involvement were not communicated earlier enough	F	16	72	41	15	16	3.48	1.06
	%	11.1	50	28.5	10.4	11.4		
Deviation from original plan objectives	F	21	75	0	48	0	3.04	.995
	%	14.6	52.1	0	33.3	0		
People are not measured or rewarded for executing the plan	F	6	80	8	50	0	2.7	.995
	%	4.2	55.6	5.6	34.7	0		
Lack of feelings of “ownership” of a strategy or execution plans among key employees	F	66	46	10	22	0	2.5	1.3
	%	45.8	31.9	6.9	15.2	0		
Lack of understanding of the role of organizational structure and design in the execution process	F	21	74	0	48	0	3.04	.959
	%	14.6	51.4	0	33.3	0		
Insufficient financial resources to execute the strategy	F	61	49	0	34	0	2.38	1.25
	%	42.4	34	0	23.6	0		
Poor inter- departmental (horizontal) communication	F	16	72	41	0	0	3.48	1.06
	%	11.1	50	28.5	0	0		
Lack of instituting two – way communication between top management and staff	F	13	66	10	55	0	3.34	.954
	%	9	45.8	6.9	38.2	0		
Aggregated mean							3.054	1.012

*Source: Survey result 2017*

Developments partners’ interference expected in the corporation which is small in an amount about 11.1% are the witness for this on the other hand 21.1% are opposed this idea to the level of partner interference is negligible. The interview also supports this information. Government helps to create synergy in merging the same and related task organizations and creating corporation policy which the external bodies to be supportive. Also (Anna, 2006) states that Communication has both an internal and external role. It is crucial to the functioning of a partnership to ensure that there is clear information flows among partners, between the partnership manager and their

own staff, and among partners themselves (and any structures in which they participate, e.g. the board of directors). This will help the partners to understand how their alliance really functions, the constraints under which it operates, and the respective roles of the other partners, organizations and people involved. It might be helpful to establish terms of reference for all operational structures within the partnership.

In the case of changes in security levels impact on strategic implementation by 13.9% responded on strongly agreed, 28.5% are agreed, 36.1 % are neutral and 21.5% disagree this means most of the respondents agreed the corporation have no security impact on strategic implementation. According to (Korzyk., 2010) one of the biggest obstacles to integrating data within the enterprise is managing information security. Controlling the access of information continues to be associated with power in the enterprise. The sharing of data once closely controlled will require an integrated enterprise system security management framework to control the access of information (power). The key to allowing communication to occur in an integrated enterprise will be the Extranet.

The government interference in the corporation strategic implementation 12.5% of the respondents strongly agreed, 38.2% of the respondents agreed on the interference, 37.5% are neutral and the rest 11.8% disagree. The data shows the government intervened in the strategic implementation. (Wellington, 1987) studied that government influence in the economy is pervasive and multi-faceted. It spends, it taxes, it legislates and it regulates. Major administrative resources are at its disposal to advise, to design and to implement its policies.

The above table 4.3 shows that unsupportive organizational culture 12.5% of the respondents strongly agreed, 52.8% are agreed, 23.6% of the respondents neutral and the rest 11.8% disagree in the existence of un-supportive organizational culture. This analysis shows the organization culture have some problems. In the interview, the cultural problem is seriously observed because the structural and positioning of the employees is not fair and have complained about assigning leaders with unclear criteria so the corporation must adjust the real problems. According to (Lawson, 2013) to foster a performance culture, companies need enhanced transparency and accountability within their organization. This entails having full, accurate, and timely disclosure

of information within each area and throughout the company. Accompanying this is the need for managers to report, explain, and be answerable for the consequences of their actions.

In case of in identifying the earlier problems 13.9% of the respondents strongly agreed, 36.8% are agreed, 11.1% are neutral the rest 27.1 % and 11.1% are disagreed and strongly disagreed respectively, this shows that major findings are not identified earlier in the planning stage. (Nyarige, 2010) states that, strategy and the firm must also become one such that the strategy is reflected in the way the firm organizes its activities and in the firm's values, beliefs, and culture. The company's Managers must put into place for controlling the culture of the organization steering controls that provide strategic control and the ability to adjust strategies, commitments, and objectives in response to ever-changing future conditions by ensuring placing better organizational culture.

Sufficient coordination ineffectiveness in strategic implementation, the respondents' says that 33.3% are strongly agreed, 52.1% are neutral the rest 14.6% disagree. The data shows that there existed to be insufficient coordination. The interview result also confirms as the organization having insufficient coordination which comes from the ineffective coordination of tasks related to pre-plan objectives which are found to be the cause of strategic implementation problem. (Government, 2008) studied that, In contrast, collaboration refers to arrangements that encourage joint decision-making with regard to direction-setting, planning, implementation, and review. It is more than just the sharing of work; it is the sharing of responsibilities and, in some instances, of mandated authority. Therefore, it usually entails Ministerial involvement. It can raise particular accountability issues because shared management requires Ministers from relevant agencies to be collectively accountable for the results of the arrangement.

In the case of competition distracting the corporation strategic implementation 11.1% are strongly agreed, 28.5% are agreed 50% disagree and 10.4% are strongly disagreed. This means that the level of distraction is very low. The level of employee capability in strategic implementation 35.4% are strongly agreed, 42.4% are agreed 11.8% disagree and 10.4% are strongly disagreed. The data shows lack capabilities are one of the problems of strategic implementation. According to (Theuri, 2014) Participation is a process that allows employees to

exercise some control over their work and the conditions under which they work. It encourages employees to participate in the process of making decisions [practicing], which have a direct impact on capabilities.

In the case of inadequacy of training and instructions are 44.4% are strongly agreed, 38.9% are agreed, 13.6% disagree 2.8% are strongly disagreed. The data tells that there exist to be a lower level of training and instruction. (Issue, 2012) finds, Training strategies must be appropriate to the educational level of personnel being trained and to the resource available in the organization, feasible intermesh of in terms of the amount of time and travel involved, and relevant to the job. In some organization often place in jobs that required a higher degree of technical capability then they process in such cases management and trainers need to work together to close the gap between requirements and ability.

The uncontrollable external factors that affect implementation of strategy 10.4% are strongly agreed, 33.3% are agreed, 21.5% are neutral 22.2% disagree and the rest 12.5% are strongly disagreed. The data shows there is an uncontrollable external factor which affects strategic implementation. According to (Katsiolouides, 2002), while implementing strategy the organization has to carry out an External audit of their environment using a SWOT analysis. The SWOT analysis determines the Strength, Weakness, Opportunities, and Threats of the organization's environment. The Environment, in this case, has Political, Economical, Sociological, Technological, Legal, Ecological or Geological and Competitive environmental factors that may hinder the success of implementation of the strategy.

The level of leadership and direction provided by departmental managers in the corporation 2.8% are agreed, 27.1% are neutral 41 % disagree and 29.2% are strongly disagreeing. This shows that the level of leadership and direction provided by the department is inadequate. (John Burgoyne, 2004) finds,

While the case for the potential for management and leadership development to contribute more can be made, suggesting some support for the argument of a 'tail' of both organizations and people who are not developed to their full management and leadership development potential, the case cannot be made for a particular UK deficit in this respect. In a sense, this matters less than

the implication that there is scope for adding value. It may be better to think of the opportunity in the UK as being to get a distinctive advantage through better leadership and management, both through being good at old forms of business and quick to reap the advantages of new ones, rather than facing a catch-up, deficit situation.

The insufficiency of defined tasks and activities in key implementation of strategy 23.6% are strongly agreed, 37.5% are agreed 11.1% are neutral 13.9% disagree and 13.9% are strongly agreed this data shows that key takes implementation wherein problem. According to (D.Alexander, 1991) also proposed a descriptive strategy implementation framework focusing on the key implementers rather than on the strategy formulators. Alexander believed that key implementers and the affected employees decide whether the strategy is appropriate or not. He mentioned the following key factors which influenced the perception of key implementers regarding the appropriateness of strategies.

Problems requiring top management involvement communication in the corporation 11.1% are strongly agreed, 50% are agreed 28.5% are neutral 10.4% are disagreed and 11.4% strongly disagreed. Information shows that earlier defined problems were not communicated enough. According to (Yang Li, 2008) It is thus obvious that strategy implementation is a key challenge for today's organizations. There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for coordination and control. It is better to understand these issues and their importance for successful strategy implementation

On the deviation of a plan from the objectives were 14.6% are strongly agreed, 52.1% are agreed 33.3% disagree. This means that there is some deviation of plan and objectives. (Ministry of planning and devotion) studied that, ministry of planning and devotion face various challenges in its implementation of its strategic objectives inadequate funding of the budget, lack of adequately qualified personnel in strategic management and planning to implement and achieve the vision of the ministry, failure to invest in modern technologies, lack of proper structures and poor coordination between the national government and the county government, mechanistic organization structure.

Employees being rewarded according to plan execution were 4.2% are strongly agreed, 55.6% are agreed, 5.6% are neutral 34.7% disagree, this shows that's employees are not being measured by executing. The above table shows that in the corporation the level of ownership in the strategic plan by the key employees 45.8% are strongly agreed, 31.9% are agreed and 6.9% are neutral 15.2% disagree and 15.3% disagrees. The level of ownership is medium so need some improvement.

Misunderstand the role of organizational structure and design has a problem in execution in this case 14.6% are strongly agreed, 51.4% are agreed 33.3% disagree. This shows that lack of understanding the organizational structure and design have the factor in the execution of a plan. (Maccari, 2016) also states that the strategic planning process directly impacts the structure, given that it determines the interdependence between the various parts that make up the organization, in addition to distinguishing the functions and the individuals who must work in the same objective. Thus, the strategy defines the methods of coordination and integration necessary for the performance of activities which, in turn, it is the basic characteristic of the organizational structure.

The insufficient financial resource has a problem on strategic executing 42.4% are strongly agreed, 34% are agreed and 23.6% disagree this means a financial problem in executing the plan.

Horizontal communication affects the level of strategic planning 11.1% are strongly agreed, 50% are agreed and 28.5% are neutral which means there is no problem in horizontal communication. The level of two way of communication is 9% strongly agreed, 45.8% are agreed, 6.9% are disagreed 6.9% are strongly disagreed which shows that lack two way of communication. (Banihashemi, 2011) studied, All aspects and points to effective communication in the organization, it gains in conclusion that channels of communication are one of the most effective ways in a relationship, and qualified managers have to pass over all stages of communication. Communication is a basic element in organizational structure and functioning. It is the key mechanism for achieving integration and coordination of the activities of specialized units at different levels in the organization. Organizational communication can be horizontal, upward.

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### 4.2. 3. Corporation objectives

The EAGC have objectives derived from the corporation vision, mission and goals below level of table shows how the corporation how much it is achieved or not

**Table 4.4. Corporation objectives of EABC**

Items		Strongly agreed	Agre ed	Neut ral	Disag ree	Strongly disagree	Mea n	S.D
The company has not identified long term objectives to be addressed	F	0	86	16	0	42	3.18	.611
	%	0	59.7	11.1	0	29.2		
The management has converted the long term objectives into specified short term goals.	F	17	0	16	111	0	3.53	.982
	%	11.8	0	11.1	77.1	0		
Company strategy is well communicated to the employees	F	0	16	34	94	0	3.54	.688
	%	0	11.1	23.6	65.3	0		
The employees of the company have understood the strategy and link their daily activities to yearly goals	F	16	15	19	78	16	3.03	1.064
	%	11.1	10.4	13.2	54.2	11.1		
Short term goals are linked & integrated to the long term objectives of the company	F	0	4	35	54	51	3.36	1.304
	%	0	2.8	24.3	37.5	35.4		
Aggregated mean							3.33	.093

Source: survey result 2017

The above tables 4.4 in identifying and address the management cannot convert long-term objectives in too short-term goals is 59.7% are agreed, 11.1% respondents neutral 29.2% of respondents are strongly disagreed in the subject of converting long-term to goals in the other hand the way of Communication of employee in the company strategy 11.8%, 11.1% and 77.1% are strongly agreed neutral and disagreed respectively .The level of good communication the corporate strategy. The level of conscious the company objectives 11.1% are agreed held in reserve to respond the matter while 65.3% are communication employees communicated the objective is less. According to (Husain, 2013) the importance of communication during intended change has been empirically demonstrated and commonly agreed among practitioners. The empirical picture appeared indicated that organizational change and communication process are inextricably related processes (Lewis, 1999). Recent studies about communication show that communication has a positive correlation with many organizational outputs like organizational commitment, performance, organizational citizenship behaviors, and job satisfaction.

From the above table the daily task of the employees are strongly linked with yearly goals in this issue 11.1% of the respondents strongly agreed that have a strong link the other 10.4% are agreed on the issue, while 54.2% are agreed in saying the idea but the rest 13.2% and neutral 11.1% are disagreed and strongly opposed the link of the daily task to the annual goals. As can be seen in the result daily and yearly activities are not clearly linked. In relation to long-term objectives linked to the short-term objectives, 37.5% of the respondents disagreed in the link of the objectives, 2.8% are agreed 24.3% are neutral on the link of the objective while the 35.4% strongly opposes the above of linking the objectives. This shows that in the corporation there lack of interlinking the short-term and long-term objectives. (Ngenoh, 2014) studied that the term strategic objectives refer to an organization's articulated aims or responses to address major change or improvement, competitiveness or social issues, and business advantages. Strategic objectives generally are focused both externally and internally and relate to significant customer, market, product, or technological opportunities and challenges (strategic challenges). Broadly stated, they are what an organization must achieve to remain or become competitive and ensure long-term sustainability. Strategic objectives set an organization's longer-term directions and guide resource allocations and redistributions. 3.33 mean value and 0.0093 stand deviation value which means the company objectives did not implement

The following table shows how the organizational structure affects the strategic implementation

**Table 4.5. Content/Structure function of EABC in strategic implementation**

Items		Strongly agreed	Agreed	Neutral	Disagree	Strongly disagree	Mean	S.D
The organization structure provides clear written rules of conduct to people about their activity	F	16	21	0	47	60	2.96	.960
	%	11.1	14.6	0	32.36	41.7		
The organizational structure of the company assists in market expansion of existing products and increased production volumes	F	0	16	0	86	42	3.18	.611
	%	0	11.1	0	59.7	29.2		
The organizational structure assists the company to accomplish complexity of operation.	F	0	16	28	100	0	3.58	.684
	%	0	11.1	19.4	69.4	0		
The organizational structure maintains the appropriate level of integration and coordination on the value chain	F	16	0	15	113	0	3.56	.959
	%	11.1	0	10.4	78.5	0		
The company structure assists in quality and fast decision making and problem solving process.	F	0	16	36	92	0	3.53	.689
	%	0	11.1	25	63.9	0		
The organization structure is equipped by adequate functional experts.	F	0	16	21	77	15	3.03	1.057
	%	0	11.1	14.6	53.5	10.4		
Adequate standards and measurements of performance are maintained for each function's contribution for the total organization	F	16	15	16	78	19	3.03	1.064
	%	11.1	10.4	11.1	54.2	13.2		
The organization structure facilities to managers to have equal emphasis on each product line	F	0	54	35	4	51	3.36	1.304
	%	0	37.5	24.3	2.8	35.4		
The management of the company has practice of forming teams to accomplish new assignments.	F	0	54	35	4	51	3.36	1.304
	%	0	37.5	24.3	2.8	35.4		
Managers involve as a member in the informal groups and networks in the organization	F	0	86	3	47	8	3.31	.608
	%	0	59.7	2.1	32.6	5.6		
Aggregated mean							3.29	.92

Source: survey result 2017

The above table shows that the corporation have a clear written and conducted rules which is given to the employees 11.1% and 14.6% are strongly agreed and agreed on which means that it has a clear written documents that are addressed to peoples, in another case 32.3% and 41.7% are agreed and disagreed in addressing the clear conducted rules the data shows that the corporation has a problem to addressee the issues.

The organizational structure has support in marketing expansion and product volume increasing 11.1% of the respondents agreed it insincere the volume of production and expansion, in the other hand 59.7% and 29.2% of the respondents oppose the idea that does not exist and cannot support it, the corporation need to clarify the how the organizational stretcher supports the volume of production increase. In the case of complexity of the task the organization stretchers assist the accomplishment of the task 11.1% of the respondents agreed while 19.4% of the respondents neutral idea, the rest 69.4% of the respondents the structure do not assist the complexity of the of the task this means the organizational structure needs some modification in related to assist the accomplishment.

From the above table 4.5, the level of integration and coordination of tasks in the corporation were 11.1% of the respondents agreed on integrations and coordination of the task while 78.5% of the respondents did not accept the corporate organizational structure facilitating its integration and coordination. Facilitate and coordination of decision making and problem-solving activities in the organization 26.1% of the respondents agreed on fastness of decision making, while 63.9% disagree on the organizational structure have a problem in facilitating decision making and problem-solving tasks. In the interview results support the idea because in time of merging the organization they take the largest organization structure with little adjustment so, the corporation needs insight knowledge of the structural problems.

The organizational structure whether it is equipped or not in level of adequate experts 21.5% of the respondents the corporation has sufficient experts in facilitating the organizational structure however 54.2% and 13.2% of the respondents were disagreed and strongly disagree in this issue, this shows that the organizational structure needs to be fulfilled by the need experts.



The amount of standards and measurements of performance is adequate for functional contributions of the corporation 11.1% and 10.4% of the respondents maintain the amount of standard and measurements of performance is adequate enough in the other hand 54.2% and 13.2% are the levels of adequate is not sufficient for the operational task. Managers have equal emphasis on each product 37.5% of the respondents are agreed on the organizational structure can facilitate it 24.3% and 35.4% are neutral and strongly disagree which means the organizational structure need to amend for facilitating structural implementation.

The point of creating the team in accomplish new assignment 37.5 % are supporting when a new task is occurred the administrators create a new task 24.3% and 2.8% of the respondent they disagreed and strongly disagreed the formation of the new team in the occurrence of the new task. Also, 5.6% of the respondents agreed that managers are participated in informal group networks, in the other hand 59.7% are neutral 32.6% are disagreed on, so the managers' scope of management's participation in the informal group is high.

The above table shows that the corporation have a clear written and conducted rules which is given to the employees 11.1% and 14.6% are strongly agreed and agreed on which means that it has a clear written documents that are addressed to peoples, in another case 32.3% and 41.7% are agreed and disagreed in addressing the clear conducted rules the data shows that the corporation has a problem to addressee the issues.

The organizational structure has support in marketing expansion and product volume increasing 11.1% of the respondents agreed it insincere the volume of production and expansion, in the other hand 59.7% and 29.2% of the respondents oppose the idea that does not exist and cannot support it, the corporation need to clarify the how the organizational stretcher supports the volume of production increase. In the case of complexity of the task the organization stretchers assist the accomplishment of the task 11.1% of the respondents agreed while 19.4% of the respondents neutral idea, the rest 69.4% of the respondents the structure do not assist the complexity of the of the task this means the organizational structure needs some modification in related to assist the accomplishment.

From the above table 4.5, the level of integration and coordination of tasks in the corporation were 11.1% of the respondents agreed on integrations and coordination of the task while 78.5% of the respondents did not accept the corporate organizational structure facilitating its integration and coordination. Facilitate and coordination of decision making and problem-solving activities in the organization 26.1% of the respondents agreed on fastness of decision making, while 63.9% disagree on the organizational structure have a problem in facilitating decision making and problem-solving tasks. In the interview results support the idea because in time of merging the organization they take the largest organization structure with little adjustment so, the corporation needs insight knowledge of the structural problems.

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The point of creating a team in accomplish new assignment 37.5 % are supporting when a new task is occurred the administrators create a new task 24.3% and 2.8% of the respondent they disagreed and strongly disagreed the formation of the new team in the occurrence of the new task. Also, 5.6% of the respondents agreed that managers are participated in informal group networks, in the other hand 59.7% are neutral 32.6% are disagreed on, so the managers scope of management's participation in the informal group is high.3.29 and 0.92 mean and standard deviation value respectively so it has on organizational structure.

## 4.2.5. Information System

The level of Information system supports strategic implementation In EABC

**Table 4.6. Information System of EABC in strategic implementation**

Items		Strongly agreed	Agr eed	Neut ral	Disag ree	Strongly disagree	Mea n	S.D
The information system of the company had integrated and unified the sub units.	F	0	32	16	54	42	3.15	.970
	%	0	22.2	11.1	37.5	29.2		
The information system serves the priorities of the core process.	F	0	36	31	38	39	3.44	1.089
	%	0	25.0	21.5	26.4	27.1		
The information system is accessible resource for all the users	F	0	31	6	53	54	3.42	1.320
	%	0	21.5	4.2	36.8	37.5		
The Management maintained customer-based and time measurements for the IT.	F	0	53	31	6	54	3.42	1.320
	%	0	36.8	31	6	37.5		
Aggregated mean							3.36	1.17

*Source: survey result 2017*

The above table 4.6 illustrates the usage of ICT in the corporation 22.2% accept the level of integration and unified subunits in ICT the other 11.1% of the respondents neutral 66.7% not agreed on the issues of subunits and units integration by using ICT. This system mainly used for core priorities of the corporation which is supported by 25% but 26.4% were against this idea the ICT is not used for priorities core processing tasks. The level of allocation the system to all users is sustained by all users is accepted while 37.5% of the respondents disagreed so, the corporation has a problem of allocation they need information to all users, interview result agreed on the analyzed information which means the allocation of the resource has some problems. The time measurement on the usage of the customer based management shows that 6%is opposed are

37.5% respondents disagreed while 36.8% of the respondents are agreed in time-based management. Therefore, the corporation focuses on time-based customers used IT usage. According to (Kovacheva, 2008), from the information technologies described above, we can extract these, which are of crucial importance for the strategic management of the enterprise. These technologies are strongly related to the long-term enterprise growth and prosperity, competitive advantages and innovations development. They are based on knowledge and help organizations overcome the competition in the knowledge market. The information available for processing and analyzing is constantly and rapidly growing. It is used in all levels in the contemporary enterprises. For its processing, different information technologies are developed. Information technologies from a strategic management point of view. The classification of information technologies according to their implementation in the phases of the strategic management process is made. The most important of them are strongly related to the enterprise growth and adaptation by supporting the process of innovation and knowledge development and re-engineering. In general, 3.36 mean value and 1.17 standard deviation, which means the highest problem in Information communication.

#### **4.2.7. Human resource management**

In strategic management practice human resource management a great effect, so the In EABC the relation between the human resource management strategic management.

**Table 4.7. Human resource management support at EABC strategic implementation**

Items		Strongly agreed	Agreed	Neutral	Disagree	Strongly disagree	Mean	S.D
The company a well-designed programs to develop employee proficiency and knowledge.	F	0	0	14	78	42	3.33	.748
	%	0	0	9.7	54.2	29.2		
The company has a well-designed skill development programs	F	0	17	0	51	33	3.17	.989
	%	0	11.8	0	35.4	22.9		
Training and development programs are linked with the customer satisfaction and financial measurement.	F	0	36	36	37	35	3.49	1.116
	%	0	25.0	25.7	25.7	24.3		
Both customer satisfaction and financial measurements.	F	17	17	31	36	43	2.92	1.209
	%	11.8	11.8	21.5	25.0	29.9		
Performance evaluation and reward techniques not linked with contribution to the total organization employee of the company is motivated workforce	F	18	68	0	58	0	3.15	.941
	%	12.5	47.2	0	40.3	0		
Aggregated mean							3.21	1

*Source: survey result2017*

The above table explains the human resource management in relation strategic management the company has well-designed skill development program for the employees it supported by 83.4% of the respondents are 9.7% neutral the idea which means the corporation program for giving skill training but the level of accepting the value of training is in question. The training linkage with customer satisfaction and financial measure 22.4% of the respondents' agreed 25% and

29.9% are disagreed and strongly disagreed by the respondents so the training should be customer base training and which helps to increase the satisfaction level of customers.

The performance evolution is linked with contributions to the total organizational employees and helps to motivate work force is strongly supported by 12.5%, and 47.2% are agreed and divergent by 40.3% disagreed from this shows the performance evolution is not liked with the contributions of the employee to the organization. (çalışkan, 2010) finds that parallel to the understanding those human resources are vital for an organization; human resource management function is also going up in the organizational hierarchy. Human resource management aims to ensure that the organization obtains and retains the skilled, committed and well-motivated workforce it needs. This means taking steps to assess and satisfy future people needs and to enhance and develop the inherent capacities of people – their contributions, potential, and employability – by providing learning and continuous development opportunities. It involves the operation of recruitment and selection procedures, management development and training activities linked to the needs of the business. Strategic human resource management (SHRM) represents a relatively new transformation in the field of human resource management. SHRM is concerned with the role human resource management systems play in firm performance, particularly focusing on the alignment of human resources as a means of gaining competitive advantage. Organizations are becoming aware that successful human resource policies and practices may increase performance in different areas such as productivity, quality, and financial performance. The mean value 3.21 and 1standard deviation it indicates agreed on HRM problem in strategic implementation.

#### **4.2.8 Leadership**

Quality of leadership plays a great role in strategic implementation because all direction is given by the top managers and leaders. Therefore, the following table shows the role of leadership in EABC.

**Table 4.8. Leadership support on strategic implementation at EABC**

Items		Strongly Agreed	Agreed	Neutral	Disagree	Strongly disagree	Mean	S.D
The management of the organization creates explicit agenda to articulate the need for change	F	0	23	6	50	65	3.38	.801
	%	0	16.0	4.2	34.7	45.1		
The management develops, arrange and lead personally communication process about the change.	F	0	18	13	46	67	3.40	1.085
	%	0	12.5	9	31.9	46.5		
The management of the organization demonstrates different roles transfer, problem solver, and administrator	F	19	0	59	13	0	3.28	1.08
	%	13.2	0	41	9	0		
The management is visionary; motivate employees to large scale changes	F	36	0	31	77	0	3.03	1.242
	%	25	0	21.5	53.5	0		
Aggregated mean							3.27	1.05

*Source: survey result 2017*

The creation of explicit agenda that articulate the change is supported 16% of the respondents are agreed while 34.7% are neutral shows 45.1% are the ideas articulating is not sufficient. The management develop, rearrange and leading personal commendation is changed 12.5% of the respondents are strongly agreed on the other hand 31.9% are neutral ideas 9% of the response directly opposes the ideas. Demonstrating different roles transfer and problem solving is supported this attitude by 13.2% supported 41% are neutral in this course managers are visionary, motivated and change in large scale it is supported 25% are strongly agreed with the ideas but it needs to improve the quality of managers to be visionary, motivated employees it needs serious improve by the 53.5% are witness of respondent it have a serious direction to improve.

According to (Hussein, 2017) we can say that strategic leadership is a process that transforms the organization into the successful organization by proper strategies. It is the responsibility of leadership to motivate and inspire the peoples in the organization to work jointly so that organization's vision can be translated into reality. Mostly in the organizations, efficient leaders perform the common tasks in the strategy making and executing the process. They develop a strategic vision and mission, sets goals and objectives, craft the strategies, execute it and then evaluate the performance. The achievement of attaining strategic business objectives, directing the organizations for the sake of viable development, and being competitive globally in different sectors has positioned a novel requirement over institutions. There remains a challenge, which is to specify the roles of leadership, and those roles are able to differ significantly in terms of organizational performance. The crucial concern is the role of leadership, which needs to be acted on. The successful growth related to the formation of strategy, and its enactment and assessment necessitate a constant and corresponding pledge from uppermost leadership, so likely successful enactment of strategy differs. 3.27, 1.05 mean and standard deviation value leadership have a great impact on strategic implementation.

#### **4.9 General variable analysis**

The strategic implementation Variables such as strategic management practice, challenges, organizational structure, corporation objectives, HRM, leadership factors and ICT roles shows in the below table below.

**Table 4.9. General variable analysis**

<b>Items</b>	<b>Mean</b>	<b>S.D</b>
Practice of strategic management	3.2	0.88
Challenges of strategic management	3.054	1.012
Corporation objectives	3.33	0.093
Content or organizational Structure	3.29	0.92
Information System	3.36	1.17
Human resource management	3.21	1
Leadership	3.27	1.05

*Source: survey result 2017*



The above table 4.9 shows that information system 3.36 mean value and 1.17 stand deviation have the first problem in implementing the strategy, the leadership style have the second role in strategic implementation which shows 3.27 mean value and 1.05 stand deviation the third value is both human resource management and organizational Structure 3.21 mean value 1 stand deviation 3.29 mean value and 0.92 stand devotion value respectively. Strategy implementation Practices have 3.2 mean value and 0.88stand devotion value have the four rank, Strategy Implementation challenges the last point is Corporation objectives 3.33 mean value and 0.09 stand devotion.

## CHAPTER FIVE

### CONCLUSIONS, RECOMMENDATION& FINDINGS

The aim of this chapter is to critically reflect on the key findings of the study established under the preceding chapter. This chapter has three sections. The results are collected together as the summary of findings under the first section. Conclusions are drawn based on these findings under the next section. Under the section, recommendations are made based on the conclusions and under the last section; the limitations of the study are identified.

#### 5.1. Summary of findings

The major findings of the research are shows as which is driven from both questioner and interview follows it subdivided into three major parts strategic implementation and organization structure, human in the resource, strategic implementation and IT of the company assists the strategy implementation. :-

##### *Challenges of strategic implementation and organizational structure:-*

Majority of the respondents believe that the tasks of the organization employee's lack of proper feedback on their task, measurement of performance and standards' is inadequate and not attractive to work.

- The organizational leadership, structure, and HRM have a problem of integration and coordination of task to implement the strategy.
- In early identifying the problems of the organization and creating the new strategy is difficult.
- The uncontrollable of external factors are not detail analyzed and controlled in strategic implementation.
- The organizational structure is not well communicated and defined the employees, also affect the expansion of the high volume of product production.

### *HRM and leadership practice supports successful strategy implementation*

The quality of leadership and management in the corporation leading fail to according to the strategic ideas, plans, some corporation projects lead to archive its objectives strategic leadership facilitates and coordinate decision making, the amount of using the formal structure is predicament and the users more informal one associated to quality of visionary leadership is challenging.

- The capabilities of the employees to realize the strategic, the adequate level of employees plan are low.
- The adequacy level of training and instruction given by the corporation and creating awareness in the corporation is law.
- Defining tasks sufficiently and generating new ideas have not done as expected.
- As per the questionnaire findings, the level of ownership and rewarding and motivation is in difficulty customer based management and customer satisfaction is small.

### *IT of the company assists the strategy implementation*

The findings from the questionnaires and the interview indicate that the coordination of strategic implementation and unification of subunits in ICT have serious harms.

The level of communication in the organization, effective and efficient information communication it is also true in horizontal communication and project managers is slow.

## **5.2. Conclusions**

From above summary the following conclusion us driven:-

- From the research objective assessing the practice of strategic implementation in EABC have a problem of strategic implementation, which is emanated from the long-term objectives changed to the short-term objectives, the lack of commitment of leaders to force the major goals execution, improper budgeting to the tasks, the level of employee motivation, rewarding is less the organizational structure did not enhance the faction of strategic implementation and at last the working environment of the corporation is not helpful to fully implement the strategy .

- The challenges of the strategic implementation in EABC is the other one which the researcher tries to address from this point co-ordination is not sufficient to effect, the abilities of the employees to perform the task is less, the amount training given to the employees is below from the expected , the external factors are not well communicated and think over by the managers, the ability of leading by leaders is not fruitful in implementing the strategy .the key tasks were not sufficiently defined earlier.
- The third objectives for strategic implementation and the organizational structure a problem to implement the strategy because the level of coordinating tasks are low and horizontal relation is in the problem , the leadership style is more informal and lack of two ways of communication. Linking in short-term goals to daily task were not sufficiently practiced. The organization structure did not support simplifying the complex tasks. The organization structure does not provide clear written rules of conduct to people about their activity. The structure did maintain integration and coordination of value chain
- In the case of managing human, power supports the implementation of strategic implementation. From this point of view, this part need to design a program to develop employees proficiency and knowledge but it is not observed, the level of training and development is not sufficient enough at last reward is not given according to their performance.
- How the role of ICT helps the implementation of the strategy is may the last point, so the most habitual problem is un integration of the subsystem, the ICT department is not accessible to all users the last one is a customer based resource is not functional.

### **5.3. Recommendations**

Based on the findings of the research, the following recommendations are proposed.

- EABC should make effective internal integration of information requires the organization to overcome some of the traditional barriers to successful IS/IT investments, such as sharing and integrating information, reorganization of job roles, new accountabilities, new performance

measures and corporation changes. In the other hand it more than creating web page it using all pages and participating major departments upload need information and share experience and to leaders easily understand the problematic are and give immediate feedback. If possible all employee grant username and password to do all task on the system that helps managers control individual task and help for appraisal and motivation purpose which helps to achieve organizational objectives.

- The top most significant activity of leadership in strategic implantation at EABC should do relates the alignment of its vision with the goals and objectives of the organization that result in having a corporation competitive nature with the effective vibrant setting; on the other hand, it can train and encourage the workers of the organization to attain the goal and vision. Finally, leadership has to have the evaluation process to ensure the effectiveness of the whole process, and this aspect will facilitate to identify the drawbacks and to make fresh the strategies in line with the change as well. Moreover, this evaluation process is able to help and sustain the constant growth of the corporation so leaders have a great role to facilitate strategic implementation role.
- It is pointed out that for the goals of HRM in EABC must includes managing people as assets aligning HRM policies with business policies and corporate strategy; developing a close fit between them, encouraging team working, creating a flatter and more flexible organization for quick response to change, building greater employee commitment to the organization, empowering employees to manage their own self-development and learning, creating a strong customer-first philosophy throughout the organization. developing reward strategies designed to support a performance-driven culture, improving employee involvement through better internal communication; increasing line management responsibility for HR policies, and developing the facilitating role of managers as enables also the organization structure must facilitate the overall activities of the corporation.
- To achieve the corporation objectives every members must have a aware on objectives its value for the organization and have necessary training to employees and consistent review of strategic plan achievement drawbacks and best practice also focused area for daily task .



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## Appendix

# St. Mary's University School of Graduate Studies

## A. Challenges related to planning

### 1. Structural Challenges

- 1.1 State the organizational structure in place at EABC?
- 1.2 State whether EABC considers the above mentioned structure an important factor to strategy implementation. Why do you say so?
- 1.3 Is the organizational structure a problem at Ethiopia Agricultural Business Corporation Limited? Why?
- 1.4 What aspects of the organizational structure are problematic, if any?

### 2. Systems

- 2.1 State whether Ethiopia Agricultural Business Corporation considers systems as important factor to strategy implementation. Why do you say so?
- 2.2 Are the systems causing problem at Ethiopia Agricultural Business Corporation?
- 3.3 What aspects of the systems are problematic if any?

### 3. Policies Challenges

- 3.1 State whether Ethiopia Agricultural Business Corporation. Considers policies important to strategy implementation? Why do you say so?
- 3.2 Do the existing policies support strategy implementation?  
If the answer is NO, state why you consider the policies a problem? What aspects of the policies are problematic?

## B. Challenges related to implementation

### 1. Cultural challenges

- 1.1 State whether Ethiopia Agricultural Business Corporation considers culture an important factor to strategy implementation. Why do you say so?
- 1.2 Is culture a problem to Ethiopia Agricultural Business? Why?
- 1.3 What aspects of the culture are problematic, if any?

## **2. Resource allocation challenges**

- 2.1 State whether Ethiopia Agricultural Business Corporation considers Resource allocation an important factor to strategy implementation. Why do you say so?
- 2.2 Is the Resource allocation a problem at Ethiopia Agricultural Business Corporation? Why?
- 2.3 What aspects of the Resource allocation are problematic, if any?

## **3. Leadership challenges**

- 3.1 State whether Ethiopia Agricultural Business corporation. Limited considers leadership an important factor to strategy implementation. Why do you say so?
- 3.2 Is leadership a problem to Ethiopia Agricultural Business Corporation? Limited? Why?

## **4. Strategic achievement**

- 4.1. State whether Ethiopia Agricultural Business corporation. Limited has ever implemented its strategic plans?
- 4.2. State briefly whether strategy implementation at Ethiopia Agricultural Business corporation. Limited has been successful. Why do you say so?
- 4.3. Did any changes take place in the organization during strategy implementation?
- 4.4. What kind of changes were these? State whether they were structural, cultural leadership, Resources, Systems or Leadership?

## Appendix -2

### St. Mary's University

### School of Graduate Studies

#### Questionnaire

#### Dear Respondents

I am graduating class of MBA student at St. Marry University. This questionnaire is prepared for research purpose entitled "Practices and challenges of Strategy Implementation at Agricultural Business Corporation". As member of your organization, your participation in this study will be valuable and greatly appreciated. Information gathered will be treated with utmost confidentiality and will not be used for any other purpose. (If)Should you have any enquiry, feel free to contact the researcher at:

E-mail: gahenafi@yahoo.com

Phone number: 0913874060

**INSTRUCTIONS:** The questionnaires contain statements about Practices and challenges of Strategy Implementation. Give your own opinion and fill each item. Please X your response to each statement according to the following five-point scale in terms of your own agreement and disagreement of the statement. 1-Strongly Agree 2= Agree 3= Neutral 4= Disagree 5= Strongly Disagree.

#### General Information

Put tick mark in the box provided against your choice.

Sex                      Male  Female

Age    25-35            35-45             Over 45

Year of experience 10-15  Over 15

Position                Management             Non- Management

Education background 1st degree  2<sup>nd</sup> degree

Please note:

- ❖ No need of writing your name.

	<b>Strategy Implementation challenges</b>	1	2	3	4	5
1	Development partners interference					
2	Changes in security levels impact implementation					
3	Government interference					
4	Lack of feedback on progress					
5	Un-supportive organizational culture					
6	Major problems surfaced which had not been identified earlier					
7	Co-ordination was not sufficiently effective					
8	Competing activities distracted attention from implementing this decision Competing activities distracted attention from implementing this decision					
9	Capabilities of employees involved were insufficient					
10	Training and instruction given to lower level employees were inadequate					
11	Uncontrollable factors in the external environment had an adverse impact on implementation					
12	Leadership and direction provided by departmental managers were inadequate					
13	Key implementation tasks and activities were not sufficiently defined					
14	Problems requiring top management involvement were not communicated early enough					
15	Deviation from original plan objectives					
16	People are not measured or rewarded for executing the plan					
17	Lack of feelings of “ownership” of a strategy or execution plans among key employees					



18	Lack of understanding of the role of organizational structure and design in the execution process					
19	Insufficient financial resources to execute the strategy					
20	Poor inter- departmental (horizontal) communication					
21	Lack of instituting two – way communication between top management and staff					
	<b>Strategy implementation Practices</b>					
22	Managers are effective in generating different strategies to deal with issues of the organization”.					
23	The management’s commitment in putting strategic plans into actions is commendable					
24	The current information systems facilitate effective and efficient dissemination of information throughout the organization.					
25	Having a strategy supportive budgets and adequate resource allocation is considered a priority during implementation of the strategic plan.					
26	The authority given to project managers determines the success of working through others.					
27	The organizational leadership preference is instrumental for achieving targeted results					
28	Employee empowerment, motivation and reward are considered critical in the organization in the implementation success.					
29	Project managers are well informed of the organization’s strategic plan					
30	Projects are implemented in line with organization’s strategic plan					
31	Policies and procedure are committing the human resources to continuous improvement					
32	The organization’s level of available diagnostic,					

	administrative, interpersonal and problem solving skills is the key to strategic performance.					
34	The organizational management structure enhances strategic leadership.					
35	The top managers create a climate that encourages commitment to the strategic plan throughout the organization.					

## Part 2 Main question

Please read each statement carefully and show the extent of your (dis) agreement on the statements by putting a tick mark in the boxes against each rating scale of choice. The rating represents your level of agreement as follows.

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly disagree

	<b>Company objective</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1.	The company has identified long term objectives to be addressed.					
2.	The management has converted the long term objectives into specified short term goals.					
3.	Company strategy is well communicated to the					
4.	The employees of the company have understood the strategy and link their daily activities to yearly					
5.	Short term goals are linked & integrated to the long term objectives of the company.					

## 2. Content/Structure

1.	The organization structure provides clear written rules of conduct to people about their activity.					
2.	The organizational structure of the company assists in market expansion of existing products					

3.	The organizational structure assists the company to accomplish complexity of operation.					
4.	The organizational structure maintains the appropriate level of integration and coordination					
5.	The company structure assists in quality and fast decision making and problem solving process.					
6.	The organization structure is equipped by adequate functional experts.					
7.	Adequate standards and measurements of performance are maintained for each function's contribution for the total organization.					
8.	The organization structure facilities to managers to have equal emphasis on each product line.					
9.	The management of the company has practice of forming teams to accomplish new assignments.					
10.	Managers involve as a member in the informal groups and networks in the organization.					

### 3. Information System

11.	The information system of the company had integrated and unified the sub units.					
12.	The information system serves the priorities of the core process.					
13.	The information system is accessible resource for all the users.					
14.	The Management maintained cu-based and time measurements for the IT.					

#### 4. HRM

15	The company a well-designed programs to develop employee proficiency and knowledge.					
16	The company has a well-designed skill development programs.					
17	Training and development programs are linked with the customer satisfaction and financial measurement.					
18	Both customer satisfaction and financial measurements.					
19	Performance evaluation and reward techniques are linked with contribution to the total organization employee of the company is motivated workforce.					

#### 5. Leadership

20	The management of the organization creates explicit agenda to articulate the need for change.					
21	The management develops, arrange and lead personally communication process about the change.					
22	The management of the organization demonstrates different roles transfer, problem solver, and administrator.					
23	The management is visionary; motivate employees to large scale changes.					

## **Declaration**

I, the undersigned, declare that this thesis entitled “Practices and challenges of Strategy Implementation at Agricultural Business Corporation” Submitted by me to undertake a research in partial fulfillment of the requirements for the award of the Degree of Master of Business Administration (MBA) to the School of Graduate Studies, St. Marry University, is my original work, has not been presented for degree in any other university and that all sources of materials used for the thesis have been duly acknowledged.

**Declared by:**

Name: Ashenafi Getachew

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Confirmed by Advisor:**

Name: Solomon Markos. (Doctor)

Signature \_\_\_\_\_

Date \_\_\_\_\_

Place and date of submission: St. Marry University, December, 2017

## **Endorsement**

This is to certify that Ashenafi Getachew his carried out her research work on the topic entitled “Practices and challenges of Strategy Implementation at Ethiopian Agricultural Business Corporation”. The work is original in nature and is suitable for the submission for the award of Masters of Business Administration.

**Advisor: Solomon Markos . (PHD)**

**Signature:** \_\_\_\_\_

**St. Mary’s university**

**Date** \_\_\_\_\_