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St. Mary's University, Ethiopia

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

**PRACTICES AND CHALLENGES OF STRATEGIC PLAN
IMPLEMENTATION AT NIB INSURANCE COMPANY S.C**

**BY:
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**JUNE, 2021
ADDIS ABABA, ETHIOPIA**

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

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Jemal Shoa (Assis.Prof). That it has not been submitted partially; or in full, by any other person for an award of a degree in any other university

.....

Name

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Signature

St. Mary's University, Addis Ababa

June, 2021

ENDORSEMENT

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

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Advisor

St. Mary's University, Addis Ababa

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Signature

June, 2021

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List of Abbreviation/ Acronyms

COVID-19:	Corona-Virus
GM:	General Manager
DGM:	Deputy General Manager
EPRDF:	Ethiopian People’s Revolutionary Democratic Front
NBE:	National Bank of Ethiopian
NIC:	Nib Insurance Company
PVT:	Political Violence and Terrorism
S.C:	Share Company
SMART:	Specific, Measurable, Attainable, Realistic and Timely
SPSS:	Statistical Package for Social Sciences
SWOT:	Strength, weakness, opportunity, Threat

Table of Contents	Pages
DECLARATION	i
ENDORSEMENT.....	ii
Acknowledgement.....	iii
List of Abbreviation/ Acronyms.....	iv
Contents	v
List of table	vii
List of Figure.....	viii
Abstract.....	ix
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Study.....	1
1.2. Overview of the Company	2
1.3. Statement of the Problem	4
1.4. Research Questions	5
1.5. Objectives of the Study	5
1.5.1. General Objective.....	5
1.5.2. Specific Objectives.....	5
1.6. Significance of the Study	5
1.7. Scope of the Study	6
1.8. Limitation of the Study.....	6
1.9. Organization of the paper	7
CHAPTER TWO	8
REVIEW OF RELATED LITERATURE	8
2.1 Theoretical Literature.....	8
2.2 Strategy Implementation	8
2.3 Factors affecting strategic plan implementation.....	10
2.3.1. Role of Organizational Structure	11
2.3.2. Role of Budget in strategy Implementation	12
2.3.3. Role of leadership Support in Strategic Plan Implementation.....	13
2.3.4. Role of Operational planning in strategic Plan Implementation.....	15
2.3.5. Role of Effective Communication in strategic plan Implementation	15
2.4. Challenges in Strategic Management.....	16
2.1.4. Strategic Management in the insurance sector	17

2.2. Empirical Review.....	18
2.3. Conceptual framework of the Study.....	19
CHAPTER THREE.....	20
RESEARCH DESIGN AND METHODOLOGY.....	20
3.1Research Design and Approaches	20
3.2Population, Sample Size and Sampling Techniques.....	21
3.2.1Research Population.....	21
3.2.2Sample Size.....	21
3.2.3Sample Techniques	21
3.3Sources of Data	22
3.4Data Gathering Instruments.....	23
3.5Procedure of Data collection	23
3.6Pilot Testing	24
3.7Methods of Data Analysis	24
3.8Reliability Test for Statics.....	24
3.9Ethical Consideration	25
CHAPTER FOUR.....	26
DATA ANALYSIS AND INTERPRETATION	26
4.1.Response rate	26
4.2.L;:oDemographic Background of the respondents	27
Table 3 Demographic Background of the respondents.....	27
4.3.Descriptive Analysis of Collected Data.....	29
CHAPTER FIVE.....	35
SUMMARY, CONCLUSION AND RECOMMENATIONS	35
5.1Summary	35
5.2Conclusion	35
5.3Recommendations.....	36
REFERENCE.....	37
Appendix.....	42
Questionnaire	42

List of table

Table 1 Reliability Test.....	25
Table 2 respondent rate	26
Table 4 the Role of Company Organizational Structure in Strategy Implementation	29
Table 5 Consequence of operational planning in Strategic Plan Implementation	30
Table 6 Leadership Supports in achieving the company's strategic objectives.....	31
Table 7 the role of Communication in Strategy Plan Implementation	32
Table 8 the contribution of budget towards Strategy Plan Implementation.....	33
Table 9 Challenges associated with Strategy plan implementation.....	34

List of Figure

Figure 2.2. Conceptual framework of the study.....	19
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Abstract

Objective of the study was to examine Practices and Challenges of Strategic Plan Implementation at Nib Insurance Company based on data collected from staffs of the company through questionnaires.

The type of research applied in this study was descriptive in nature. A total of 204 actual employees of the company were used as a sample. A well-structured questionnaire was used to collect the relevant information. The data analyzed using Structural Equation Modeling

The result of the study has shown that there are problems while implementing the strategic plan. In implementing the strategy, there has been identified that the current practices has a gap which should be intact with all stakeholders.

It has also been concluded that most departments and branches did not have strategy policies for implementation as per the policy and procedures set.

There is also a lack of acceptance & support from the top management, misunderstanding of the strategy or people being unaware about the strategy implementation, challenge of lack of proper knowledge and skills by employees of the company, challenge of monitoring and controlling mechanism problem in strategy implementation and employees are discouraged by the absence of reward system.

In order to make effective strategy plan implementation, the company should address to those problems identified like allocating sufficient resources, setting clear operational plans, implementing effective means of communications, developing a good organizational structure, and timely responding to challenges faced in the company.

Key Words: Challenge, strategic implementation

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

According to the World Bank group's, and Global Economic reflection, fast growing of the business organization, technology, changing market and economic conditions and shortages of resource and customers in the 21st century are increasing the complexity and computation of modern management. (Alkhafaji, A.F.2003) The most critical challenge facing most organizations today is to cope and deal with a saturated market where there are many competitors and empowered and informed customers. Insurance companies besides the dynamism of the field are highly vulnerable to challenges with high failure rate as they bear the risks inherent in their operation and the risks transferred to them by way of insurance.

According to Bowman and Helfat, (2001) corporate strategy is an essential management tool that is important in determining the firm's performance as well as achieving performance advantage through strategic initiatives. Porter (1980, 1985) argues that through the pursuit of a generic strategy a firm can achieve superior performance, which he defines as the development of an overall cost leadership, differentiation or focus approach to industry competitor. Porter, (1996) also noted that strategy is about achieving competitive advantage through being different in delivering unique service or product.

Strategic responses involve changes in a firm's strategic behavior to assure success in the transforming future environment. An organizations strategic position is often influenced by the external environment, internal strategic capabilities as well as the expectations and influence of the stakeholders. Strategic choices include the underlying bases for strategy at all levels of the organization. Strategic plan implementation is an integral part of an organization whether private or public.

According to Johnson and Scholes (2005) strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences, with the aim of fulfilling stakeholder expectations. Strategic management and implementation plays an essential role in ensuring that the company's resources are deployed to the most productive and efficient areas that would ensure

long term performance of the organization under a competitive and continually changing environment. This therefore makes the implementation of competitive strategies crucial especially within the context of a dynamic environment as well as the ever increasing competition which together make the ability of the firm to take advantage of the opportunities that is open to them (Bennet, 1999). As a result of the shrinking demand of non-compulsory insurance products coupled with the negative perception of the insurance sector by the general public the insurance sector has become very competitive. It is estimated that the penetration levels are at 3.44% which is very low compared to the developed countries. The overall insurance penetration increased to 3.44% in 2013 compared to 3.16% in 2012.

Strategy implementation or strategy in action has to do with making strategy happen or making sure that created and planned strategies actually work in practice (Johnson, Scholes & Whittington, 2008). It is done by way of transforming the chosen strategies into action.

1.2. Overview of the Company

When EPRDF came into power, the licensing and supervision of insurance business proclamation, Proclamation No. 86/1994 which allowed domestic private insurance companies to embellishment in the market was enacted. This proclamation vested the authority to controlling, licensing and formulating policies regulating the insurance business to NBE.

Accordingly, Nib Insurance Company is one of legally established private insurance companies with in Ethiopia. The company is established May 2002 with more than 800 shareholders with paid -up capital 14 million and opened four branches in one time and operated by 50 employees.

Currently number of shareholders exceeds 1,000 and paid up capital is 412 million Birr 2019/20 budget year. Nib insurance company has 41 branches, 28 Addis Ababa Branches and 13 Outlying Branches and 416 employees. The insurance company has fast existence by taking over all the assets and liabilities of the eighteen private and one government insurance companies that were operating in the market at the time. The basic objectives of the insurance company to give perfect and ensuring quality insurance services reach the wide-ranging of the people and promoting efficient utilization of both material and financial resources. Nib insurance company operated the business for nineteen years under protected

strategic market share system as leader.

The top management team consists of One GM, one DGM- Operation and one DGM- resource Management responsible for; Business Development & Risk Management, Finance & Investment, General Insurance, Long Term Insurance and Resource Management, and Nine different Department Managers.

Nib Insurance Company provide various insurance service since the establishment date of the company from the major types of insurance service are motor vehicle insurance ,fire insurance ,personal accident insurance, marine insurance ,workmen compensation insurance ,engineering insurance ,goods transit insurance public liability, pecuniary and recently the insurance can introduce new insurance product named political violence and terrorism(PVT).

Nib Insurance Company more focused on maximizing the company's wealth by providing services to the General public and holds equity investment in Nib International Bank s.co. It also has an equity investment at Zhemar Hulegeb Industries, Aggar Micro finance with a total investment amount of birr 202.3 million as of June 2020.

Nib Insurance Company has also additional investment of birr 553 million in the form of fixed Time deposit in various commercial banks and strongly invest on real estate which includes the company Head quarter Building in Addis Ababa and outline, recovery yard and store in various place.

Nib Insurance Company has prepared the strategic plan for the period from 2020/21 to 2024/25 and implemented starting from the beginning of the 2020/21 budget year. Nib Insurance Company desires to give advanced service and addressed to the customer with this intention. The company is ready to change organizational structure and salary scale studies are also under way to allow the strategic plan to be implemented effectively. The strategic plan is developed by in-house team with the management of process consultant from Ethiopian Management Institution (EMI). Beside to this, Board of ad-hoc committee and the management steering committee have contributed a lot by assisting with close monitoring and providing inputs to the planning team at each deliverable. The crafted high level strategies with the new insight and thinking expected to enable company sustain its growth and take Nib Insurance Company to the next level in terms of all aspects over the course of the 5 years strategic period.

1.3. Statement of the Problem

Successful strategy implementation is a puzzle in many companies. The problem was illustrated by the unsatisfying low success rate (only 10 to 30 percent) of intended strategies (Raps and Kauffman, 2005). Generic strategy implementation challenges emanate from the leadership and management of the organization (Awino,Z.B. 2001), from the employees through resistance to change and negative perceptions and from resources (Awino et al, 2012). Still other challenges emanate from the competitive and macro environment (Aosa, 1992). On a global scale, studies on challenges of strategy implementation included Sial, Usman and Zufiqar (2013) who studied the reason why the Public Sector Organizations failed in implementation of strategic plan in Pakistan. The result showed that resources limitation, incompetent management and staff, poor planning for execution and lack of integration were the most important reason for the failure of the strategic plan implementation in public sectors organization in Pakistan. Al-Ghamdi (2005) studied the Obstacles to Successful Implementation of Strategic Decisions: The Saudi Case. The findings indicate that there was need for effective management support systems for staff employees, strategy-structure alignment, effective compensation systems, and top management involvement in order to facilitate the process of implementation. However, the studies did not focus on challenges of strategy implementation in insurance companies.

Therefore, the main purpose of this study is to examine the loopholes in the strategic plan implementation process as employed by Nib Insurance Company in the year 2015. Besides, identifying areas of strategic plan implementation major challenges where there is deviation from the generally accepted theoretical framework as an issue that should be addressed with utmost urgency. This is a significant step in ensuring successful implementation of strategic plan by the company and hence achievement of its strategic goals, mission and vision. This is therefore; the statement of the problem can be stated as practices and challenges of strategic plan implementation.

1.4. Research Questions

The research answers the following questions:

1. What is the role of the company's organizational structure in strategy plan implementation?
2. How operational planning affects the strategic plan implementation?
3. How leadership supports in achieving the company's strategy plan implementation?
4. What is the role of communication in strategic plan implementation?
5. What is the contribution of budget in strategic plan implementation?
6. What are the Challenges associated in strategic plan implementation?

1.5. Objectives of the Study

1.5.1.General Objective

The main objective of the study is to assess the practices and challenges of strategic plan implementation at Nib Insurance Company.

1.5.2. Specific Objectives

- ✓ To explore the contribution of the organizational structure towards strategic plan implementation.
- ✓ To assess the role of leadership support in strategic plan implementation in the Company.
- ✓ To identify the role of budget in the strategic plan implementation.
- ✓ To assess the result of operational plan in the company.
- ✓ To examine the role of communication towards strategic plan implementation.
- ✓ To identify the major challenges in strategic plan implementation.

1.6. Significance of the Study

The research has both theoretical contributions to insurance company and empirical contribution to management practices. The findings of this study which details with practices and challenges of the strategic plan implementation in nib insurance company is beneficial for different stakeholders such as insurance company, researchers and other organization for

academic purpose.

The findings were also help the company in implementing its strategic plan implementation practices.

The finding also provide evaluation framework for assessing the strategy plan implementation process that could be used by other insurance companies.

1.7. Scope of the Study

This study was conducted at nib insurance company on its strategic plan set only for the past five years ended 2020 to examine the practices and challenges of strategic plan implementation. The strategic plan implementation comprises various variables for its implementation. But, this study was focused and limited only on some practices of strategic plan implementation and identification of those major challenges while implementing the strategy.

The sources of information also limited to the company's both managerial and non-managerial employees.

The study was not generalized to any organizations other than nib insurance company at head office and branches found at Addis Ababa city. The research relies on both primary and secondary sources of data.

1.8. Limitation of the Study

While the conducting the study, the sample is taken only city branches and head office employees through the result may or may not be applicable for the other employees of outline branches.

It also the researcher faced that the respondents were not properly responded to the whole content of the questionnaire due to reluctance of the respondent. Branch distance is one of the limitations for the study as the thesis is done in parallel with taking doing regular work. Covid19 is also the major limitation to meet freely the respective respondent.

The other major limitations of the study were geographical locations of branches outside of Addis Ababa. Some segments or branches of the company are found out of Addis Ababa cities which made them to have been excluded from the study as they are not accessible in terms of resource, time, the current political instability and pandemic diseases Covid-19.

1.9. Organization of the paper

The research was organized into five chapters including this introductory chapter containing background of the study, overview of the company, statement of the problem, research questions, objectives of the study, significance of the study, the scope of study, limitation of the study and Organization of the Paper.

Chapter two of the thesis deals with the review of related literature. Introduction, Theoretical Literature, Empirical Review, conceptual Framework

Chapter three covered research design and Approaches, research population, sample size and sampling techniques, source of data, data gathering instruments, procedures of data collection and methods of data analysis.

The fourth chapter covered data analysis and Interpretation. The data collected from the different data sources are presented under the first section of the chapter and discussed under the second one.

The last chapter of the study deals with the summary of findings, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

The intent of this review of related literature is to present a framework for this study on strategic plan implementation at Nib insurance company. It is not to reach consensus on definitional aspects, rather to enlighten the reader as to the research and literature that currently exists regarding strategic plan implementation.

2.1 Theoretical Literature

Under this section, theoretical literatures on the subject of strategic plan implementation will be explored in details.

2.2 Strategy Implementation

Krassnig, James & Ribière (2011) define strategy implementation as all measures, activities and processes dedicated to integrate a newly developed strategy into an existing business organization. For them strategy implementation is a crucial process that aims to bring the strategy to life. Strategic implementation has to do with making strategy happen or making sure that created and planned strategies actually work in practice (Johnson, et.al.,2008).

Strategy Implementation involves transforming the chosen strategies into action and includes the methods and techniques used to execute strategy. Implementation includes the arrangement of tasks and responsibilities to the individuals or groups in the organization (Alkhafaji (2003).

It involves transforming the chosen strategies into action and methods and techniques the organization adopts to execute management's selected strategy. Zafar, et.al., 2013 define strategy implementation as the process of making the strategy work as intended or putting the chosen strategy into action.

It includes designing the organization's structure, distributing resources, developing decision making process, and managing human resources. As a process of putting the strategy into action, it involves getting individuals and organizational subunits to go all out in executing their part of the strategic plan successfully (Nedelea & Paun, 2009). For Azhar,

et.al. (2013) the process in which planned strategies are converted into real actions constitutes implementation. Strategy implementation is the dynamic activity within strategic management process in which strategies and policies are put into action (Sorooshian, Norzima, Yusof & Rosnah, 2010).

Strategy implementation or the action stage of strategic management, as per Kaplan and Norton (1996) requires a firm to establish annual objectives, develop a strategy supportive culture, create an effective organizational structure, prepare budgets that are strategy supportive, develop and utilize information system, devise policies to guide decision making, motivate employees and allocate resources so that formulated strategies can be executed. Organizational structure refers to communication processes, work flow, and authority and responsibility relationships (Alkhafaji, 2003). Kayale (2012) defines structure as all the people, positions, procedures, processes, culture, technology and related elements that comprise the organization and how all these work together.

Kayale (2012) asserts that structure must be totally integrated with strategy for the organization to achieve its mission and goals. Alkhafaji (2003) defines organizational culture as the collection of beliefs, expectations and values shared by organizational members and transmitted from one generation to the next. The corporate culture must support the strategic plan. Effective strategy execution needs translating the vision, communicating and linking, business planning, feedback and learning and leadership.

The success of strategy depends on components human capital that embrace competencies and capabilities, budget and accountability and rewards (Neluheni, et.al., 2014). Lower-level managers as active players in the implementation process must determine what is required to achieve successful strategy implementation and guide the implementation process in their individual areas of responsibility.

Execution cannot succeed unless the strategy itself is designed to be executable (Kibicho, 2014: 8). This can be done by breaking long-term corporate objectives to operational short-term objectives and developing specific functional, unit or departmental strategies and drawing action plans to achieve the objectives. Successful strategy implementation depends on working through others, organizing, motivating, culture-building and creating strong

fits between strategy and how the organization does things (Musyoka, 2011).

Managers must determine what internal conditions are needed to execute the strategic plan successfully. It involves delicate and sensitive issues such as resource mobilization, restructuring, cultural changes, technological changes, process changes, policy and leadership changes. Support and commitment by the majority of employees and middle management is identified by Mbaka, et.al. (2014) and Niven (2006) as a necessary component of successful strategy implementation. Everyone should understand the need for change and should contribute their effort to efficiently implement the strategies (Azhar, et.al. 2013).

Strategy implementation fully depends upon efficient decision making (Azhar, et.al. 2013). Cooperation of all stakeholders, collaboration of different departments and coordination of implementation activities independently and in conjunction with each other are instrumental in making the goals of strategic plan happen (Asghar, 2011: 1127). Effective communication that explains the new responsibilities, duties and tasks plays a vital role in implementation (Mbaka & Mugambi, 2014: 61). Management should ensure that every staff member understands the strategic vision, the strategic themes and what their role will be in delivering the strategic vision.

2.3 Factors affecting strategic plan implementation

Successful strategy implementation depends up on the manager's skills of working through others organizing, culture building, and creating strong fits between strategies and how the organization works,(Jones 2010). Ingrained behavior does not change just because a new strategy has been announced. Implementation is also a function of his/her experience and accumulated knowledge about the business, whether the manager is new to the job or not, network of the personal relationships with others in the organization, diagnostic, administrative, interpersonal and problem solving skills, the authority given and the leadership preferences for how to proceed.

Some other factors emanate from within the context of the organization's situation. These factors are, but not limited, the seriousness of the firms strategic difficulties; the nature and extend of the strategic change involved; the type of strategic plan being implemented; the strength of the ingrained behavior patterns in individuals within the organizations; the financial and

organizational resources available to work with; the configuration of personal and organizational relationships that have permeated the company's history; the pressure for short term performance; and other factors that make up the firm's culture, (Thomson1989).

2.3.1. Role of Organizational Structure

Organizational structure is considered the management framework adopted to oversee the various activities of institutions project or other activities of an organization. A suitable organizational structure assists the management team to achieve high performance in the organization. Institutions require efficient and effective organizational structure in order to successfully accomplish its goals and objectives (Sudarshan, 2010).

Organizational structure helps the company in the following ways:

I. Centralization

Some organizations have a more centralized structure already in place before a strategy has been implemented. When this is the case, it makes implementing certain strategies more feasible. Change is always difficult to implement as a part of strategy; the fewer people involved in decision-making, the easier it is to gain consensus. More dramatic strategies are aided by a centralized organizational structure. Dramatic strategies can mean changing the basic ways an organization does business.

II. Innate Advantages

The best strategies often seek to take advantage of the innate advantages that an organization already possesses. Most organizations have certain departments that are particularly effective and certain tasks that it is already adept at doing. Strategies of this sort seek to rearrange organizational structures so as to better benefit from innate advantages. These strategies involve taking steps such as expanding parts of the organization that are successful and shrinking those that are not.

III. Consensus

Organizational structures are often important in gaining consensus for a strategy. If all the parts of an organization aren't onboard with a given strategy, it will stand less of a

chance of succeeding. The structure of an organization will have much to do with gaining consensus because it will determine who has to be appeased in management and how power is aligned. Different personal interests will often conflict and need to be addressed.

IV. Overcoming Disadvantages

An organization that has been failing to compete effectively will often need to go through an organizational restructuring to change its focus. It will need to change its organizational structures to move away from tasks that it is not suited for. This sort of structural shift can be traumatic for an organization and requires great resources of will. Often an organization must have reached a crisis before this type of strategy can occur

2.3.2. Role of Budget in strategy Implementation

Budgeting as a system of registration and optimization of costs is already spread and studied in many organizations, but is not applied in the work of production entities. At present, development and implementation of an effective budgeting system is practically a necessity, as production entities are in a deep instability and periodic crises, which are influenced by the financial and economic fluctuations. Therefore, management of the production entities faces difficulties of internal nature, characterized by increased costs, poor discipline in the implementation of tasks, lack of transparency and clarity in the delivery system of the entity, which directly determines the worsening of financial indicators.

Application of budgets:

Difficulties and advantages although many entities notifies the necessity and effectiveness of the budget schemes in the work of their entities, its real application impose a number of problems that do not achieve the expected support.

In this context, some of them are specified:

- I.* Lack of budget coordination with the strategy of the entire entity. With reference to this matter, the budget is not the first step in developing a strategy. However, entity managers must know the strategies and access to budget in order to determine the algorithm in order to achieve the tasks stipulated.

2. Heads of departments do not participate in the approval and control of budgets. This causes discontent and criticism both heads of departments and individuals who directly perform the tasks proposed. If the budget is not made known to the workers, it gives no motivation and no influence on the results of the effort, but becomes an object of assessment and detection of errors.
3. Analysis and control are performed by employees of economic departments, but not by those responsible for budgeting. Thus, managers are outside the budget process, considering that this does not refer to their direct duties.
4. Reduced data specification and control. Often, developing a budget requires more time, sometimes even a year. During this period a number of changes may take place: reorganization, restructuring, the attitude of suppliers and competitors may change or other reactions, which are usually not budgeted. In this context, budget does not reflect the reality, which reduces the reliability of the management towards its data.
5. Subjectivity in the process of drafting the budget. Some managers involved in the development budget increases or decreases some indicators intended to have a backup if the owners will require their reduction or growth. This is done in order to protect them in case of failure to achieve the proposed plan, the charges or reprimands.

2.3.3. Role of leadership Support in Strategic Plan Implementation

Leadership quality plays as a key role in order to form and enforce a strategy. It works as a linkage which associates the heart of the institution with its body. The pledge kept by the leader is responsible for encouraging the institutions to become successful, and this success comes out of making effective decisions for the formulation of strategy and their enactment. If the strategies are not enacted with perfection, great strategies become insignificant. Strategies formulated lower than 50% see the light of enactment as there is dearth of leadership skills.

Leaders give directions to what is the course of performance and the ways to accomplish that. Broadly, leader associated with an institute has the responsibilities for offering the vision, and he taking recourse of strategies reflects, chalks out the plan, and oversees the functioning undertakings.

Moreover, he makes an attempt to suit his organization in congruity with the needs of the

circumstances.

Leaders disseminate energy boosting activities and heightened the morale and the spirit of the workers. Relationships with all the stakeholders and most importantly it ensure teaching and learning in the organization. Leadership is responsible to direct the subordinates to perform the organizational tasks effectively (Mason, 2011). We can say that strategic leadership is a process that transforms organization into 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 process.

They develop a strategic vision and mission, sets goals and objectives, craft the strategies, execute it and then evaluate the performance.

The process of strategy formation starts when a leader tries to change the thinking of people. Everyone should clearly understand the need for change & try to reflect flexible behavior for proper strategic planning. Leaders should adopt a realistic approach to identify the strategic Gaps so that proper strategies can be formulated (Fairholm, 2009).

According to Sophocles "what you cannot enforce, do not command" For effective implementation leaders has to introduce the need of change. That can only be possible by creating such a culture that integrates the strategic and operational activities. Once the culture has developed the whole procedure of strategy formulation and implementation would be easy (Fourier & Jacob, 2010).

In strategic management leader perform the various roles. It introduces the environment for change. Secondly it creates the leadership team by selecting key players from the organization by breaking down the current hierarchy at third stage it formulates the vision and strategy by the help of a visionary process that clarify the strategy for understanding of whole organization,(Moesia, 2007). Then leadership creates an evaluation system that evaluates the strategy at every stage of the work within the organization. Finally, it helps to change the culture which facilitates the strategic management (Venohr & Meyer, 2007).

2.3.4. Role of Operational planning in strategic Plan Implementation

The operations function is one of the critically important areas in which a firm's resources are accumulated (Hayes, Pisano and Upton, 1996). There are several general characteristics of operations contribute to strategic plan implementations.

1. Operations typically account for a large percentage of costs and investments and can strongly impact product or service quality. The firm's profitability can therefore be very sensitive to investment in operations.
2. The typical high-volume and repetitive nature of operations often results in strong learning-by-doing effect, which indicate the accumulation of resources that cannot be purchased in open markets (Dierickx and Cool, 1989).
3. Because operations are generally complex and difficult to observe from outside, these learned capabilities are of types of accumulated resources that are not easily imitated by companies (Haye & upton, 1989; Schroeder, Bates & Junttila 2002).

2.3.5. Role of Effective Communication in strategic plan Implementation

Whether for internal or external communication, the approaches and tools of communication used to provide information and receive feedback are critical to the realization of goals and objectives (Rensburg, 2011). In general practice, specific communications tools are used variably by an organization to provide information specific to a targeted audience, seek information, train, and even study and observe activities. Effective identification and use of communication tools by organizations is a strategic advantage, requiring core competencies for implementation. The manner in which a company maximizes use of its communication networks can also make the difference between creating and maintaining this strategic advantage.(Mintzberg&VanderHayden,2009).

For clear identification and outlining of essential communication tools, and how communication approaches will be targeted at different audiences, monitored and evaluated against the organization's objectives for effectiveness, the development of a communications strategy becomes essential. A communications strategy, for implementation focused organizations, is as essential as all other business and planning documents including proposals, policy documents, business frameworks, and even budget documents (Hamel, 2009).

Communications planning, strategies and skills go a long way in helping Not-for-Profits

(NPOs) to build their “competitive advantage” in the long term, and to become “cost-efficient” in the short term (Dimitrov, 2008). Competitive advantage is with regards to public knowledge about the NPOs activities through advocacy and use of communications platforms, while cost efficiency is with regards to how communications helps in enabling public information through the use of different media to target audiences simultaneously. The process of designing a communications strategy for organizations cannot be understated because of the effort it takes the organization to actually define their key audiences or the people to whom their information and activities are intended. Through this process, there is also realization of a clear alignment of communication objectives and the strategic objectives of the organization and as a result, specific ‘tactics’ for information delivery and relationship evaluation can be defined. These tactics are about what you want to get out of a certain activity, and where, and how you would get it. The communications strategy is therefore, primarily a guiding document such that while communications objectives might change overtime, its guiding principles will remain the same (Hambrick & Fredrickson, 2001).

2.4. Challenges in Strategic Management

Strategies fail due to unanticipated market changes, lack of senior Management (CEO) support, and lack of effective Monitoring and application of insufficient resources, insufficient buy in to or understanding of the strategy among those who need to implement it (Sterling, 2003). Hussey (1998) and Abdulwahid, Muhamad & Sehar (2013) identified problems in strategic management as lack of acceptance by the management, confusion about corporate planning and its meaning, failure to use the plan, over sophistication of the plans, conflicting goals and priorities, non-convergence, lack of competent people, lack of team management, ineffective operational arrangement, lack of support from the top level, unclear target of success, non- acceptor organizational culture, divergent organizational structure, lack of commitment of decision makers and ambiguous strategy. These factors hinder successful implementation of strategies.

Inaccurate and poorly stated information about change is also one of the challenges (Salih & Doll, 2013). Strategic drift which refers to the situation where strategies progressively fail to address the strategic position of the organization is one of the challenges in strategic

management and leads to deterioration of performance (Johnson, et.al, 2007).

Adams (2005) identified out of date organizational strategies and the probability that organizational strategies mayn't be detailed as problems. Failure to frequently update the strategic plan irrespective of changes in the internal and external environment has the power of making the plan irrelevant (Adams, 2005). The same goes to failure to adequately consider external events affecting the organization's strategy. Lihalo (2013) undertook a study to examine the three categories of barriers to strategy implementation faced by mid-sized companies in Kenya. He identified internal challenges in strategy implementation as behavior resistance to change, inappropriate systems (structure, culture, leadership), inadequate human physical and financial resources, poor communication of the organization strategy and lack of proper training and instruction to employees. The external barriers were found to be business macro factors in the operating environment including factors such as stiff competition and un-anticipated new substitute or competing products.

The problems that cause strategic plans to fail are categorized by literature into the strategy planning process, a quality strategy, implementation of the strategy as well as the organization structure and climate (Neluheni, et.al, 2014). Sihab, Ridwan & Marti (2012) uphold Rudd, Greenley & Beatson (2008) contention that strategic management often fails due to problems or barriers encountered at the implementation stage.

Strategy implementation failures may be as a result of unfeasibility of the strategy, weak management, unworthiness or a misunderstanding of strategy, unaligned organization systems and resources, poor coordination, uncontrolled environment factors, linking performance and pay to strategies and resistance to change within the organization (Kibicho, 2014).

2.1.4. Strategic Management in the insurance sector

Strategic management is one of the tools that can be used to ensure attainment of competitive advantage. As mentioned previously strategy formulation is one of the steps in the strategic management process performed after efficient identification of markets. Several factors including internal and external ones influence strategy formulation of insurance companies Kasturi (2006). Success of an insurance company depends on

identification of markets, assessment of risks of the insured and the insurance corporation and estimation of losses, penetration into and exploitation of markets and Control over investment and operating costs (Kasturi. 2006).

Front line management of insurance companies should constantly update their knowledge on environmental factors. This is crucial to ensure alignment of the strategy with the environment. Internal efficiencies of the insurance company should also be considered while formulating strategy. Once the strategy is formulated, each division and branch is required to prepare necessary strategic plans and programs to implement the strategies

2.2. Empirical Review

The researcher is employ descriptive design based on a qualitative and quantitative approach. The research by Addisie (2015), unlike its topic, focuses on some aspects of the strategic management process namely the level of stakeholder participation, the level of communication and the contribution of performance evaluation to the implementation of strategies at action for Development. The topic however encompasses all aspects of the strategic management process.

Mosiah (2008) explored the strategic management practices of small firms operating in the emerging economies with emphasis on the health biochemistry industry. He compares these practices with the context of the practices documented in history. The research used qualitative data from a non-probability sample of two firms in the industry. Case study methodology using in-depth interviews was employed to collect data from the senior executives of these two firms. The research recommended that the emerging industries should engage in formal strategic management practices.

Local studies on strategic management include an assessment of strategic management practices of action for development by Addisie (2015). The purpose of the research was assessing the strategic plan formulation and implementation in the case of action for development. Both primary and secondary sources of data used for the research.

Out of the total number of employees the company the researcher used 13 top managements as a sample using purposive or judgmental sampling. Data was collected using structured close

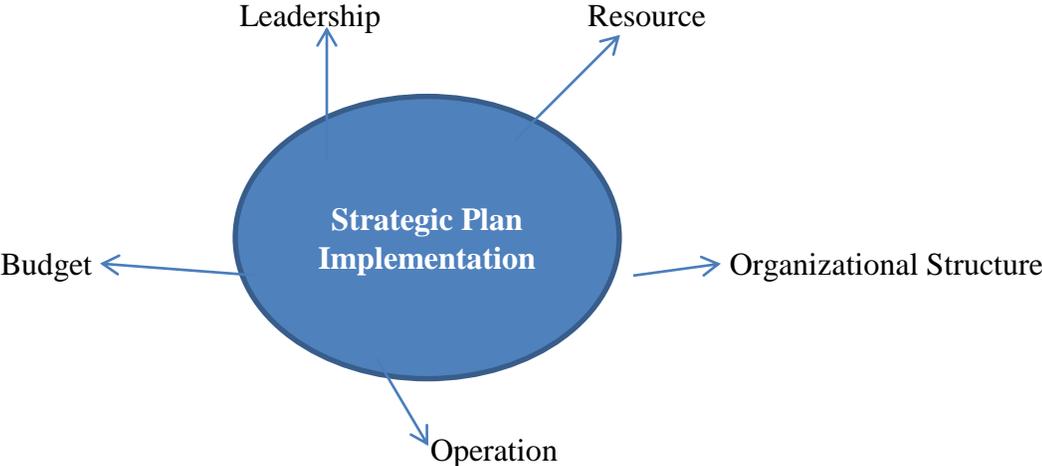
ended and also open ended questions. The quantitative data analysis used descriptive statistics while the qualitative data used analyzed using narrative form. The results indicated that action for development has major drawbacks in the areas of effective communicating the strategic plan to concerned stakeholders. The researcher recommended that action for development should effectively communicate the strategic plan to concerned stakeholders to ensure the same level of understanding, find sustainable sources of finance to support the implementation of strategies and should work on capacity development of its employees. Most of the literatures including senior theses and journal articles usually focus on one of the phases of strategic plan implementation process. This research is contributing a lot to the literature as it is an assessment of the overall strategic plan implementation process.

2.3. Conceptual framework of the Study

A conceptual model shows how the researcher theorizes the relationships among several factors identified as being important to the research questions. With this in purview, a conceptual model has been developed based on the reviews of previous knowledge to discuss the interrelationships among the variables deemed essential parts of the strategic plan implementation process.

The overall strategic plan Implementation process and variables falling under each component are shown in Figure 2.2. Below:

Figure 2.2. Conceptual framework of the study



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter describes the approach to organizing the research and methods for gathering and analyzing data to answer the research questions proposed in the introductory chapter.

3.1 Research Design and Approaches

The primary purpose of this study is to describe strategic plan implementation practices of Nib Insurance Company 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 strategic plan implementation at Nib Insurance Company.

Descriptive research designs describe the characteristics of objects, people, or organizations (Zikmund, Babin, Carr & Griffin, 2012:15) Descriptive research paints a picture of the specific details of a situation, social setting, or relationship. By giving answers to who, what, when, where, and how questions. For Kohtari (2006), descriptive research aims at describing a situation in terms of its characteristics. This research are also try to give details on the strategic plan implementation at Nib Insurance Company by portraying all of the four components of the process ranging from environmental scanning to strategy monitoring and evaluation and also the challenges of the strategic plan implementation.

Descriptive research design is chosen for this research as it is suitable to accurately portray components of a given process, strategic management in this case. Punch (2006) argues that descriptive research design basically gives answer to the question of ‘what is the case or situation here? Therefore, this research concerned to the practice of strategic management in Nib Insurance Company. It helps to draw a lot of information and more pictures about the phenomena under investigation.

The purpose of descriptive research is to describe how the facts are exactly aligned to the general objective of the research under investigation in Nib Insurance Company.

3.2 Population, Sample Size and Sampling Techniques

3.2.1 Research Population

Population refers to the full set of cases from which a sample is taken (Saunders, 2009:21). It refers to the larger group from which individuals are selected to participate in a study. In the case at hand, the population constitutes all employees of Nib Insurance Company (as of Jan.31, 2021). Target Population refers to the set of all elements belonging to a certain defined group to be studied or to which research results are going to be generalized to. Accordingly, the target population in the case at hand comprises 416 employees of the company

3.2.2 Sample Size

The sample size is a subset of the entire population (Saunders, 2009:21). For target population in the case at hand comprises 204 employees of the company. This constitutes top managements, branch manager, and professional employee's only working in Addis Ababa. Employees at Outlying branches and Non-clerical staffs of the company are excluded from the sample as no effect with regard to their contribution to the study output or result. In addition, it is not found necessary to include the remaining segment of the population as their inclusion does not have potential impact to change the outcome of the result expected from the population under survey.

3.2.3 Sample Techniques

A concurrent sampling in which quantitative probability and qualitative purposeful sampling are combined in this research. Purposive sampling is used to extract qualitative data. A purposive sampling method enables the researcher to use personal judgment in selecting cases that will best enable him/her answer research question(s) and meet objectives (Saunders, 2009). Denscombe (2007) states that sample, in case of purposive sampling, is hand-picked. It is important when the researcher wishes to select cases that are particularly informative.

A purposive or judgmental sampling technique is applied to conduct the study with a specific or targeted population. Purposive sampling can be defined as one in which every member of the population has an equal chance of being selected in relation to their population within the total population (Denscombe,2007:14).this sampling technique is advantageous since it assures representation of all groups in sample population needed.

The desired sample size is 204. This is calculated using the following sample size determination formula suggested by <http://www.webcitation.org>.

$$n = N / (1 + N (e)^2)$$

Where

N = Target population

n = sample size

e = level of precision = 0.05

Given confidence level of 95% and precision rate of ± 5 percent

$$n = 416 / (1 + 416(0.05)^2) = \mathbf{204}$$

The total numbers of top managerial staffs are 13; all of them are selected for the questionnaire, and all Addis Ababa city branch managers 28 in number, also be selected for response, the rest 163 Professional staffs are selected from all Addis Ababa branches and head office Employees.

3.3 Sources of Data

In this study both primary and secondary data was collected. (Kohtati, 2004:95) defined Primary data are those which are collected for the first time, and happen to be original in character.

Secondary sources are those which are made available or have been collected for other research purposes. It refers to data that are already available i.e. data which have already been collected and analyzed by someone else (Kohtari, 2004).

Questionnaires is used to collect data from the 13 top managers, 28 branch managers' and 163 other professional staffs drawn based on purposive sampling. Saunders (2009) affirmed de Vaus's (2002) definition of questionnaire as a general term which includes all techniques of data collection in which each person is asked to respond to the same set of questions in a predetermined order. Questionnaires were used in this case since they can be administered to a large number of people at less cost and reach respondents who are not easily approachable. Questionnaires also give respondents adequate time to give well thought out answers (Kohtari, 2004).

Dencombe (2007) defines close ended questionnaires as those which structure the answers by allowing only answers which fit into categories that have been established in advance by the

researcher. Since most of the questions demand the level of agreement of the employees, a Likert scale was used. Five scale formats namely strongly agree, agree, neutral, disagree, and strongly disagree. Close ended format is chosen as it is easier and quicker for respondents to answer, easier to compare the answers of different respondents easier to code and statistically analyze. The questionnaires distributed to the top management, branch managers and other employees are different as both have different roles in strategic plan.

3.4 Data Gathering Instruments

In order to attain the objective of the study and answer the research questions; researcher adopts both quantitative and qualitative (Mixed) research approach. The rationale of using such a mixed approaches is to gather data that could not be obtained by adopting a single method and for triangulation (Creswell 2009).The method of data collection techniques consists of Survey, interviews and document analysis.

Mixed research design is opted for since it allows gaining a fuller understanding of the strategic plan implementation at Nib Insurance Company. Neither qualitative nor quantitative research methods are sufficient to have a full understanding of the situation. The quantitative and qualitative data, when used in tandem, complement each other and allow more complete analysis (Creswell, 2009).

Quantitative data can reveal generalizable information for the larger portion of the sample. Qualitative research techniques are particularly appropriate to research strategic planning because organizational processes are being studied and these processes vary according the type of organization, the experience of people, and people's perceptions and judgments about that experience (Miles & Huberman, 1994).

3.5 Procedure of Data collection

For the purpose of this study and in order to achieve the objective of study both primary and secondary source of data are collected. Primary data collected from the employee through questionnaires and secondary data collected from different websites, annual reports of the insurance and different magazines.

3.6 Pilot Testing

In order to test its validity in terms of word correctives and to understand easily the questionnaires to respondents and for the purpose of study in order to nib insurance strategic plan implementation. the researcher has distributed 10 questionnaires to ten respondents before final distribution of the questionnaire distributed to all respondents. Accordingly, no word in clearness was raised from respondents.

3.7 Methods of Data Analysis

Zikmund & et.al define data analysis as the application of reasoning to understand the data that have been gathered by determining consistent patterns and summarizing the relevant details revealed in the investigation. It was done with the aim of making sense out of data collected using various methodologies. All questionnaires are deposited in one place and completeness and accuracy of each be checked. The invalid ones are excluded. The results of the questionnaire were encoded into **SPSS** (Statistical Package for Social Sciences) version 25. Simplistic descriptive statistic techniques including percentages are applied. This are illustrated using frequency tables that indicate the frequency counts and percentages for each of the variables. The qualitative data obtained from the documents were described using qualitative analysis.

3.8 Reliability Test for Statics

Reliability is essentially the dependability of an instrument to test what it was designed to test. survey method was the plan of the research, even the questioner adopted with modification from Abdifatah M.(2013)and Timoteyos Y,(2015) the reliability for the scale were checked which was the collection of data were free from error. In order to be reliable, the Cronbach's alpha should exceed 0.70.to check reliability; If the Cronbach's alpha greater than 0.7 the questioner is reliable.

Table 1 Reliability Test

Variables	Cronbach's Alpha	Number of Items
Organizational structure	0.968	5
Operational Planning	0.973	5
Leadership Support	0.971	5
Role of Communication	0.988	5
Budget	0.969	5
Challenge associated	0.975	6

Source: 2020/21 SPSS 25

From the above table, it can be understood that the number of respondents, 196 respondents, taken as a sample along with number of items, 31 items, is valid with a reliability test of 0.834 which is above the limit set for validity or reliability test.

3.9 Ethical Consideration

The researcher has full responsibility towards the confidentiality of the data. The output or result of the study is only academic purpose which does not bear an alive illegal on the company.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter present data analysis and interpretation of the data collected through the different data collection techniques. Questionnaires were used to collect primary data by using different data collection technique.

4.1. Response rate

Table 2 respondent rate

Number			Percentage			
respondent	Returned	Not returned	Total	Returned	Not returned	Total
Top Management	10	3	13	0.77	0.23	100
Branch Managers and others	186	5	191	0.97	0.03	100
Total	196	8	204	0.96	0.04	100

The above Table 2 shows that the respondent rate

From the distribution of 13 questionnaires to top management 10(77%) are collected. This implies that the sample addressed is representative of the target population.

4.2. Demographic Background of the respondents

Table 3 Demographic Background of the respondents

Classification of Variables		Frequency	Percent
Gender	Female	90	46%
	Male	106	54%
Age	18-25	25	13%
	26-35	47	24%
	36-45	64	33%
	46-55	53	27%
	>55	7	3%
Educational Background	Diploma	18	9%
	BSc/BA degree	123	63%
	Masters	55	28%
	PHD and above	-	-
Marrial Status	Single	76	39%
	Married	112	57%
	Divorced	5	3%
	widowed	3	1%
Service Year	< 3 year	21	11%
	3-5 year	51	26%
	6-10 year	87	44%
	> 10 year	37	19%
Your current Job position	Other position	155	79%
	Branch manager	28	14%
	Top management	13	7%
Number of years in the current position	< 3 year	124	63%
	3-5 year	45	23%
	6-10 year	25	13%
	> 10 year	2	1%

The above table 2 shows that demographic background of the respondents.

Gender

It shows that 90(46%) of the respondents in the study were females and the rest 106(54%) were males. Based on the information from the survey, it can be seen that most of the insurance employees working in the sample are male and the female are less in number.

Age

The table also shows that 25(13%) of the total respondents are less than 25 years old, 48(24%) are from 25-35 years old, 65(33%) are from 35-45 years old, 52(27%) are from 45-55 years old while 6(3%) of them are more than 55 years old.

From the above analysis, it could be understood that the majority of the respondents are young which implies that the reliability of the gathered information is reliable as the respondents have much more understanding the matters underway.

Educational Background

The above table also shows that 18(9%) of the respondents are Diploma holders, 123(63%) are first Degree holders, and the rest 55(28%) are Master's Degree holders.

From the above analysis, it could be understood that the majority of the respondents are degree holders which implies that this will increase the reliability of the gathered information.

Marrial Status

The table also shows that the respondent's marital status is interpreted as follows:

76(39%) are single, 112(57%) are married, 5(3%) are divorced and 3(1%) are widowed employees.

Service Year

The about table shows 21(11%) less than Three Years and 51(26%) are 3-5, 87(44%) respondents worked from 6-10 and the rest respondents 37(19%) serve above 10 years.

Current Job position

From the total 196 respondents, 155(79%) are other position staffs, 28(14%) are Branch managers and the rest of 13(7%) are top management members.

Number of years in the current position

The above table also shows that 124(63%) of the respondents are serving the company for less than 3 years, 45(23%) are working from 3-5 years, 25(13%) from 6-10 years and the remaining respondents 2(1%) are working in current position for more than 10 years.

4.3. Descriptive Analysis of Collected Data

Table 4 the Role of Company Organizational Structure in Strategy Implementation

S/N	Statements	Percentage (%)					Mean	Standard deviation
		1(SD)	2(D)	3(N)	4(A)	5(SA)		
1	The company's organizational structure properly supports Strategy implementation			10(5)	58(30)	128(65)	4.60	0.5860
2	The organizational structure of the company helps to coordinate activities which help in proper implementation of			3(1)	86(44)	107(55)	4.53	0.5302
3	The structure assigns duties and responsibility in the company so that the Strategy implementation takes place			6(3)	77(39)	113(58)	4.55	0.5574
4	There is a clear decision making hierarchy used to implement the strategy in the				71(36)	125(64)	4.64	0.4819
5	Organizational structure is comfortable to implement the strategy				86(44)	110(56)	4.56	0.4975

Source: 2020/21 SPSS 25

Note: high mean and high standard deviation high correlation of the respondents and low mean and low standard deviation low correlation of the respondents to the question.

The above table 4 shows that the role of Company Organizational Structure in Strategy Implementation.

From the table above, out of the total respondent of 196, having a mean of 4.60 and standard deviation of 0.5860, 128(65%) are strongly agree and 58(30%) are agree the rest of respondent 10(5%) are neutral that NIC's the company's organizational structure properly supports strategy implementation.

From the table above also, 107(55%) strongly agree and 86(44%) agree and the rest respondent of 3(1%) are neutral towards that the organizational structure of the company helps to coordinate activities which help in proper implementation of strategy with a mean of 4.53 and standard deviation of 0.5302. The above table also describes that with a mean of 4.55 and standard deviation of 0.5574.

From this, there is a clear and understandable line of organizational structure that properly supports the strategy implementation.

Table 5 Consequence of operational planning in Strategic Plan Implementation

S/N	Statements	Percentage (%)					Mean	Standard deviation
		1(SD)	2(D)	3(N)	4(A)	5(SA)		
	Operational planning outline for the company's day to day operations.			10 (5)	86(44)	100(51)	4.46	0.5934
2	Operational planning links activities with activities and targets with the strategic			7(4)	81(41)	108(55)	4.52	0.5682
3	Operational planning properly provides resource required to implement the strategic plan			2(1)	76(39)	118(60)	4.59	0.5131
4	Operational plans help in performing the work based on the set schedule			3 (2)	91(46)	102(52)	4.50	0.5311
5	Operational plan provides the company's personnel with clear picture of their tasks in implementing the strategy			10(5)	66(34)	120(61)	4.56	0.5917

Source: 2020/21 SPSS 25

The above table 5 shows consequence of operational planning in Strategic Plan Implementation

As per the above table, from the total respondents 196, 118(60%) are strongly agreed, 76(39%) agree and 2(1%) are neutral to that the Operational planning supports the strategic plan implementation with a mean of 4.59 and standard deviation.

From this, with a mean of 4.46 and standard deviation of 0.5934, 100(51%) are strongly agree, 86(44%) are agree and 10(5%) are neutral that the company's operational planning outlined for the day-to-day operations.

From the above table, it can be referred that majority of the respondents have been given a clear picture

of their tasks to implement and agreed to the operational planning towards the strategy as per the target set to achieve with a mean of 4.56 and standard deviation of 0.5917.

Table 6 Leadership Supports in achieving the company’s strategic objectives

S/N	Statements	Percentage (%)					Mean	Standard deviation
		1(SD)	2(D)	3(N)	4(A)	5(SA)		
1	Leaders in the company facilitates and coordinates activities to implement the	2 (1)	8(4)	10 (5)	80(41)	96(49)	4.33	0.8323
2	All department leaders in the company participate on the program to			8(4)	73(37)	115(59)	4.55	0.5755
3	There is a culture of effectively monitoring in Strategy			11 (6)	71(36)	114(58)	4.53	0.6029
4	There is a practice of filling a gap by leaders where a situation demands.			14 (7)	77(39)	105(54)	4.46	0.6274
5	Leaders meet their commitments towards strategy implementation.	3(2)	5(3)	6(3)	89(45)	93 (47)	4.35	0.7923

Source: 2020/21 SPSS 25

The above table 6 shows that the role of leadership support in the Strategy Implementation

From the table above, out of the total respondent of 196, having a mean of 4.33 and standard deviation of 0.8323, 96(49%) are strongly agree and 80(41%) are agree, 10(5%) are neutral, 8(4%) are disagree and 2(1%) are strongly disagree to that the leaders in the company facilitates coordinates activities for the purpose of strategy implementation. Also, out of the total respondent of 196, having a mean of 4.35 and standard deviation of 0.7923, 93(47%) are strongly agree and 89(45%) are agree, 6(3%) are neutral, 5(3%) are disagree and 3(2%) are strongly disagree to leaders properly meet their commitments. In general, leadership support in the company towards the strategy implementation needs improvements.

Table 7 the role of Communication in Strategy Plan Implementation

S/N	Statements	Percentage (%)					Mean	Standard deviation
		1(SD)	2(D)	3(N)	4(A)	5(SA)		
1	There is a clear, standard, and defined means of communication in the company			12(6)	76(39)	108(55)	4.49	0.6118
2	Ways of Communication in the company encourages individuals.			10(5)	82(42)	104(53)	4.48	0.5945
3	The company conducts a timely awareness creation campaigns to the			4 (2)	90(46)	102(52)	4.50	0.5407
4	Means of communication serve as a life blood of the company which helps			14 (7)	76(39)	106(54)	4.46	0.6274
5	Means of communication in the company properly includes all			8 (5)	81(41)	107(55)	4.51	0.5773

Source: 2020/21 SPSS 25

The above table 7 shows role of communication in Strategic Plan Implementation.

As per the above table, from the total respondents 196, 107(55%) are strongly agreed, 81(41%) agree and 8(5%) are neutral to that the means of communication in the company includes all stakeholders in the strategic plan implementation with a mean of 4.51 and standard deviation of 0.5773. From this, with a mean of 4.46 and standard deviation of 0.6274, 106(54%) are strongly agree, 76(39%) are agree and 14(7%) are neutral that the company's means of communication serve effectively while implementing the strategic plan implementation.

Table 8 the contribution of budget towards Strategy Plan Implementation

S/N	Statements	Percentage (%)					Mean	Standard deviation
		1(SD)	2(D)	3(N)	4(A)	5(SA)		
1	The company's budget helps to formulate its activities for strategic plan implementation			10(5)	58(30)	128(65)	4.60	0.5860
2	There is a sufficient budget allocation to implement the strategy	2(1)	4(2)	8 (4)	75(38)	107(55)	4.43	0.7579
3	The role of budget in the company used to set clear goals.		6(3)	5(3)	85(43)	100(51)	4.42	0.6937
4	Budgeting system enables the company for proper implementation of the strategic plan			4 (2)	71(36)	121(62)	4.60	0.5318
5	There is a clear policy and procedures helps to set a budget for the execution of strategy implementation.			12 (6)	71(36)	113(58)	4.51	0.6117

Source: 2020/21 SPSS 25

The above table 8 shows that the contribution of budgeting the Strategy Implementation.

From the table above, out of the total respondent of 196, having a mean of 4.43 and standard deviation of 0.7579, 107(55%) are strongly agree and 75(38%) are agree, 8(4%) are neutral, 4(2%) are disagree and 2(1%) are strongly disagree to that the company allocate sufficient budget towards its strategic plan implementation. From the table above also out of the total respondent of 196, having a mean of 4.42 and standard deviation of 0.6937, 100(51%) are strongly agree and 85(43%) are agree, 5(3%) are neutral, and 6(3%) are disagree to that the company set its budget for clear goals towards the strategic plan implementation.

As per the above table respondent's opinion summary, there is indifference among employees that the contribution of budget in the strategic plan implementation supports its target and more needs clarification for employees.

Table 9 Challenges associated with Strategy plan implementation

S/N	Statements	Percentage (%)					Mean	Standard deviation
		1(SD)	2(D)	3(N)	4(A)	5(SA)		
1	There is a lack of acceptance & support from the top management	97(50)	42(21)	43(22)	14(7)		1.87	0.9937
2	There is misunderstanding of the strategy or people being unaware about the strategy	121(62)	41(21)	34(17)			1.56	0.7726
3	There is a challenge of lack of proper knowledge and skills by employees of the	100(51)	56(29)	34(17)	6(3)		1.72	0.8567
4	There is a challenge of monitoring and controlling mechanism problem in strategy	66(34)	51(26)	32(16)	28(14)	19(10)	2.40	1.3381
5	Absence of reward systems discourages employees.	106(54)	60(31)	30(15)			1.61	0.7391
6	Overall, there are challenges to implement strategy plan	70(36)	62(32)	33(17)	16(8)	15(7)	2.20	1.2275

Source: 2020/21 SPSS 25

The above table 9 presents challenges of the strategy implementation.

From the total of 196 respondents, 16(8%) are agreed and 15(7%) are strongly agree with 2.20 mean and 1.2275 standard deviation with the challenges in the company to implement the strategy implementation.

From this, a mean of 2.20 and standard deviation of 1.2275 indicates that challenges to implement the strategy are considerably high.

Therefore, the management should give an attention to minimize the problems or challenges associated with implementing the strategy.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENATIONS

The main objective 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 collated together as summary of findings under the first section; Conclusions are drawn based on these findings under the next section. Under section three, recommendations are made based on the conclusions.

5.1 Summary

In this paper an attempt has been made to study mainly practices of strategy implementation in Nib insurance company. The main objectives of the study were to assess the current practices and existing problems of the practices of strategy implementation and to suggest some solutions as well as to overcome identified problems. To this end, in order to answer to the general problem of this thesis, the concept of strategy implementation had been thoroughly explored, a review of the related literature, reports of institution and statistical data, in addition to questioner, was carried out.

Finally, the chapter deals about to give conclusion and recommendation to the objective of the research and proposed further studies related to the title.

5.2 Conclusion

The study concluded that most departments and branches did not have strategy policies for implementation as per the policy and procedures set. Also, the study found that in a strategy implementation process, there is no participation of non-management employees. Most of the time, there is a practice of participation of higher management member in the strategy implementation. There is also a lack of acceptance & support from the top management, misunderstanding of the strategy or people being unaware about the strategy implementation, challenge of lack of proper knowledge and skills by employees of the company, challenge of monitoring and controlling mechanism problem in strategy implementation and employees are discouraged by the absence of reward systems.

Furthermore, there is also lack of commitments and failure to support employees to implement

the strategy by management, lack of consistent communication, failure to allocate enough budgets, and lack of setting clear goals.

Moreover, there is a shortage of equipment allocated to Implementation strategy and also there is network infrastructure problem for the proper implementation of the strategy as well as there is a gap strategy implementation which is not properly aligned with the company business objectives.

5.3 Recommendations

- The researcher recommends Nib insurance s.c should have a strategy implementation policy which is properly aligned with its business objectives to meet its targets.
- The researcher also recommends that the company's organizational structure should be the one that will assist or support the strategy implementation.
- The researcher also recommends Nib insurance s.c should have to give continues timely and proper trainings to its employees towards the strategy implementation to create awareness.
- The researcher also recommends Nib insurance s.c should have a policy that make and create conducive environment to participate all stakeholders in the strategy implementation process.
- The researcher also recommends that Nib insurance s.c should have a clear program, procedure and budget to implement the corporate strategy as well as should be communicated to all stake holders on how to run the strategy.
- The researcher also recommends that Nib insurance s.c should have make its company leaders facilitate and coordinate activities to implement the strategy. Besides, there is a gap on staffing and leading employees which could be used as a base for strategy implementation.
- The researcher also recommends that there should strong commitments by top management towards the strategy implementation in the company. Leader's commitments are found to be vital in strategy implementation.
- The researcher also recommends that there should be appropriate, enough budget allocated and clear targets for proper strategy implementation. There was a shortage of budget and clear goals while conducting the study.
- The researcher also recommends that there should be enough equipment and the company should work for suitable network infrastructure. There was a high problem of network and equipment problems which should be given an attention immediately to implement the strategy.

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Appendix

Questionnaire

To be filled by employees of Nib Insurance S.C

Dear Respondent!

The aim of this questionnaire is to collect data for Practice and Challenges of Strategic Plan Implementation at Nib insurance company s.co research undertakings.

The effectiveness of the research depends on the respondent accurate and frank response to the questionnaire. The information that respondents offer used for academic research purposes and confidentiality of respondent's responses are highly maintained.

For any information, you can contact through my address;

Tel + 251911305907, or E-mail kaberaashikur@gmail.com

Thank you for your willingness and cooperation.

Abera Shikur Kassa

Part I: Demographic Information of the Respondents

Instruction: Put a tick “√” mark in the box that best describe your personal character.

1. Gender: Male Female
2. Educational Background: Diploma Degree Masters PhD
3. Age: > 18 25- 35 36-45 46-55 > 55
4. Marrial Status: Single Married Divorced widowed
5. Service Year: Less than 3 3 - 5 6 -10 above 10 year
6. Your current Job position: Other position Branch Manager Top Management
7. Number of years in the current position < 3 3-5 6-10 >10 year

Part II: Respondents Opinion on the insurance strategic plan implementation

Indicate your agreement with respect to each of the following statements by marking “√” in the table below

Rating Scale:

1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly agree

I. The Role of Company Organizational Structure in Strategy Implementation

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	The company’s organizational structure properly supports Strategy implementation					
2	The organizational structure of the company helps to coordinate activities which help in proper implementation of strategy.					
3	The structure assigns duties and responsibility in the company so that the Strategy implementation takes place					
4	There is a clear decision making hierarchy used to implement the strategy in the organizational structure.					
5	Organizational structure is comfortable to implement the strategy					

II. How the operational planning affect Strategic plan Implementation

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	Operational planning outline for the company's day to day operations.					
2	Operational planning links activities with activities and targets with the strategic business objectives.					
3	Operational planning properly provides resource required to implement the strategic plan					
4	Operational plans help in performing the work based on the set schedule.					
5	Operational plan provides the company's personnel with clear picture of their tasks in implementing the					

III. Leadership Supports in achieving the company's strategic objectives

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	Leaders in the company facilitates and coordinates activities to implement the strategy					
2	All department leaders in the company participate on the program to implement strategy.					
3	There is a culture of effectively monitoring in Strategy implementation					
4	There is a practice of filling a gap by leaders where a situation demands.					
5	Leaders meet their commitments towards strategy implementation.					

IV. The role of Communication in Strategy plan Implementation

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	There is a clear, standard, and defined means of communication in the company					
2	Ways of Communication in the company encourages individuals.					
3	The company conducts a timely awareness creation campaigns to the staff and general public					
4	Means of communication serve as a life blood of the company which helps to implement the strategy					
5	Means of communication in the company properly includes all stakeholders.					

V. The contribution of budget towards Strategy plan Implementation

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	The company's budget helps to formulate its activities for strategic plan implementation					
2	There is a sufficient budget allocation to implement the strategy					
3	The role of budget in the company used to set clear goals.					
4	Budgeting system enables the company for proper implementation of the strategic plan					
5	There is a clear policy and procedures helps to set a budget for the execution of strategy implementation.					

VI. Challenges associated with Strategy plan implementation

S/N	Statements	1(SD)	2(D)	3(N)	4(A)	5(SA)
1	There is a lack of acceptance by & support from the top management					
2	There is misunderstanding of the strategy or people being unaware about the strategy implementation.					
3	There is a challenge of lack of proper knowledge and skills by employees of the company					
4	There is a challenge of monitoring and controlling mechanism problem in strategy implementation					
5	Absence of reward systems discourages employees.					
6	Over all, there are challenges to implement strategy plan					