



St. Mary's University School Of  
Graduate Studies

ASSESSMENT OF STRTATEGIC MANAGEMENT PRACTICES AND  
CHALLENGES

(THE CASE STUDY OF COMMERCIAL NOMINEES PLC)

BY: GEZASHIGN TEKLEMIKAEL

ADVISOR: SOLOMON MARKOS (PhD)

*THESIS SUBMITTED TO THE SCHOOL OF ST.MARY'S UNIVERSITY  
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE DEGREE OF  
MASTERS OF BUSINESS ADMINISTRATION.*

JUNE, 2021

ADDIS ABABA

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

ASSESSMENT OF STRTATEGIC MANAGEMENT PRACTICES AND  
CHALLENGES

(THE CASE STUDY OF COMMERCIAL NOMINEES PLC)

BY

GEZASHIGN TEKLEMIKAEL

APPROVED BY BOARD OF EXAMINERS

Name of External Examiner

Signature

Date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name of Internal Examiner

Signature

Date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name of Advisor

Signature

Date

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## STATEMENT OF CERTIFICATION

This is to certify that Gezashign Teklemikael has carried out her research work on the topic titled as “**Assessment of Strategic Management Practices and challenges**”. The work is original in nature and is suitable for submission for the award of Master’s Degree in Business Administration

Advisor: \_\_\_\_\_

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

Date: \_\_\_\_\_

## DECLARATION

I the under signed hereby declare that this thesis has been prepared by me in partial fulfillment of the requirements for the award of a Master's degree in Business Administration. I wish to state that this work had presented in any University or Institution of learning apart from references made to the works of other people for which I have dully acknowledged. Therefore, it is an original work done by me under a close supervision of my advisor.

GEZASHIGNTEKLEMIKAE

Name

\_\_\_\_\_

Signature

St. Mary's University, Addis Ababa, June 2021

## **Acknowledgement**

First and for most I am very enchanted to take this opportunity to thank almighty God who helped me to begin and finish this study.

Second, I would like to thank my advisor Dr. Solomon Markos (Ph.D.) for his valuable and constructive criticism from the very beginning to the end that guided me to the right direction.

Next, my deepest thanks goes to CN employees who helped me by filling the questionnaires and providing documents that used as an input for the study.

## **List of abbreviations**

CN	Commercial Nominees
CBE	Commercial Bank of Ethiopia
P.L.C	Private Limited Company
SPSS	Statistical Package for Social Sciences

## List of Tables

	pages
Table .4.2 Demography of Respondents	22
Table 4.5 Strategic Plan and Environmental Scanning	26
Table 4.6 Strategy Plan Building Process	28
Table 4.7 Goal and Objectives Settings	31
Table 4.8 Strategic Plan Alignment	33
Table 4.9 Strategy Implementation	35
Table 4.10 Performance Monitoring and Evaluation	38
Table 4.11 Performance Data Collection	40
Table 4.12 Challenges Of Strategic Management	42

## **Table of content**

<b>ACKNOWLEDGEMENT</b> .....	<b>I</b>
<b>LIST OF ABBREVIATIONS</b> .....	<b>II</b>
<b>LIST OF TABLES</b> .....	<b>III</b>
<b>TABLE OF CONTENT</b> .....	<b>IV</b>
<b>ABSTRACT</b> .....	<b>VII</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>1. INTRODUCTION</b> .....	<b>1</b>
<b>1.1 BACKGROUND OF THE STUDY</b> .....	<b>1</b>
<b>1.1.2 BACKGROUND OF THE ORGANIZATION</b> .....	<b>2</b>
<b>1.2 STATEMENT OF THE PROBLEM</b> .....	<b>3</b>
<b>1.3 RESEARCH QUESTIONS</b> .....	<b>4</b>
<b>1.4 OBJECTIVE OF THE STUDY</b> .....	<b>4</b>
<b>1.5 SIGNIFICANCE OF THE STUDY</b> .....	<b>5</b>
<b>1.6 SCOPE OF THE STUDY</b> .....	<b>5</b>
<b>1.7 LIMITATION OF THE STUDY</b> .....	<b>5</b>
<b>1.8 ORGANIZATION OF THE RESEARCH REPORT</b> .....	<b>6</b>
<b>CHAPTER TWO</b> .....	<b>7</b>
<b>2. REVIEW OF RELATED LITERATURE</b> .....	<b>7</b>
<b>2.1. THEORETICAL LITERATURE REVIEW</b> .....	<b>7</b>
<b>2.1.1. STRATEGIC MANAGEMENT CONCEPTS</b> .....	<b>7</b>
<b>2.1.2. STRATEGIC MANAGEMENT PRACTICES</b> .....	<b>8</b>
<b>2.1.3. STRATEGIC MANAGEMENT MODEL</b> .....	<b>9</b>
<b>2.1.3.1. ENVIRONMENTAL SCANNING</b> .....	<b>10</b>
<b>2.1.3.2. STRATEGY FORMULATION</b> .....	<b>10</b>
<b>2.1.3.3. STRATEGY IMPLEMENTATION</b> .....	<b>11</b>
<b>2.1.3.4. STRATEGY EVALUATION AND CONTROL</b> .....	<b>12</b>
<b>2.1.3.5 CHALLENGES OF STRATEGIC MANAGEMENT</b> .....	<b>12</b>
<b>2.2. REVIEW OF EMPIRICAL STUDIES</b> .....	<b>13</b>



2.2.1. REVIEW ON INTERNATIONAL STUDIES.....	13
2.2.2. REVIEW ON LOCAL EMPIRICAL STUDIES.....	15
2.2.3 CONCEPTUAL FRAMEWORK.....	16
CHAPTER THREE.....	18
3. RESEARCH METHODOLOGY .....	18
3.1 RESEARCH DESIGN .....	18
3.2 RESEARCH APPROACH .....	18
3.3 SAMPLE DESIGN .....	19
3.3.1 GEOGRAPHICAL DESCRIPTION AND POPULATION.....	19
3.3.2 TARGET POPULATION AND SAMPLE UNIT .....	19
3.3.3 SAMPLE SIZE DETERMINATION .....	19
3.3.4 SAMPLING METHOD .....	20
3.4 TYPES OF DATA AND METHOD OF DATA COLLECTION.....	20
3.4.1 TYPE AND SOURCE OF DATA.....	20
3.4.2 METHOD OF DATA COLLECTION.....	20
3.4.3 DATA ANALYSIS TECHNIQUES.....	21
3.4.4 VALIDITY AND RELIABILITY OF INSTRUMENT.....	21
3.4.5 ETHICAL CONSIDERATION.....	21
CHAPTER FOUR .....	22
4. DATA PRESENTATION AND ANALYSIS.....	22
4.1 INTRODUCTIONS .....	22
4.2 CHARACTERISTICS OF RESPONDENTS.....	22
4.3 RELIABILITY ANALYSIS .....	24
4.4 DESCRIPTIVE STATISTICS .....	25
4.5 ANALYSIS OF STRATEGIC PLAN AND ENVIRONMENTAL SCANNING.....	25
4.6 ANALYSIS OF STRATEGIC FORMULATION.....	27
4.6.1 STRATEGY PLAN BUILDING PROCESS .....	27
4.7 GOAL AND OBJECTIVE SETTING.....	30
4.8 STRATEGIC PLAN ALIGNMENT .....	33
4.9 ANALYSIS OF STRATEGY IMPLEMENTATION .....	34
4.10 ANALYSIS OF STRATEGY PERFORMANCE MONITORING AND EVALUATION.....	37
4.11 ANALYSIS OF STRATEGY PERFORMANCE DATA COLLECTION SYSTEM.....	40

<b>4.12 CHALLENGES OF STRATEGIC MANAGEMENT .....</b>	<b>42</b>
<b>CHAPTER FIVE.....</b>	<b>45</b>
<b>5. SUMMARY OF MAJOR FINDING, CONCLUSION AND RECOMMENDATIONS.....</b>	<b>45</b>
<b>5.1 SUMMARY OF MAJOR FINDING .....</b>	<b>45</b>
<b>5.2 CONCLUSION.....</b>	<b>46</b>
<b>5.3 RECOMMENDATIONS .....</b>	<b>48</b>
<b>REFERENCES .....</b>	<b>50</b>

## ABSTRACT

*Strategic management is the comprehensive collection of ongoing activities and processes that organizations use to systematically coordinate and align resources and actions with mission, vision and strategy throughout an organization. A strategy management has three stages named strategy formulation, strategy implementation and strategy evaluation and control. Strategic management is important for the organizations because it can make a difference in how well an organization performs, help to achieve organizational goals and objectives and help to cope with this uncertainty Thus, this paper has been conducted to assess the strategic management practice of Commercial Nominees (CN) P.L.C. Therefore, it articulates the existing strategic planning, formulation, implementation and monitoring and evaluation practices of the organization. Both primary and secondary data were collected using questionnaires, interview and written materials. Simple random sampling was used to collect primary information and accordingly descriptive statistics was used to analyze the data gathered. Based on this, the finding of the study revealed that CN's practice of communicating the strategy plan is poor and thorough participation of stakeholders is not realized. In addition, misalignment or linking strategic plan with work unites and individual tasks are observed. When it comes to the performance measures, the strategic plan lacks comprehensive performance measurements. Work unit and individuals' performance measurements are not effective; if performance management is not linked with strategic management. Hence, it is suggested that Commercial Nominees should work on its strategic plan communication, alleviate its weakness of utilizing its analysis, shall balance its performance measures and link those measures with work unit and individual performances.*

***Key words: Strategic Plan Management, Strategic performance, strategic implementation and Challenge***

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1 Background of the Study

Strategic management is the process of invention, implementation and evaluation of strategy in an organization. It relates to the position a firm takes in line with the environment it is in to ensure continuous success in operations. It is a progressing procedure of guaranteeing an intensely predominant fit between the relationship and its consistently evolving condition (Teece, 1984). This process must be identified, communicated and documented in the organization so as to achieve goals set up by the stakeholders of an organization.

Strategy Implementation is a process that puts plans and strategies into action to reach desired goals. It is what integrates strategies. Strategy implementing is a process in which all planning and budgetary activities, policies and procedures follow the defined strategy. It may involve some changes in organizations culture, structure as well as managerial systems. Implementation of strategies is also called practical strategic management (Andrews, 1971).

According (Lippitti, 2007), when strategy fails to achieve expected results it is often because the strategy execution was flawed. The failure to execute is a major concern of executives because it limits organizational growth, adaptability, and competitiveness. Executives are not judged by the brilliance of their strategy, but by their ability to implement it.

(Lepsinger, 2006) similarly argues that true leaders have a clear vision and are 100% committed to pursuing it but something often goes wrong as the leaders try to bring their vision to life. He stated that without coherent, aligned implementation, even the most superior strategy is useless. Unfortunately, most strategic planning efforts fail during this crucial phase wasting significant resources already invested.

The organizational structure has to support the strategies (Johnson, 1998). Structuring the organization involves decisions about how to coordinate activities, relationships, and communication among the internal stakeholders. The organization can be structured by focusing on functionality, products, markets, projects or cooperation.

Strategic management faces different kinds of challenges viz., technological advancement and obsolescence, product or service innovations and development, etc. The recent additions to the Challenges are - global issues consequent upon economic liberalization, quality issues consequent upon the total quality management concept of the Japanese firms and social issues.

## **1.12 Background of the Organization**

Commercial Nominees (CN) P.L.C. was established in 1965G.C by Commercial Bank of Ethiopia (CBE) and Construction and Business Bank (CBB), with an initial capital of birr 15,000.00 (fifteen thousand Ethiopian birr), contributed in the proportion of 93.3% by Commercial Bank of Ethiopia and 6.7% by Construction and business Bank. Now a day, Commercial Nominees is fully owned by Commercial Bank of Ethiopia (CBE).

The initial business purposes for which the company was established were:-

- To act as an agent or a nominee for any person or persons, company, partnership or association in accepting, holding, dealing with, administering and disposing of shares, bills, bonds, debentures, notes or other forms of obligations pursuant to agreement or agreements.
- To accept and undertake the functions normally performed by a trustee, executor or administrator in the management and settlement of estates and trusts constituted by deed.

The Company was performing its tasks as an integral part of CBE, and was mainly engaged in the businesses of share subscription, share registration and handling and administering of staff pension accounts of CBE and as insurance brokerage.

The research paper assesses strategic management practice and implementation and of Commercial Nominees (CN) private limited company.

## **1.2 Statement of the problem**

The development on the field of strategic management within two decades has been mentioned as dramatic by Hoskisson et.al. (1999) and it grows large every day. As management scholarship expands its geographical interest from western and eastern developed economies to the rest of the world, it's time to bring Africa in to our mainstream research and theories (George et.al. 2016). It's fair to say that, almost all of our existing knowledge about firm strategies have emerged from outside of Africa, since Africa is an under researched region, it seems to be a worth-while effort to test whether our theories apply on Africa like else were or the continent really differ (Mol et.al. 2017).

Christou (2015) argues that all organizations are heading somewhere, but unfortunately some organizations do not know where they are going. The need for organizations to use strategic management concepts and techniques arises from this. The strategic management process is becoming more widely used by small firms, large companies, nonprofit institutions, governmental organizations and multinational conglomerate alike.

Strategic management practices have gained importance in recent years. During last century organizations focused on long-term planning. Long-term planning supposed that external and internal environment will remain stable for long period of time and thus they made plans for long duration. Today it is clear to the managers and entrepreneur's that environment can change at any point of time and their plans should follow a strategy that includes contingency planning too. There are therefore a number of both internal and external environmental factors that may influence the strategic management practices of an organization (Kakunu, 2012).

Most of the researches or unpublished studied in Ethiopia (Tsehay, 2014; Timoteyos, 2015; Dinberu, 2016; Amelework, 2015; Mekdas, 2019) and other related studies on the subject area mostly focused on process from strategy formulation, strategy implementation to strategy evaluation of an individual firm or NGOs. However, there was no study made on strategic management practices in banking industry in Ethiopia. This is therefore raised the need for further research in strategic management practice and implementation in Commercial Nominees PLC to fill the knowledge gap about the industry strategic management practices.

In general, it can be concluded that there have been studies on strategic management practices; impacts, challenges and effects in individual firms or NGOs, the current study is based on aim of assessing of strategic management practices and implementation on Commercial Nominees PLC.

### **1.3 Research Questions**

This study is expected to answer the following questions;

1. To what extent does Commercial Nominees PLC formulate Strategy?
2. To what extent does Commercial Nominees PLC implement Strategy?
3. To what extent does Commercial Nominees PLC evaluate and monitor their strategy?
4. What are the major challenges or barriers to the strategic management practices in Commercial Nominees PLC compared to the existing theories?

### **1.4 Objective of the Study**

#### **General Objective**

The main objective of this research is to assess the strategic management practices and implementation of Commercial Nominees PLC by exploring the extent to which it is adopted and comparing with documented practices on the theory or literature.

#### **Specific Objective**

1. To assess how Commercial Nominees PLC undertakes strategy formulation
2. To assess how Commercial Nominees PLC undertakes strategy implementation
3. To assess how Commercial Nominees PLC undertakes monitoring and evaluation schemes

4. To assess the major challenges or barriers on the strategic management practices in Commercial Nominees PLC

## **1.5 Significance of the study**

Some of the importance of this study is outlined below from different beneficiaries' point of view:

- The implication of the paper believed to assist executives and decision making bodies of the organization to oversee the strategic management practice and problems in the Commercial Nominees PLC and
- It could assist executives and decision making bodies to see factors affecting the implementation of strategic management in the Commercial Nominees PLC.
- The study can serve as a spring board/facilitator/ for other researchers to conduct further studies in the area;

## **1.6 Scope of the Study**

This study covered the topic of strategic management formulation, implementation and monitoring and evaluation practices, in the case of Commercial Nominees PLC. Considering constraints (i.e. time and resources) the data collection is delimited to only the head office of the CN. Furthermore, due to limitation of finance and time the survey instrument is distributed for the Commercial Nominees PLC employees at head office only.

## **1.7 Limitation of the Study**

This research is constrained by a number of barriers basically the lack of cooperation from many enterprise to give detailed information about their strategy. On the other hand the target population may not be perfectly accurate due to researchers' lack of data on the direct and indirect involving parties of the strategy management process of the selected company. The research also covered the view of management and non-management employees of the company head office departments and branches after reviewing previous researches evidenced that Dauda et. al. (2010) effective strategy formulation and execution involves everyone in the organization.



## **1.8 Organization of the Research Report**

This paper is organized in to five chapters. The first chapter deals with the introduction of the study. Chapter two presents theoretical background on strategic management followed by a review of previous studies. Chapter three presented research design and methodology. In chapter four, the findings discussion and analysis is presented in detail. Lastly, in chapter five, the findings of the study are summarized, conclusion is made and some recommendations are discussed.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

#### **2.1. Theoretical Literature Review**

##### **2.1.1. Strategic Management Concepts**

Strategic management is a set of managerial decisions and actions that help determine the long-term performance of an organization. Originally it was called business policy; strategic management has advanced substantially with the concentrated efforts of researchers and practitioners (Wheelen and Hunger 2017). Whereas, David (2011) defined strategic management as art and science of formulating, implementing, and evaluating cross functional decisions that enable an organization to achieve its objective. However, the argument Alkhafaji (2003) on strategic management is different it is a concept which is concerned with making decisions and taking corrective actions to achieve long term targets and goals of an organization. Strategic Management is one of the efforts of management to confront situations that arise in an organization's daily routine while trying to achieve organizational goals and objectives.

According to Smith (1994) strategic management has been touted as one of the effective management tools in strengthening organization performance through effective decision making and systematic strategic formulation and implementation. Strategic management was also more prevalent in the private sector. Wheelen, and Hunger (2017) evidenced researches that reveals, organizations that engage in strategic management generally outperform those that do not, many of the concepts and techniques that deal with strategic management have been developed and used successfully by business corporations as large as General Electric and as small as the newest startup. Over time, business practitioners and academic researchers have expanded and refined these concepts.

### **2.1.2. Strategic Management Practices**

Strategy implementation has become a key focus for firms and continues to attract attention as it plays a key role in success of firms today worldwide. Johnsons and Scholes (2009) asserted that in knowledge based economies people were truly the most valuable asset which human resources policies need to reflect. Strategy implementation is one of the components of strategic management and it refers to a set of decisions and actions that result in the formulation and implementation of long term plans designed to achieve organizational objectives (Pearce and Robinson, 1996).

Johnson and Scholes (2009) notes that strategy implementation is the translation of strategy into actions. It entails institutionalization and operationalization of strategies and managing the ensuing change. Lastly the evaluation process addresses the aspect of amending the developed strategies so as to achieve competitive advantage. This is feedback to the original plan and reiterated until most of the organization is in concert with the plans.

According to Johnson and Scholes (2009) strategic analysis is concerned about the strategic position of the company in terms of its external and internal environments and stakeholder expectations. External environmental scanning is to identify and evaluate trends and events beyond the control of the organization (Fred, 1997). Analysis of external environment includes the company's operating political, economic, social, technological, legal environments and the main purpose of that is to find out the opportunities and threats that exist in the operating environment. Forces in the external environment are so dynamic and interactive that the impact of any single element cannot be wholly disassociated from the impact of other elements.

The analysis of general environment focuses on the future and the analysis of the industry environment focuses on the factors and conditions that influence the company's profitability within its industry while analysis on competitor environment focuses on predicting the dynamics of competitor's actions, responses and intentions. Similarly, internal environmental analysis is concerned with the company's resources and competences which can identify its strengths and weaknesses. There are various internal environmental factors that can affect the strategic management practices of companies and these factors include the organizational structure, company ownership, company size, organizational culture, management style, stakeholder

expectation, and the company resources, capabilities, competencies and core competencies. Identifying and developing organizational mission, vision and values is central to the long-term organizational success. Clear mission statement leads to the easier creation of organizational goals and objectives. Chandler (1962) stated that any effective successful strategy is dependent on structure, thus to achieve any effective economic performance the organization needs to alter its structure. An organization's structure can constrain or enhance your ability as a team to gain resources (Hitt and Hoskisson, 2012).

Johnson and Scholes (2009) view corporate strategy from cultural perspective, they described it as a strategy based on the experiences, assumptions and beliefs of management overtime and which may eventually permeate the whole organization. Culture is the common set of behaviors, values, beliefs, patterns of thinking and assumptions shared by members of an organization. Culture shapes our view of the world and determines how we think and behave towards others, the world, and ourselves. Culture generally tends to consist of layers of values, beliefs and taken-for-granted actions and ways of doing business within and outside the company. Therefore, the concept of cultural web is the representation of these actions taken for granted for understanding how they connect and influence the strategy (Johnson and Scholes, 2009). Culture can be analyzed through the observations of how the company behaves, including routines, rituals, stories, structures and systems.

### **2.1.3. Strategic Management Model**

According to Wheelen and Hunger (2017) the strategic management model is both rational and prescriptive. It is a planning model that presents what a corporation should do in terms of the strategic management process, not what any particular firm may actually do. The rational planning model predicts that as environmental uncertainty increases, corporations that work more diligently to analyze and predict more accurately the changing situation in which they operate will outperform those that do not. Empirical research studies also support this model

For the purpose of this study a model is adopted from Wheelen and Hunger (2015) as a reference the model is segmented to four sections, which are as follow:

1. Environmental Scanning (Gathering Information)

2. Strategy Formulation (Developing Long-Range Plans)
3. Strategy Implementation (Putting Strategy into Action)
4. Evaluation and Control (Monitoring Performance)
5. Challenges of Strategic Management

### **2.1.3.1. Environmental Scanning**

Before managers can begin strategy formulation, they must understand the context of the environment in which it competes. It is virtually impossible for a company to design a strategy without a deep understanding of the external environment. Once management has fanned the aspect of the environment that impacts the business, they are in a position to determine the firm's competitive advantage (Wheelen & Hunger, 2015).

Pearce, Richard and Robinson (2004) found that organizational environment consists of both external and internal factors. Environmental scanning is the monitoring, evaluating and disseminating of information from the external and internal environment to strategists within the organization. Environment must be scanned so as to determine development and forecasts of factors that will influence organizational success. Environmental scanning refers to possession and utilization of information about occasions, patterns, trends, and relationships within an organization's internal and external environment. It helps the managers to decide the future path of the organization. Scanning must identify the threats and opportunities existing in the environment. While strategy formulation, an organization must take advantage of the opportunities and minimize the threats. A threat for one organization may be an opportunity for another.

### **2.1.3.2. Strategy Formulation**

Strategy formulation is designed to guide executives in defining the business their company is in, the aim it seeks, and the means it will use to accomplish these aims. Strategy formulation involves an improved approach to traditional long range planning. Strategy formulation combines a future oriented perspective with concern for firm's internal and external

environments in developing its competitive plan of action. The process of strategy formulation began with definition of the company's mission (Pearce, Richard and Robinson, 2004)

Mintzberg, & Shakin (1978) articulated the growing interest on the part of the management scientists in the question of strategy formulation, in part because it has become increasingly evident that an organization's effectiveness is highly dependent on it makes and interrelates its key decisions, and in part because it has become no less evident that management science has had enormous success at the operating level of organizations since the 1920s and at the middle management level since the 1940s. But strategy formulation involves decision behavior unlike that found at the other two levels, and management scientists need the descriptive base necessary to design useful prescriptive technique.

According to Rumelt (2011) the 1979 Harvester's fashion is out of date, instead of long tables of numbers and bubble charts; we have different types of realized formalism for producing strategic plan. The current fill-in-the-blanks template starts with a statement of Vision, then a mission statement, or a list of core values, then for each goal a list of initiatives this template based strategies are called by Rumelt "Bad Strategies".

### **2.1.3.3. Strategy Implementation**

Strategy implementation is the sum total of the activities and choices required for the execution of a strategic plan. It is the process by which objectives, strategies, and policies are put in to action through the development of programs and tactics, budget and procedures.

According to the Pearce, Richard and Robinson (2004) Strategy formulation, analysis of alternative strategies and strategic choice, while these phases are important, they alone cannot ensure success. The strategy must be translated into success, this stage will have three major activities these are

1. Identification of measurable, mutually determined annual objective
2. Development of specific functional strategies
3. Development and communication of concise policies to guide decisions

### **2.1.3.4. Strategy Evaluation and Control**

Evaluation and control information consists of performance data and activity reports if undesired performance results because the strategic management processes were inappropriately used.

A strategy is selected and implemented over time so as to effectively position and guide a firm with in an often rapidly changing environment. Strategic control is concerned with tracking the strategy as it is being implemented, detecting problems or changes in underlying premises, and making necessary adjustments. Managers responsible for a strategy and its success are typically concerned with two sets of questions:

1. Are we moving in the proper direction? Are key things falling in to place? Are our assumptions about major trends and changes correct? Are the critical things we need to do being done? Do we need to adjust or abort this strategy?
2. How are we performing? Are we meeting objectives and schedules? How are costs, revenues, cash flows matching projections? Do we need to make operational changes?

Strategic controls, augmented by certain operational controls, are designed to controls, are designed to answer these questions (John and Richard, 2004)

### **2.1.3.5 Challenges of Strategic Management**

The term “strategic challenges” refers to those pressures that exert a decisive influence on an organization's likelihood of future success. These challenges frequently are driven by an organization's future competitive position relative to other providers of similar products Strategies in all types of organizations are confronted with more strategic challenges than ever before. Ten key strategic challenges can be identified: changes in all aspects of business are accelerating, competition is increasing, business is globalizing, new technologies are revolutionizing competition, the workforce is changing dramatically in terms of composition and expectations, significant resources shortages are developing, business functions in a newly forming knowledge-based society, unstable market and economic conditions create doubts as to suitable actions, all constituents are making increasing demands, and complexity is increasing in the strategic management environment (Higgins and Vincze,1993).

## **2.2. Review of Empirical Studies**

As strategic planning ensures and accomplishes the basic directions and rationale for determining where an organization should head and provides the specifications against which any organization may best decide what to do and how to do it.

### **2.2.1. Review on International Studies**

Khalique & Khan (2014) reviewed the empirical studies on strategic planning and firm performance which started from 1970 to 2014 clearly shows that some of the studies have reported controversial findings on the relationships between strategic planning and firms' performances. So, it has been convinced that empirical studies regarding strategic planning should be encouraged in developing countries as Malaysia and Pakistan and more specifically in the context of SMEs. The effects of other variables as mediating variables on the relationship between strategic planning and organizational performance should be explored with great potential and spirit in future researches.

According to Mohamud et.al. (2015) even if there are many studies across the world that are related to the strategic management practices, most of them conducted in the developed countries, but unfortunately there are limited studies in developing countries that attempt strategic management and organizational performance in Mogadishu-Somalia, they have focused the relationship between the strategic management and organizational performance in some selected companies in Mogadishu for the first time in the capital of Somalia. The findings revealed the existence statistically significant has a positive relationship between strategic management and organizational performance.

A thesis entitled 'A study of strategic planning and environmental scans in the multiunit Portuguese hotel sector' by Costa (1997) addresses the strategic planning and environmental scanning activities of the hotel chains operating in Portugal. The researcher employed exploratory and descriptive design based on a qualitative and inductive approach. The findings reveal lack of formal continuous environmental scanning by both formal and informal planning chains and a significant number of similarities in terms of the scanning methods and sources used by the case study organizations.



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 were used for the research. Out of the total 91 employees, the researcher used 46 employees as a sample using simple random sampling. Data was collected using structured close ended and also open ended questions. The quantitative data analysis was done using descriptive statistics while the qualitative data was analyzed using narrative form. The results indicated that action for development has major drawbacks in the areas of effectively 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.

A thesis entitled 'Challenges of implementing strategy management of commercial bank of Ethiopia by Mekedes alemayehu (2019) addresses, the study applied descriptive research design using mixed research approach. Data was gathered through questionnaires, interviews and document review. To collect representative data a five point likert scale is used and descriptive analysis with frequencies and percentage were applied during data analysis.

The findings of the research show that the implementing of strategy management is mainly concentrated on five major challenges confronted by the organization in the process of implementing strategy management; potentially unachievable strategy, ineffective leadership, having wrong people in leadership position, poor alignment with administrative authority and implementing strategy management tasks were not sufficiently defined.

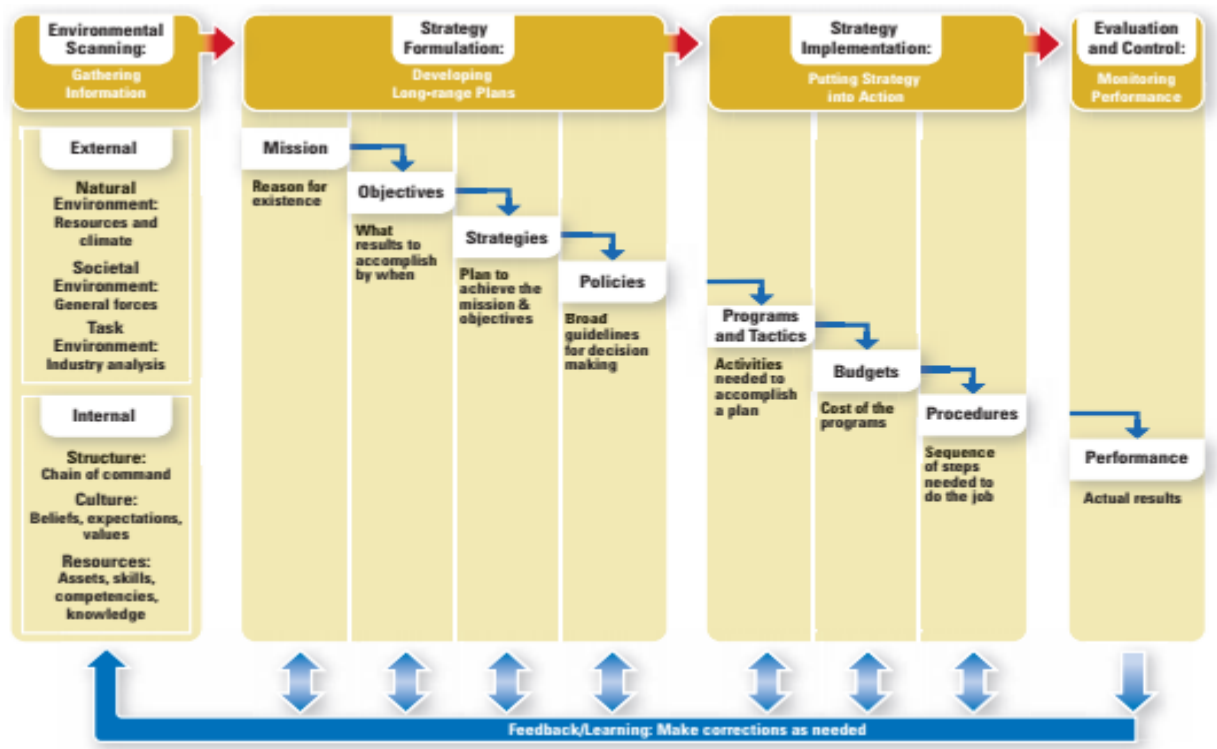
### **2.2.2. Review on Local Empirical Studies**

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 were used for the research. Out of the total 91 employees, the researcher used 46 employees as a sample using simple random sampling. Data was collected using structured close ended and also open ended questions. The quantitative data analysis was done using descriptive statistics while the qualitative data was analyzed using narrative form. The results indicated that action for development has major drawbacks in the areas of effectively 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.

A thesis entitled ‘Challenges of implementing strategy management of commercial bank of Ethiopia by Mekedes Alemayehu (2019) addresses, the study applied descriptive research design using mixed research approach. Data was gathered through questionnaires, interviews and document review. To collect representative data a five point likert scale is used and descriptive analysis with frequencies and percentage were applied during data analysis.

The findings of the research show that the implementing of strategy management is mainly concentrated on five major challenges confronted by the organization in the process of implementing strategy management; potentially unachievable strategy, ineffective leadership, having wrong people in leadership position, poor alignment with administrative authority and implementing strategy management tasks were not sufficiently defined.

## 2.2.3 Conceptual Framework



**Figure1** Adopted from Wheelen & Hunger (2017) Strategic Management Model

Bakaret.al. (2011) compared six strategic management models by various authors namely Sharplin (1985), Greenley (1989), Certo and Peter (1991), Stahl and Grigsby (1992) David, F. R. (2011) and also Hunger and Wheelen (2003). Even though it can be seen that each model of strategic management is different, the actions or activities that are involved are actually similar, majority of authors have put strategy formulation, implementation of organizational strategy and strategic control focuses in their model. Planning strategy and environmental analysis phase are also important and most of the authors put this phase under formation phase. Stahl and Grigsby, 1992, David, 1997, Cited by Bakar et. al.2011).

According to Wheelen and Hunger (2017), the process of strategic management involves four basic elements these are Environmental scanning, Strategy formulation, Strategy implementation and lastly Evaluation and control. They mentioned that these four basic elements interacts 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 strength and weaknesses. The factors that are most important to the corporation's future and referred to as strategic factors and are summarized with the acronym SWOT, standing for strength, weakness, opportunity and Threats. After identifying these strategic factors, management evaluates their interaction and determines the opportunities of the corporate mission. The first step in the formulation of a strategy is a statement of mission, which leads to determination of a corporate objectives, 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. Mission and objectives are shown in the formulation of the strategy. But in the real life situation, mission and objective, that is, organizational direction needs to be explained clearly before the formulation of strategy.

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

In this chapter, the research clearly stated that how was designed, data types, source and collection tools are selected and used, how the sample was taken and data are analyzed. And finally ethical consideration is also been described. The details are directed below.

#### **3.1 Research Design**

In order to clearly identify assessment of strategic management practice and Challenges, this study used Descriptive research type and case study research design. Case study descriptive research design considered as quantitative research depending on the purpose of the study. Which are in-depth examinations of people or groups of people (Yin, 2003).

#### **3.2 Research Approach**

Researcher has been used quantitative and qualitative/mixed/ approach in order to effectively address research problem and questions, which help to formulate concrete conclusion and recommendation through triangulation of in-depth explanation and meaningful quantitative results.

According to Creswell (2014), the mixed method approach is most appropriate other than using either the qualitative or the quantitative approach alone. Mixed research designs help to come up with reliable and inclusive findings within a limited time that objectively measures and indicates its meanings, relationships, facts etc. in the actual work settings.

### **3.3 Sample Design**

#### **3.3.1 Geographical Description and Population**

Commercial Nominees PLC establishing its head office in Addis Ababa, CN has 32 branches operating in two city administration and five regions of the country. Its location found Addis Abeba, Merkato in front of Theklehaimanot church

#### **3.3.2 Target Population and Sample Unit**

The number of target population for the study was permanent employees of Finance & Accounts Department, Human Resource & Logistics Department, Planning & Monitoring Department, Marketing & Business Research Department, Outsourced Services Management Department, Internal Audit Service, and ICT Division in order to get relevant data about strategic management practices in Commercial Nominees PLC.

#### **3.3.3 Sample size Determination**

To ensure collected data quality and validity researcher will collect data from five departments, one Service and one Division permanent employees, which have first degree and minimum of junior officer title. Their number constitutes 393; the head office contains 157 employees out of the total permanent employees. Questioner has been conducted with different departments and divisions that perform different tasks of the Commercial Nominees PLC. Due to limitation of finance and time shortage the researcher specifically focused only on head office. The sampling technique that has been used on this research was stratified sampling. Based on this, survey instrument has been distributed for the head office employees' of the Commercial Nominees PLC only. And, the sample include 80 employees (15 from management and 65 from non-management) which cover all the top and middle managers and selected senior and junior officer of the CN, so as to represent all employees under different levels and work nature. But in case of COVID-19 from 80 questioners collected 50 from management 10 and 40 from non-management

### **3.3.4 Sampling Method**

In this research, purposive sampling technique has been used in order to collect meaningful and valuable data from five departments, one Service and one Division permanent employees, above first degree and minimum of junior officer titleholders will be participate on the research. For better insight and detailed explanation of strategic management practices, Questioner has been conduct with Finance & Accounts Department, Human Resource & Logistics Department, Planning & Monitoring Department, Marketing & Business Research Department, Outsourced Services Management Department, Internal Audit Service, and ICT Division.

## **3.4 Types of Data and Method of Data Collection**

### **3.4.1 Type and Source of Data**

The research used both primary and secondary data as a source. Primary data had been collected by using internal and external data sources. The internal sources was all Department Managers, Division Managers; and Senior and junior officer of the Commercial Nominees PLC.

Secondary had been collected from different sources; reviewing literature on strategic management practices, previous related studies that help the research to focus more on untouched parts, related books that help to relate the theory with the ground fact, CN's strategic plan and performance report documents and internet. Secondary data gather through and related topics as well as by conducting thorough document analysis of the Commercial Nominees PLC.

### **3.4.2 Method of Data Collection**

The primary data had been collected through survey using structured questionnaires. To collect those data from the target sources and assess the practice of strategic management, both close ended and open ended questions was presented. The secondary data had been collected from different literature focused on strategic management development and practices.

### **3.4.3 Data Analysis Techniques**

The likert Scale quantitative data analysis was done by using descriptive statistical tools/tables, percentage, mean and standard deviation/.

The collected data had been analyzed and interpreted by using descriptive methods. These methods helped the research to describe the findings by inferring the results from the data collected.

### **3.4.4 Validity and Reliability of Instrument**

Validity refers to the extent to which the survey is able to have correct operational measures for the concepts being studied (Serina A., 2014). To ensure whether questionnaire truly measures what it supposed to measure or not researcher will use internal validity procedure. Advisor and participants will evaluate the first draft of the survey to make modifications and correction. After the evaluation, necessary final adjustment will be done to prepare appropriate data collection tool.

Reliability of measuring instrument is its ability to produce consistency measurement each time when we administer an instrument to the same population and contain similar results then we say that the instrument is reliable (Kumar, 2005). For this study internal consistence reliability is determined by Cronbach's alpha. It represents number between 0 to 1 and scales with coefficient Cronbach's alpha greater than 0.7 considered as adequate to determine reliability (Zikmund et al., 2010).

### **3.4.5 Ethical Consideration**

The ethical issues considered in the study: inform consent (by informing the respondents regarding the background of the study, including the importance of the data gather from them) and issues of confidentiality (by ensuring the respondents that all of the information in this study was solely use for academic purposes only).



## CHAPTER FOUR

### 4. DATA PRESENTATION AND ANALYSIS

#### 4.1 Introductions

The preceding chapter deals about the methodology used to collect data and methods used to analyze and complete the study. This chapter is about data analysis. The data analysis part covers the descriptive part which tells us what the Commercial Nominees PLC practices on strategic management practices. The descriptive analysis interpreted by analyzing the practice of strategic management using frequency derived from by using SPSS. A simple average method such as percentage and frequency is used to assess the practice of strategic management for all variables.

The data collected through questionnaire to create clear view. The data analysis is categorized under Six parts, namely, demography of respondents, strategic plan environmental scanning, formulation, implementation, performance monitoring and evaluation and challenges of strategic management.

#### 4.2 Characteristics of Respondents

In this section, the personal profile of respondents is presented. This includes Gender, Age, Marital Status, Job position and Educational qualification

*Table.4.2 Demography of Respondents*

No.	Variables	Type	Frequency	Percent (%)
1	Gender	Male	35	70
		Female	15	30
Total			50	100
2	Age(in years)	20-30	11	22
		31-40	24	48
		41-50	13	26
		51-60	2	4

		More than 60		
Total			50	100
3	Marital Status	Unmarried	14	28
		Married	35	70
		Divorced	1	2
		Other	-	
Total			50	100
<b>No.</b>	<b>Variables</b>	<b>Type</b>	<b>Frequency</b>	<b>Percent (%)</b>
4	Working position	Manager	15	30
		Officer	35	70
Total			50	100
5	Educational qualification	PhD	-	
		Master's Degree	14	28
		First Degree	35	70
		Diploma	1	2
Total			50	100

Source: Own survey (2021)

Since the general characteristics of the respondents are vital to get insights to the overall study the researcher start by seeing the demographic nature of the respondents. It is believed in many extant literatures that demographic variables have an impact on company strategy.

As it can be seen from the table above the majority of the respondents is males (70%). Since the sampling technique employed is a stratified sampling it can lead to very disproportionate figures. So it is essential to understand that the figures above are not meant to say that there is much disparity between the number of male and female.

The respondents in the study are in different age categories. Those in the range of 31-40 category accounts for 48% of the respondents followed by those employees with an age ranging between 41-50 (26%) and age ranging between 20-30 takes (22%). Those respondents with an age of 51 -

60(2%) and above 61 comprise the remaining 2%. The researcher can understand that most of the respondents are in a youth and middle. When looked marital status, 70% of respondents are married and 2% Divorced. The remaining respondents are single.

With regard to current working position of respondents, 30% are working at managerial level and 70% are at different officer positions.

The greatest portions of the respondents (70%) have Bachelor Degree and 14 respondents (28%) have Master’s Degree. The remaining one respondent has diploma. This shows that majority of the respondents are educated to a level of Bachelor degree which may be due to the fact that the target population of the study does include those who are working in officer and managerial positions that means it doesn’t include those who are working in clerical positions

### 4.3 Reliability Analysis

The Likert scale questionnaires used for data collection were checked for reliability, Cronbach’s alpha was calculated through using application of SPSS. The value of the alpha coefficient ranges from 0 to 1 and is used to describe whether the reliability acceptable or not.

<b>Reliability Statistics</b>		
Themes	Cronbach's Alpha	N of Items
Strategic plan and environmental scanning	.747	3
Strategy plan Building process	.841	4
Goal and objectives settings	.777	4
Strategic plan Alignment	.793	2
Strategy implementation	.819	7
Performance monitoring and evaluation	.788	3
Performance data collection	.876	5
Challenges of strategic management	.932	7

Source: own survey (2021)

As presented on above table reliability of challenge of strategic management had the highest reliability ( $\alpha=.932$ ) followed by performance data collection ( $\alpha=.876$ ).

Strategic plan and environment scanning ( $\alpha=.747$ ), strategic plan process ( $\alpha=.841$ ), goal and objective ( $\alpha=.777$ ), strategic alignment ( $\alpha=.793$ ), strategic implementation and monitoring and evaluation had ( $\alpha=.819$ ), ( $\alpha=.788$ ) respectively.

This illustrates that all variables were reliable as their reliability values exceeded the alpha value of 0.7 and therefore the instrument was reliable for data collection (Mugenda&Mugenda, 2008).

#### **4.4 Descriptive Statistics**

This section presents the results of the descriptive statistical analyses of the data and their interpretations. The descriptive statistics used are the percentages of frequency and means, which is the simplest measurement of central tendency, and Standard deviation most widely used measure of dispersion of a series (Kothari 2004).

According to Mugenda (2008), the scores of strongly agree /agree have been taken to present a variable which had a mean score of 3.5 to 5 on the continuous Likert scale; ( $3.5 \leq S.E < 5$ ). The scores of 'neutral' have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous Likert scale; ( $2.5 \leq M.E < 3.4$ ). The score of disagree/strongly disagree have been taken to represent a variable which had a mean score of 0 to 2.5 on the continuous Likert scale; ( $0 \leq L.E < 2.5$ ). A standard deviation of  $>0.8$  implies a significant difference on the impact of the variable among respondents.

#### **4.5 Analysis of Strategic Plan and Environmental Scanning**

In this part of the data presentation three questions were raised for respondents to reflect on CN's strategic plan environment scanning.

**Table 4.5 Strategic Plan and Environmental Scanning**

Strategic Plan and Environmental Scanning		Freq	SA	A	MA	D	SD	Mean	Std. Dev.
		/%							
1	The Commercial Nominees PLC has set up effective mechanism to prepare the strategic plan.	Freq	5	21	18	2	4	3.42	1.012
		/%	10	42	36	4	8		
2	The Commercial Nominees PLC uses environmental scanning mechanisms that can help it to examine the General, Operating and Internal Environments.	Freq	3	23	15	6	3	3.34	.982
		/%	6	46	30	12	6		
3	All significant stakeholders have been considered in the preparation of stakeholder's analysis	Freq	3	11	18	12	6	2.86	1.088
		/%	6	22	36	24	12		

Source: Own survey (2021)

Concerning the existence of strategic planning mechanism, 52% of respondents agreed and 36% respondents moderately agreed that the Commercial Nominees PLC has strategic planning mechanism and small percent of respondents (12%) disagreed on its existence. The mean value (3.42) indicates the commercial nominees have effective mechanism to prepare the strategic plan.

Moreover, the researcher raised question to check whether or not strategic plan involved environmental scanning (i.e. general, operational and internal).With this regard, above half of

respondents (52%) agreed that the strategic plan involved environmental scanning, while 30 % respondents moderately agreed and the mean value (3.34) indicates that commercial nominees uses environmental scanning mechanisms to examine the general, operating and internal environment the rest 18% disagreed that the strategic plan involved environmental scanning.

For the question raised to check the participation of stakeholders on the strategic plan, 28% of respondents agreed that the stakeholders did participate, while 36% of respondents moderately agreed. The mean value (2.86) is moderately agreed that stakeholders have participated to the preparation of strategic plan. And the remaining number of respondents (36%) disagree that stakeholders not participated on the strategic plan. According to the planning department of Commercial Nominees PLC, stakeholders, which are boards of directors and management members, are participated on the strategic plan on a validation workshop.

## **4.6 Analysis of Strategic Formulation**

Formulation of strategic planning is just one of those elements without which the strategy cannot work in practice (Bordean, 2010).

In this part, the researcher enquired the practice and application of strategic planning formulation in CN. For the assessment purpose, ten closed ended and five open ended questions were presented. For the analysis purpose, questions are viewed and classified in to three parts named; Strategy Plan Building Process, Goal and objectives Settings and Strategic Plan Alignment.

### **4.6.1 Strategy Plan Building Process**

In this sub part of the strategic plan formulation, the Commercial Nominees PLC practice of using strategic plan, the process of building strategic plan, participation of employees and communication of the strategic plan for stockholders are analyzed and presented.

**Table 4.6:** Strategy Plan Building Process

Strategy Plan Building Process		Freq	SA	A	MA	D	SD	Mean	Std. Dev.
		/%							
1	The Commercial Nominees PLC significantly uses strategic plan to make business decisions	Freq	2	3	15	13	17	2.20	1.107
		/%	4	6	30	26	34		
2	Commercial Nominees PLC has engaged in and undertaken strategic planning process	Freq	1	6	13	20	10	2.36	1.005
		/%	2	12	26	40	20		
3	The Strategic planning process is participatory and employees are involved adequately in the process of strategy planning	Freq	2	5	15	15	13	2.36	1.102
		/%	4	10	30	30	26		
4	Main stakeholders of the organization are communicated about the strategy and convinced adequately for the implementation of strategic planning.	Freq	1	3	18	15	13	2.28	.991
		/%	2	6	36	30	26		

Source: Own survey (2021)

Most of the respondents (60%) and low mean value (2.20) disagreed that the Commercial Nominees is not uses strategic planning for business decision, 30% of them moderately agreed and the rest 10% of them agreed on the idea that the Commercial Nominees is uses strategic plan

for business decision. Majority of the disagreed respondents specified that the Commercial Nominees is not significantly uses strategic plan to make business decision. Some of them are; for long term and short term planning, for development and implementation of new products and services, to manage uncertainties and business risks and to solve problems related with achieving organizational goals and objectives are some of the decisions that the organization takes by using the strategic plan (Table 4.4).

Once it is acknowledged the CN is not use strategic planning for business decision, the researcher asked about the process of strategic planning in CN 14% of the respondent agreed on the CN's utilization of strategic planning process to build its five year strategic plan and 26% of the respondents moderately agreed, But most of the respondents (60%) and lower mean value (2.36) disagreed that the CN's is not follows strategic planning process to build its plan. However, the respondents who disagree didn't disclose the gap that is observed on building the strategic plan without the planning process.

In the book of Niven (2003) "Few employees deep down in the company even know what the strategy is". He also pointed out and asked that, how can something as vital as a strategy be acted on and effectively executed if the very people charged with the responsibility of carrying it out don't even understand it in the first place.

To effectively implement strategy, communication and participation of the employees about the strategy is important. With this regard, the researcher forwarded a question with the intention to know whether the Commercial Nominees PLC strategic planning process was participatory or not. Based on this, half of the respondents (56%) the mean value (2.36) disagreed that the strategic planning process is not participatory, 14% of employees agreed and 30% of respondents moderately agreed that it was participatory. Majority of the disagreed respondents' also indicated the negative impacts that would come out of not making employees participate on the strategic planning process. Those are: failure to properly understand the organizational goals and objectives, unable to correlate tasks with organizational goals and objectives, poor initiation and performance to achieve the strategic plan and poor employees' loyalty and unaccountability.

For the question raised to know whether the strategic plan was communicated to the stakeholders or not, 8% of the respondents agreed that the CN stakeholders are communicated, whereas, 36%



of respondents moderately agreed. According to 56% of participants and lower mean value (2.28) disagreed on the idea that stakeholders are communicated about the strategy plan.

Majority of the respondents indicated the negative impact of not communicating the strategic plan to the stakeholders, some of them are; failure to efficiently deploy human as well as financial resource, poor sense of corporate belongingness, poor knowledge of external and internal environment, high resistance for change that will follow on the strategic plan implementation, poor commitment in achieving organizational goals, hindrance on the execution of the strategic plan, uncompleted strategic plan, poor acceptance of the strategic plan by the stakeholders, difficult to achieve the presumed performance target, low level organizational management with stakeholders, less collaborative stakeholders, less productivity and marketability of the organization result are indicated.

#### **4.7 Goal and Objective Setting**

In this sub part of the appropriateness of the mission, vision and value statements and their compatibility with work unites tasks is analyzed. Moreover the SWOT analysis also been assessed.

Through a conscious appreciation of the Commercial Nominees vision, mission and values; a thorough understanding of the environment that Commercial Nominees is operating in; and paying due attention to its internal competencies and capabilities three critical issues were identified to be the focus area for the strategic plan period. Once the critical issues are identifies, goals were set determining where Commercial Nominees needs to be after five years with respect to the critical issues identified. Finally strategies were formulated to help achieve the goals set. The three critical issues are the following:

- Organizational Capacity.
- Business Development.
- Operation excellence

**Table 4.7 Goal and Objectives Settings**

<b>Goal and Objectives Settings</b>		Freq	SA	A	MA	D	SD	Mean	Std. Dev.
		/%							
1	Organizational values are identified and stated properly	Freq	10	22	12	3	3	3.66	1.062
		/%	20	44	24	6	6		
2	The strategic plan can be said set the long term vision of the organization.	Freq	4	22	16	5	3	3.38	.987
		/%	8	44	32	10	6		
3	Goals and Objectives are crafted and emanated from the vision of the organization	Freq	9	23	11	3	4	3.60	1.107
		/%	18	46	22	6	8		
4	The strategic plan exhaustively analyzed SWOT (Strength, Weakness, Opportunity and Threat) of the organization.	Freq	6	18	22	3	1	3.50	.863
		/%	12	36	44	6	2		

Source: Own survey (2021)

Kaplan and Norton (2008, p: 88) also stated “Before formulating a strategy, managers need to agree on the company’s purpose (mission), the internal compass that will guide its actions (values), and its aspiration for the future results (vision). The organization’s mission and values

typically remain stable over time. The vision, although not as stable as the mission and values, is often constant during an organization an organization's three-to five-year strategic plan.”

As it is stated above, a well define mission will lead the organization to set its long term vision and objectives. “A mission statement is a brief statement that defines why the organization exists. The mission should describe the fundamental purpose of the entity, especially what it provides to customers and clients and it should inform executives and employees about the overall goal they have come together to pursue (Kaplan & Norton, 2008).

According to the strategic plan of CN, CN mission is “to provide innovative, diversified and competent outsourced service, asset management and other integrated business with knowledgeable, experienced and motivated workforce, to enhance value to our all stakeholder, observant to environment protection and social responsibility”.

According to the strategic plan of CN, the vision of Commercial Nominees is “To be a Reliable solution provider in outsourced service management by 2025”. With this regard, 64% of respondents' agree. The mean value (3.66) agreed that the organization value are identified and stated properly. 24 % moderately agrees and the rest 12% disagree.

According to 52% of the respondent agreed. With mean value (3.38), the strategic plan set the long term vision of the organization. 32% of the respondent moderately agreed and the reaming16% of the respondent is not agree that the strategic plan can be set the long term vision of the organization

In addition to goal and objective statement, question was raised to check whether the goal and object are crafted organizational vision. Based on this, 64% of respondents agreed. The mean value (3.60) that the goal and object emanated and crafted organizational vision while 22% of them moderately agreed and the rest 14% disagreed.

In addition to this, Kaplan & Norton (2003) pointed out that the analysis of SWOT as the earliest and most fundamental of all strategy analysis tools that identifies the company's existing strength and weaknesses, its emerging opportunities, and the worrisome threats facing the organization. Based on this, the researcher raised question on the strategic plan inclusion of the organization strength, weakness, opportunity and threats (SWOT) analysis.

As it is depicted on the above table 48% respondents agree with mean value (3.50) that SWOT of the organization exhaustively considered on the strategic plan, whereas 44% of respondents moderately agreed and the rest 8% replied as they disagreed that the strategic plan exhaustively considered SWOT analysis.

#### 4.8 Strategic Plan Alignment

In this sub part the strategic plan incorporation issues regarding budget is raised. Responses are analyzed below.

**Table 4.8 Strategic Plan Alignment**

<i>Strategic Plan Alignment</i>		Freq	SA	A	MA	D	SD	Mean	Std. Dev.
		.							
		/%							
1	The strategic plan adequately incorporates with budgeting	Freq	3	20	17	5	5	3.22	1.055
		.							
		/%	6	40	34	10	10		
2	The strategic plan has been well aligned down in the organizational hierarchy.	Freq	3	20	18	4	5	3.24	1.041
		.							
		/%	6	40	36	8	10		

Source: Own survey (2021)

Data presented s in table 4.5 above shows that 46% of respondents agreed, with the mean value (3.22) while 34% of them moderately agreed and the rest 20% of them disagreed that budgeting is incorporated on the strategic plan. Respondents also indicated the negative impacts of not including budgeting on the open ended question. With its respect difficulties of executing the strategy plan, failure to attain the plan with the specified period, unable to accomplish the strategic initiative and unable to achieve expected out put on the time are some of the negative effects indicate.

The researcher raised a question to check the strategic plan has been aligned with the organizational hierarchy. On the replay 46% of respondents agree, the mean value (3.24) and 36% of respondents moderately agree that the strategic plan is aligned through the organizational hierarchy (core and support unites) and the rest 18% of respondents disagreed. On the open ended question majority of the respondents indicated that the misalignment of strategic plan has mainly shown on linking individual tasks with corporate objectives.

Those respondents also expressed that the persisted misalignment of the strategic plan has negative impact on knowing the purpose and end result of a job, understanding of duties and responsibilities, communication between different functions of the organization.

From the budget preparation observed, CN's working unites annual plan has derived from the functions and operational experience of the working unites. Where the planning department collects all those plan documents from all working unites to consolidate as annual plan of the Commercial Nominees PLC. As it is observed, the planning department tries to categorize the different planes forwarded from those working unites under the corporate objectives outlined on the strategic plan.

After the planning department compiled all those documents, it will be presented for the management committee to be defended and approved at the spot. After the working unites annual plan is approved there is no any cascading process that has been made to divide the work.

#### **4.9 Analysis of Strategy Implementation**

Strategy implementation is a process by which strategies and policies are put into action through the development of programs, budgets, and procedures. This process might involve changes within the overall culture, structure, and/or management system of the entire organization.

Except when such radical corporate wide changes are needed, however, the implementation of strategy is typically conducted by middle- and lower-level managers, with review by top management.

Sometimes referred to as operational planning, strategy implementation often involves day-to-day decisions in resource allocation (Wheelen & Hunger, 2004).

On this part of the data presentation the researcher tried to assess the practice of strategic plan implementation. For the assessment purpose, seven closed ended questions were raised. The data's are presented and analyzed under. Moreover, additional useful information's are taken from planning department and different documents.

**Table 4.9** Strategy Implementation

Strategy Implementation		Freq.	SA	A	MA	D	SD	Mean	Std. Dev.
		/%							
1	Commercial Nominees PLC is committed to providing financial resources to support the implementation of strategic initiatives.	Freq.	3	18	20	7	2	3.26	.922
		/%	6	36	40	14	4		
2	Executive Management owned the strategic plan and committed to implement the strategic initiatives	Freq.	5	15	19	9	2	3.24	1.001
		/%	10	30	38	18	4		
3	Boards of Directors are motivated to maintain and support the implementation of strategic initiatives	Freq.	4	20	19	5	2	3.38	.923
		/%	8	40	38	10	4		
4	Staffs are motivated to maintain and support the implementation of strategic initiatives.	Freq.	5	8	27	7	3	3.10	.974
		/%	10	16	54	14	6		
5	The current organizational structure is appropriate and supports the implementation of strategic plan	Freq.	5	17	17	8	3	3.26	1.046
		/%	10	34	34	16	6		
6	CN's management and employees	Freq.	4	18	18	7	3	3.26	1.006

	are open, willing and ready to accept and implement change.	/%	8	36	36	14	6		
7	The employees of the Commercial Nominees are capable of planning, managing and implementing the strategic plan.	Freq.	1	22	21	5	1	3.34	.772
		/%	2	44	42	10	2		

Source: Own survey (2021)

A study made by Kaplan & Norton (2001, p: 91) shows that “275 portfolio managers reported that the ability to execute strategy was more important than the quality of the strategy itself.” Therefore, it is notable that the vitality of top management and the boards of directors commitment and motivation on the execution of strategy.

For the question raised the above table the majority of the respondent 42% and the mean value (3.26) agreed that the commercial nominees is committed to provide financial recourse to support implementation of strategic initiative , 40% of responded moderately agreed and the rest 18% of them disagreed. Based on 40% of respondent and the mean value (3.24) agreed that the executive management the strategic plan and committed to implement the strategic initiatives. 38% of respondent moderately agree and the remaining 22% of respondent are disagree. When it comes to the question raised to assess the board of directors are motivated to maintain and support the implement the strategic management, 48% of respondents agreed with the mean value (3.38) that board of directors are motivated to support the implementation of strategic initiatives and 38% of them moderately agreed and the rest 14% employees’ disagreed that the boards of directors are motivated to maintain and support the implementation of strategic initiatives. The above data shows that the top management’s commitment to execute the strategy plan for more than 80% agreement. That is very appreciable since the boards of directors and executive management commitment is vital to the implementation of strategic plan.

But, management’s focus on strategy can be measured by the time that they spend on discussing strategic issues, the budget or resource allocation made for the execution of the strategy, focus given for capacitating and motivating employees and the utilized structure for the planned strategy. According to the above questions, two consecutive questions were raised to check the

staffs motivation and capability to implement the strategic plan. With regard to staff motivation to implement the strategic initiatives, 26% of respondents ( M=3.10) replied that they agree and 54% of respondent answered as they moderately agree that the staffs are motivated to implement the strategic initiatives and the rest 20% respondents disagree. And also questions were raised to check appropriateness and supportiveness of the organizational structure to implement the strategic plan. Based on this,( M=3.26) 44% of respondents agree, 34% respondents moderately agree and the rest 22% of respondents disagree that the organizational structure is not appropriate and supportive to implement the strategic plan. This indicated that most of the respondents agree on the appropriateness of the Commercial Nominees structure to implement the strategy.

Most management scholars agree that strategy and structure have a reciprocal relationship. The relationship between strategy and structure highlights the interconnectedness between strategy formulation and strategy implementation. Regardless of the strength of the reciprocal relationships between strategy and structure, those choosing the firm's strategy and structure should be committed to matching each strategy with a structure that provides the stability needed to use current competitive advantages as well as the flexibility required to develop future advantages (Michael & Hitt, 2007).

Among sample (M=3.26) 44% of respondent agree on commercial nominees management and employees are open, willing and ready to accept and implement change and 36% of respondent moderately agree the remaining 20% of respondent disagree. When it comes to the question on employees of commercial nominees are capable of planning, managing and implementing the strategic plan the mean value (3.34) are agreed and 42% of respondent moderately agree the remaining 12% disagree.

#### **4.10 Analysis of Strategy Performance Monitoring and Evaluation**

Management control is a systematic effort to set performance standards with planning objectives, to design information feedback systems, to compare actual performance with these predetermined standards, to determine whether there are any deviations and to take any action required to assure that all corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives (Barnat, 2013).



On this part, the researcher tried to assess the practice of strategy plan performance monitoring and evaluation. With this intention three closed ended questions were raised. The questions are presented, interpreted and analyzed on the below table. Moreover, additional useful information was also taken from planning department and different documents of Commercial Nominees.

**Table 4.10** Performance Monitoring and Evaluation

Performance Monitoring and Evaluation		Freq	SA	A	MA	D	SD	Mean	Std. Dev.
		.							
		/%							
1	There is a comprehensive and adequate performance monitoring and evaluation mechanism	Freq	5	12	24	6	3	3.20	.990
		.							
		/%	10	24	48	12	6		
2	Strategically significant performance measures are identified properly.	Freq	1	14	24	7	4	3.02	.915
		.							
		/%	2	28	48	14	8		
3	The performance measures are balanced with respect to incorporating customer related, process related, and human resource capacity related indicators.	Freq	4	18	16	9	3	3.22	1.03
		.							
		/%	8	36	32	18	6		

Source: Own survey (2021)

Based on the table above, the respondents (34%) agree on a comprehensive and adequate performance monitoring and evaluation mechanism. Remaining 48% of the respondent replied moderately and disagreed, response respectively. The mean value (3.20) indicates that there is comprehensive and adequate performance monitoring and evaluation mechanism are moderate.

Effective performance measures can let us know: how well we are doing, whether we are meeting our goals or whether our customers are satisfied or not. Effective performance measures are expected to contain all rounded measures.

For the question asked to check the identification and inclusion of significant performance measures on the strategic plan, 30% of respondents showed as they agree, the mean value (3.02), 48% of respondents replied as they moderately agree and the rest 22% of respondents expressed their disagreement.

Niven (2003) stated that the criteria for selecting performance measures are its link to the strategy, the measures easiness to understand, link in a chain of cause and effect, update frequently and accessible, average-cautious, resistant to “date”-related measures, quantitative, dysfunctional. A complete performance management gives a due attention to performance data. Performance measures are standards used to evaluate and communicate performance against expected results.

A question was raised to check the symmetry of outlined strategic performance measures of Commercial Nominees, which means the inclusion of financial and non-financial (i.e. customer, internal process and human resource) measures. As a result, 44 % of respondents agreed that the performance measures of the organization are balanced by incorporating non-financial measures, with the mean value (3.22) whereas 32% of respondents moderately agree and the rest 24% of employees disagreed. As it is observed from the strategic plan of Commercial Nominees, almost all performance indicators stated are financial measures. As an example the following performance indicators are presented on the strategic plan of the bank; loan to deposit ratio, rate of nonperformance loans, capital adequacy ratio, return on average assets and return on equity, earnings per share, cost to income ratio, cost of fund, source of income, branches network and employees’ satisfaction. With this respect, employees’ satisfaction and branches network are the only non-financial measure depicted on the strategic plan. Therefore, the strategic plan lacks non-financial measure that will help to know the performance of corporate objectives stated for improving customer, internal process and develop human capital.

#### 4.11 Analysis of Strategy Performance Data Collection system

On this final part of the chapter, the researcher tried to assess the practice of performance data collection system. With this intention five closed ended and two open ended questions were raised. Analysis an interpretation has given below. Moreover, additional useful information was also taken from planning department and different documents of Commercial Nominees.

**Table 4.11** Performance Data Collection

Performance Data Collection		Freq.	SA	A	MA	D	SD	Mean	Std. Dev.
		/%							
1	There is efficient performance data collection mechanism for monitoring and evaluating the implementation of strategic plan	Freq.	2	15	21	7	5	3.04	1.009
		/%	4	30	42	14	10		
2	It can be said that the collected performance data's are being used for assessing the level of performance of the organization in reaching its strategic targets	Freq.	1	12	25	7	5	2.94	.935
		/%	2	24	50	14	10		
3	There is consistent and continuous strategic plan performance evaluation	Freq.	4	15	14	13	4	3.04	1.106
		/%	8	30	28	26	8		
4	Corrective and preventive measures are identified and implemented for effective execution of the strategic plan.	Freq.	4	13	24	6	3	3.18	.962
		/%	8	26	48	12	6		
5	Performance evaluations are linked with rewards and incentives for the staffs.	Freq.	2	13	17	16	2	2.94	.956
		/%	4	26	34	32	4		

Source: Own survey (2021)

Based on the above table, 34% of respondents showed their agreement on the existence and practice of efficient performance data collection mechanism, whereas significant number (42%) of respondents with the mean value (3.04) expressed that they moderately agree and the rest 24% of respondents disagree. The current performance data collection system of the bank is classified in to two methods. The first one is through core banking solution (i.e. a banking system that generates almost all financial performance data's) reporting system and the other one is through periodic (i.e. quarter) manual reporting.

Related with the above facts concerning symmetry of performance measures, a question was raised to check the utilization of its performance data for monitoring and evaluating objectives. Based on this, 26% of employees agreed that the collected performance data's are being used for the performance monitoring and evaluation, while 50% of the respondents mean value (2.94) moderately agreed and the rest 24% of respondents disagreed it is used to monitor and evaluate strategic objectives. In addition, 38% employees agreed with the mean value (3.04) that the strategic plan performance evaluation is consistent and continuous while 28% of respondents moderately agree and rest 34% of respondents disagreed that the strategic plan performance evaluation is consistent and continuous.

On the other hand, the researcher raised issue to know CN's action of exercising preventive and corrective measures for the effective execution of the strategic plan. For this question, most of the respondents (48%) moderately agree mean value (3.18) that Commercial Nominees has identified and implemented corrective and preventive measures, while 34% respondents agree and the rest 18% of respondents disagree that the Commercial Nominees has identified and implemented corrective and preventive measures for the effective execution of the strategic plan.

Finally, the researcher asked the respondents to reflect on CN's performance evaluation linkage with reward and incentive system. Based on this, considerable number of respondents (36%) disagree that performance evaluation is linked with reward and incentive system of the Commercial Nominees, whereas 34% of respondents mean value (2.94) moderately agreed and the remaining 30% of respondents agreed. According to the benefit policy of Commercial Nominees, CN has a rewarding and incentive package for its employees, even if it is not directly linked with employees' performance.

## 4.12 Challenges of strategic management

This section, examines the challenges that are affecting achievement of strategic Management at the time of implementation : unrealistic and difficult to implement, problem of communication and understanding of strategic management among staffs, poor employees commitment and motivation, resistance to accept the strategic management, lack of proper organizational, structure and required training.

**Table 4.12** challenges of strategic management

challenges of strategic management		Freq.	SA	A	MA	D	SD	Mean	Std. Dev.
		/%							
1	The strategic Management is unrealistic and difficult to implement.	Freq.	6	10	19	10	5	3.04	1.142
		/%	12	20	38	20	10		
2	Problem of communication and understanding of the strategy Management among staff.	Freq.	4	15	17	8	6	3.06	1.132
		/%	8	30	34	16	12		
3	Poor employee's commitment and motivation to achieve strategic Management	Freq.	4	15	13	11	7	2.96	1.195
		/%	8	30	26	22	14		
4	Lack of proper organizational structure to implement the strategic Management.	Freq.	1	14	20	10	5	2.92	.986
		/%	2	28	40	20	10		
5	Inadequate coaching provided to employees by immediate supervisors during the course of strategic Management implementation	Freq.	4	8	24	10	4	2.96	1.009
		/%	8	16	48	20	8		
6	Lack of proper performance	Freq.	7	11	17	8	7	3.06	1.236

	management systems to evaluate the progress and achievement of strategic management	/%	14	22	34	16	14		
7	Lack of prioritizing efforts and determining the timing, sequence and resources required to successfully accomplish.	Freq.	2	10	21	13	4	2.86	.969
		/%	4	20	42	26	8		

Source: Own survey (2021)

As table 4.10 indicates that 32% of employees agreed the strategic plan was unrealistic and difficult to implement easily. 38% of respondents have moderately Agree. On the other hand 30% of employees disagreed. The mean value (3.04) indicates the strategic management of commercial nominees is unrealistic and difficult to implement.

The mean value (3.06) and about 38% of participant assumed that, problem of communication and understanding of strategic management among is challenges of commercial nominees. Also 34% and 28% respondent provided moderate and disagree response respectively. According 19(38%) of respondent's attitude, poor employees' commitment and motivation to achieve strategic management. Other 13(26%) and 17(36%) respondent replied moderate and disagree response respectively. Mean value (2.96) which falls between agree and moderate agree categories, also confirms poor employee's commitment and motivation to achieve strategic management

In the other hand 30% of respondents have Agree and 40% of employee moderately agrees. The total of respondents 30% of disagree that lack of proper organizational structure was not an obstacle to achieve Strategic management. the mean value ( 2.92)in indicates lack of proper organizational structure to implement the strategic management 24% of respondents agreed. Similarly, 48% of respondents have moderately agreed. Again 28% of the respondents disagreed. Accordingly result of mean value (2.96) respondent opinion inadequate coaching provided to employees by immediate supervisors during the course of strategic management implementation is one of the challenges of strategic management. The total of respondents 36% of employees agreed the organization lacks proper performance management systems helped to evaluate its

progress and achievement of organizational goals. Mean value (3.06) indicates that, lack of proper performance management systems to evaluate the progress and achievement of strategic management are the major challenges of commercial nominee's strategic management.

Mean value (2.86) and about 12(24%) of participants assumed that, lack of prioritizing efforts and determining the timing, sequence and resources required to successfully accomplishing. Others 21(42%) and 17(34%) respondents provided moderate agree and disagree this implies lack of prioritizing efforts and determine the timing, sequence and resource that Mach challenges of strategic management to successfully accomplish.

## **CHAPTER FIVE**

### **5. SUMMARY OF MAJOR FINDING, CONCLUSION AND RECOMMENDATIONS**

In this chapter, conclusion is made on the findings of the study. Based on the conclusion, the researcher has made recommendation on major points. In addition, limitations that challenged the researcher on the study period have also been presented.

#### **5.1 Summary of major finding**

Based on the valid Percent of respondents of their level of agreement summary of major findings are presented as follows.

the researcher raised question to check whether or not strategic plan involved environmental scanning (i.e. general, operational and internal). With this regard, above half of respondents (52%) agreed that the strategic plan involved environmental scanning, while 30 % respondents moderately agreed and the mean value (3.34) indicates that commercial nominees uses environmental scanning mechanisms to examine the general, operating and internal environment the rest 18% disagreed that the strategic plan involved environmental scanning.

Most of the respondents (60%) and low mean value (2.20) disagreed that the Commercial Nominees is not uses strategic planning for business decision, 30% of them moderately agreed and the rest 10% of them agreed on the idea that the Commercial Nominees is uses strategic plan for business decision. Majority of the disagreed respondents specified that the Commercial Nominees is not significantly uses strategic plan to make business decision.

In addition to goal and objective statement, question was raised to check whether the goal and object are crafted organizational vision. Based on this, 64% of respondents agreed. Mean value (3.60) that the goal and object emanated and crafted organizational vision.



When it comes to the question raised to assess the board of directors are motivated to maintain and support the implement the strategic management, 48% of respondents agreed with the mean value (3.38) that board of directors are motivated to support the implementation of strategic initiatives. For the question asked to check the identification and inclusion of significant performance measures on the strategic plan, 30% of respondents showed as they agree, the mean value (3.02), 48% of respondents replied as they moderately agree and the rest 22% of respondents expressed their disagreement

The mean value (3.06) and about 38% of participant assumed that, problem of communication and understanding of strategic management among is challenges of commercial nominees

## **5.2 Conclusion**

The study attempted to look into the practice and implementation of strategic management in Commercial Nominees. It aims to describe the existing phenomena and tried to reveal the real problems related to strategic management development and practices. Furthermore, the paper tried to look at the staffs' awareness about corporate and operational strategic management and the links and effects between the bank's structure and the strategic Plan. The study was used mixed approach (quantitative and qualitative).

The study use questionnaires to collect primary data from the company. The obtained information is further analyzed by comparing it with the theoretical aspects obtained from secondary sources in the subject matter. Questionnaire is used to assess attitude of employees on the strategic plan and management practice. Descriptive method is used to analyze the data obtained from primary and secondary source. It is possible to conclude that CN has strategic planning mechanism. Currently it is working with its revised five years strategic plan and the strategic plan of the Commercial Nominees contained the necessary elements that the strategic plan should have to contain. When it comes to participation and communication of the strategic plan, selected stakeholders participated on the validation workshop. Therefore it is notable that thorough all stakeholders 'participation had not been made. Even if respondents expressed that the strategic plan was communicated, related responses given for another questions showed that employees have a gap in knowing and understanding the strategic plan.

The organization mission, vision and value are evaluated against theoretical criteria and respondents' opinion, its compatibility against their tasks. Based on the result, it can be concluded that the mission, vision and value statements fulfill the expected theoretical requirements and is therefore compatible with employees' tasks. But, it is found that the vision statement lacks time frame. Moreover there is a gap on employees understanding of the vision mission and values of Commercial Nominees As it is observed from the SWOT analysis of the strategic period of the bank exhaustively considerable on strategic plan. It can be said that the strategic plan included all the necessary analysis, like in depth analysis of existing and future internal and external environment, various banking sector related directives and industrial analysis. And budget, human resource capability and customer's suggestions and complaints are also included in the strategic plan. But, when it comes to the operation, there is a gap to ground the analysis.

Respondents are convinced that the goal and objectives have emanated from the vision of the organization. It can be said that work unites annual plan has derived from its function and volume of operation. Therefore, we can conclude that there is alignment of strategic plan mainly on linking individual tasks with corporate objectives. When we observe the organizational structure of Commercial Nominees, it was designed parallel with the strategic plan was developed, believed to weigh the strategic plan. Effective performance measures can let us know how well we are doing to achieve goals and objectives. To this effect the strategic plan lacks comprehensive performance measurements. As it is observed from the strategic plan of Commercial Nominees, almost all performance indicators stated are financial measures. That is why Commercial Nominees reward system is not based performance of employees. Therefore, it can be concluded that lack of measurements regarding customers, internal process and technology.

Other aspect of the research shows that performance data collection system of Commercial Nominees is good. But, we can conclude that performance data's are not efficiently utilized for performance monitoring and evaluation purpose.

With regard to challenges of strategic management of commercial management are problem of communication and understanding of strategy management, lack of proper organizational structure, lack of proper performance management system, strategic management unrealistic and

difficult to implement and poor employee's commitment and motivation are the major challenges of strategic management in commercial nominees.

### **5.3 Recommendations**

Further research is needed on the impact of different factors on existing strategic plan management practice to put conclusive recommendations. Thus this study should be seen as the first step in assessing the existing strategic management practice. Based on this, the following recommendations are forwarded from the finding of the study.

- In the first place, Commercial Nominees experience of working with strategic plan is very appreciable. But, its gap of not properly participating and afterwards communicating the strategic plan to the stockholders has a repercussion on Commercial Nominees. Therefore, a well-organized and comprehensive participation of stakeholders need to be involved while developing and revising the strategic plan. In addition, continuous and consistent communication of the strategic plan has to be made, until all employees get a clear understanding of what their day to day tasks mean to the corporate objective.
- It is very good for the organization to have a well-crafted mission, vision and values. But, here again the organization must make clear that all employees know and understand the corporate mission, vision and values. In addition, since the corporate vision of CN is not time bounded, it is recommended to be reviewed, as it is very important to define where the organization will be in the future.
- In order to draw good results from preliminary analysis of the strategic plan, executives must base and act up on the findings of different analysis. When it comes to SWOT analysis of Commercial Nominees, it is clear that the executives didn't take properly ground on the operation focus on the interventions of SWOT analysis. Therefore, the organization must give due attention to resolve issues stated on the SWOT analysis, so as to keep the strength and manipulate opportunities and to solve weakness and take proactive measures for threats.
- The strategic goals and objectives alignment with the lower level tasks defines the organization success on its corporate objectives. The stronger the alignment the more the organization strategic focus will be, the lesser aligned the more waste of resources.

Therefore, as it is shown in the conclusion, CN's has to work hard and make sure all working unit tasks are cascaded from the corporate objectives and all individual tasks are also derived from work units objectives.

- Continuous adjustments of organizational structure will expose the structure to miss its first purpose and fall under individual interests. Once the organizational structure is designed to weigh the strategic plan there shall not be contentious adjustments. Rather very important cases that may be raised as a challenge to implement the strategy can let us to restructure. Therefore, CN shall give attention on its continuous structural adjustments. In addition, it is recommended for CN to update its standardization documents in accordance with its revised strategic plan demand.
- Another major issue that should be given emphasis by Commercial Nominees is; the comprehensive performance measurements. As it is observed from the strategic plan of the bank, almost all performance indicators stated are financial measures. Therefore, it is very advisable for the bank to add more non-financial measure that will help to measure performances related to the objectives of increasing customer satisfaction, improving internal process and human resource development. It is not only enough to include the measures on the strategic plan, but collecting the performance data's and utilizing them for monitor, evaluate and measure the strategic plan performance.
- In order to improve the strategic management soundness and easily achieved based on the time bound, the organization should actively participate all levels of employees helped to gather relevant information for formulation process and implementation challenges.
- Lack of prioritize efforts and determine time, sequence and resources, creates unsuccessful organizational goal. In order to improve this problem, the management clearly identified the priority areas and creates awareness among all levels of employees properly.

## References

- Alkhafaji, A.F.i (2003). *Strategic Management Formulation, Implementation, and Control in a Dynamic Environment*. USA: The Hawthorne Press.
- Arasa, R., & K'Obonyo, P. (2012). The relationship between strategic planning and firm performance. *International journal of humanities and social science*, 2(22), 201-213
- Bakar, A. H. A., Tufail, M. A., Yusof, M. N., & Virgiyanti, W. (2011). Implementation of Strategic Management Practices in the Malaysian Construction Industry. *Pakistan Journal of Commerce & Social Sciences*, 5(1).
- Costa, J. (1997). A study of strategic planning and environmental scanning in the multiunit Portuguese hotel sector.
- Dauda, Y. A., Akingbade, W. A., & Akinlabi, H. B. (2010). Strategic management practice and corporate performance of selected small business enterprises in Lagos metropolis. *International journal of Business and Management*, 5(11)97.
- David, F. R. (2011). *Strategic management: Concepts and cases*. Peaeson/Prentice Hall.
- Furrer, O., Thomas, H., & Goussevskaia, A. (2008). The structure and evolution of the strategic management field: A content analysis of 26 years of strategic management research. *International Journal of Management Reviews*, 10(1), 1-23.
- Hoskisson, R. E., Wan, W. P., Yiu, D., & Hitt, M. A. (1999). Theory and research in strategic management: Swings of a pendulum. *Journal of management*, 25(3), 417-456.?
- Hunger, J. D., & Wheelen, T. L. (2003). *Essentials of strategic management*. New Jersey: Prentice Hall.
- Jarzabkowski, P. (2004). Strategy as practice: reclusiveness, adaptation, and practices-in-use. *Organization studies*, 25(4), 529-560.
- Johnson, G., Scholes, K., & Whittington, R. (2009). *Fundamentals of strategy*. Pearson Education.

- Kahalique, M., & Khan, J. (2014). A Historic Review of Empirical Studies of Strategic Planning and Future Research Avenues. *International Journal of Academic Research in Economic and Management Science*, Vol.3 No.6
- Mintzberg, A., & Ahlstrand, B. (1999). *Lampel (1998) Strategy Safari*. Harlow: Prentice Hall.
- Mintzberg, H., & Shakin, M. F. (1978). Strategy formulation. *Management Science* (pre-1986), 24(9), 920.
- Mintzberg, H., Ahlstrand, B. and Lampel, J. (1998). *Strategy Safari; A guided tour through the wilds of Strategic Management*. New York: The Free press.
- Mintzberg, H., Ahlstrand, B., & Lampel, J. (1998). *Strategy safari*.
- Mintzberg, H., & Waters, A., (1985). Of Strategies, Deliberate and Emergent, *Strategic Management Journal*, Vol. 6, No.3 PP 257-272
- Mohamud, Y.G, Mohamud, A.S, & Mohamed, B.H. (2015). The Relationship between Strategic Management and Organizational Performance in Mogadishu-Somalia. *European Journal of Research and Reflection in Management Science*. Vol.3 No. 2
- Mol, M. J., Stadler, C., & Ariño, A. (2017). Africa: the new frontier for global strategy scholars. *Global Strategy Journal*, 7(1), 3-9.
- Mosiah, L. (2008). *The strategic management of small firms in emerging economies; a study of health biochemistry*.
- Pearce, J. & Robinson, R. (1996). *Strategic management: formulation, implementation and Control*”, New York: Burr Ridge: Irwin.
- Pearz John, A., Rechard, B., & Robinson, J. (2004). *Strategic management: planning, performance and control*. Samt publication, Tehran.
- Robbins, S.P. and Coulter, M., 2003. *Management*, (2002). New Jersey: Person

Robinson, R.B.J., & Pearce, J.A. (1983). The Impact of Formalized Strategic Planning on Financial Performance in Small Organizations. *Strategic Management Journal*, 4(3), 197-207

Rumelt, P. (2011). *Good Strategy Bad Strategy: The Difference and Why It Matters*, USA, Crown Publishing Group

Smith, R. J. (1994). *Strategic management and corporate planning in the public sector:[the framework of strategic management; techniques and their uses; public sector examples]* Longman.

Wheelen, T. L., Hunger, J. D., Hoffman, A. N., & Bamford, C. E. (2017). *Strategic management and business policy*. pearson.

# St. Mary's University

## MBA PROGRAM

### APPENDIX

#### Dear Respondents,

The purpose of this questionnaire is to get valuable information in order to study Strategic Management Practices and Challenges at Commercial Nominees PLC. All responses will be used to conduct a study for partial fulfillment of MBA from St. Mary University and, then, as an input for the Commercial Nominees PLC. The information that you provide is strongly subject to confidentiality and shall not be used for any other purpose.

Your cooperation in filling this questionnaire is highly appreciated.

#### **PART I: DEMOGRAPHIC INFORMATION**

**INSTRUCTION:** Please put “√” mark to all your responses in the box provided beside each question.

1. Gender:            Male    Female
2. Marital status:    Un-married    Married    Divorced    Other
3. Age:                20 – 30    31 – 40    41 – 50    51 – 60    Above 60
4. Educational Level:  PhD    Master's Degree    First Degree    Below First Degree
5. Current Working Position:-----



**PART II: ENVIRONMENTAL SCANNING, STRATEGIC FORMULATION, IMPLEMENTATION AND MONITORING AND EVALUATION**

**INSTRUCTION:** For each item please use the rating scale below to describe how accurately each of the statement describes your organization.

**Rating Scale**

- Strongly Agree.....5
- Agree.....4
- Moderately Agree.....3
- Disagree.....2
- Strongly Disagree.....1

Questionnaires		Level of agreement and disagreement				
		1	2	3	4	5
<b>ENVIRONMENTAL SCANNING</b>						
1	The Commercial Nominees PLC has set up effective mechanism to prepare the strategic plan.					
2	The Commercial Nominees PLC uses environmental scanning mechanisms that can help it to examine the General, Operating and Internal Environments.					
3	All significant stakeholders have been considered in the preparation of stakeholder’s analysis.					

Questionnaires		Level of agreement and disagreement				
		1	2	3	4	5
STRATEGIC FORMULATION						
1	The Commercial Nominees PLC significantly uses strategic plan to make business decisions.					
2	Commercial Nominees PLC has engaged in and undertaken strategic planning process.					
3	The Strategic planning process is participatory and employees are involved adequately in the process of strategy planning.					
4	Main stakeholders of the organization are communicated about the strategy and convinced adequately for the implementation of strategic planning.					
5	Organizational values are identified and stated properly.					
6	The strategic plan can be said set the long term vision of the organization.					
7	Goals and Objectives are crafted and emanated from the vision of the organization.					
8	The strategic plan exhaustively analyzed SWOT (Strength, Weakness, Opportunity and Threat) of the organization.					
9	The strategic plan adequately incorporate issues regarding budgeting.					
10	The strategic plan has been well aligned down in the organizational hierarchy.					

**Open end Questions:**

**INSTRUCTION:** Give your answer for the question below on the space given. You can choice more than one alternative.

1. Do you think is there effective strategic planning process. If there is no effective strategic planning process, which areas do you think has a gap?

Situational Analysis  Stakeholders Analysis  Setting Objectives and Goals

Setting Measures  Setting Targets  Putting Milestones

Others \_\_\_\_\_

2. Who are involved in the formulation of strategic plan?

Board of Directors  Executive Management  Management Staff

Planning Department  Division Heads

Others \_\_\_\_\_

3. If issues regarding budget allocation are not involved adequately within the strategic plan, what are the hindering effects on effective execution of the strategic plan?

---

---

4. If issues regarding human resource capacity are not involved adequately within the strategic plan, what are the hindering effects on effective execution of the strategic plan?

---

---

5. If issues regarding customer's suggestions and complaints are not involved adequately within the strategic plan, what are the hindering effects on effective execution of the strategic plan?

---

---

<b>Questionnaires</b>		<b>Level of agreement and disagreement</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>STRATEGY IMPLEMENTATION</b>						
1	Commercial Nominees PLC is committed to providing financial resources to support the implementation of strategic initiatives.					
2	Executive Management owned the strategic plan and committed to implement the strategic initiatives.					
3	Boards of Directors are motivated to maintain and support the implementation of strategic initiatives.					
4	Staffs are motivated to maintain and support the implementation of strategic initiatives.					
5	The current organizational structure is appropriate and supports the implementation of strategic plan.					
6	CN's management and employees are open, willing and ready to accept and implement change.					
7	The employees of Commercial Nominees PLC are capable of planning, managing and implementing the strategic plan.					

<b>Questionnaires</b>		<b>Level of agreement and disagreement</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>STRATEGIC PERFORMANCE, MONITORING AND EVALUATION</b>						
1	There is a comprehensive and adequate performance monitoring and evaluation mechanism.					
2	Strategically significant performance measures are identified properly.					
3	The performance measures are balanced with respect to incorporating customer related, process related, and human resource					

	capacity related indicators.					
4	There is efficient performance data collection mechanism for monitoring and evaluating the implementation of strategic plan.					
5	It can be said that the collected performance data's are being used for assessing the level of performance of the organization in reaching its strategic targets.					
6	There is consistent and continuous strategic plan performance evaluation.					
7	Corrective and preventive measures are identified and implemented for effective execution of the strategic plan.					
8	Performance evaluations are linked with rewards and incentives for the staffs.					

Questionnaires		Level of agreement and disagreement				
		1	2	3	4	5
<b>CHALLENGES OF STRATEGIC MANAGEMENT</b>						
1	The strategic Management is unrealistic and difficult to implement.					
2	Problem of communication and understanding of the strategy Management among staff.					
3	Poor employee's commitment and motivation to achieve strategic Management.					
4	Lack of proper organizational structure to implement the strategic Management.					
5	Inadequate coaching provided to employees by immediate supervisors during the course of strategic Management implementation					
6	Lack of proper performance management systems to evaluate the progress and achievement of strategic management.					
7	Lack of prioritizing efforts and determining the timing, sequence and resources required to successfully accomplish.					

**Open End Questions:**

**INSTRUCTION:** Give your answer for the question below on the space given. You can choice more than one alternative.

1. If strategically significant performance measures are identified, please list few out of them?

---

---

2. If performance data are being collected, what is the frequency of data collection?

Daily                       Weekly                       Bi-weekly                       Monthly                       Quarterly

Semi- annually                       Annually

Other \_\_\_\_\_

For which type of data are the above frequencies being used? Explain.

---

3. If strategic plan evaluation meeting are being held, what is the frequency of review meetings?

Monthly                       Quarterly                       Semi- annually                       annually

Other \_\_\_\_\_

4. Who are involved in the strategic plan evaluation meetings?

Board of Directors                       Executive Management                       Planning                      Department

Managers and Team Leaders                       Experts and Officers                       Support Staffs

Others \_\_\_\_\_

***Thank You!!!***

