St. Mary's University

ASSESSEMENT OF STRATEGIC PLANNING AND MANGEMENT PRACTICE IN BERHAN BANK S.C

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ASSESSEMNET OF STRATEGIC PLANNING AND

MANGEMENT PRACTICES OF BERHAN BANK S.C

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<u>Declaration</u>

I, the undersigned, declare that this thesis is my own and original work and has not been presented for a Master's Degree in any other University, and that all sources of material used for the thesis has been duly acknowledged, following the scientific guidelines of institute.

Declared by: Mussie Mesfin Wibet

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    Date: _____

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Lastly, I would like to thank Berhan Bank staffs for the support in data collection to my research.

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List of Abbreviations/Acronyms used

SWOT   Strengths, Weaknesses, Opportunities, and Threats

SPM   Strategic Planning Management

WTO   World Trade Organization

SP   Strategic planning

SPIN   Strategic planning Institutionalization

SPSD   Strategic planning Situational Diagnosis

SPF   Strategic planning Formulation

SPIM   Strategic planning Implementation

SPEV   Strategic planning Evaluation

PEST   analysis (Political, Economic, Social and Technological

EPISTEL   Environment, Political, Informatics, Social, Technological, Economic and Legal

Abstract

The study researched the bank strategic planning and management practice in Berhan Banks as the focus. Data were collected through the use of Questionnaire and interview. The population was restricted to management of bank. The respondents fully completed the sample unit of 30 questionnaires and interviews of Department of strategic planning and performance from the sample frame and a non-probability technique called Purposive or Judgmental Sampling was used. The Questionnaires were distributed to management level employees of the bank and result that

The reliability of the tool applied was tested and obtained a Cronbach alpha value of 0.833.From the findings, it was learnt that the result obtained for institutionalization, situational diagnosis, Formulation, implimentation and evaluation of the strategic planning of Berhan Bank to the past 2015/16 to 20219/20 was assessed which was below the mean score. Therefore, the study concluded that Berhan bank should focus more on the strategy situational Diagnosis, institutionalization, Evaluation, implementation and Formulation in descending order. With detail clarities are given The study finally recommended the need for strategic planning in terms of reviewing the strategic planning and updating parts of it in its components to the better performance of the bank to stay competitive. And also, with regard to computer based individual and group performance measurement system.

Chapter One

INTRODUCTION

1.1 Background of the study

Historically, the concept of strategic planning was mainly emphasized in 1943 by John Vieg, a political activist of the time (Bryson, 2010). At the end of the Great Depression and start of World War II, Vieg thought, the US had had enough of negative planning and it was time to move to positive planning (Bryson, 2010). He insisted that municipal planning was adopted by all functions of city governments, not merely some of the physical functions. So we can say that strategic planning started in the 1940s and was popular in the 1960s and 1970s (Lisiński & Šaruckij, 2006).

By the year 1965 frameworks for strategy were becoming popular, and by the 1980s many studies had been written on the impact of strategic planning on a firm's performance and its role in strategic decisions (Grant, 2003). At this stage the concept was used as a panacea for all the problems faced by business organizations (Lisiński & Šaruckij, 2006).

On the same lines, Ologunde & Akinlolu (2012) assume that the role of strategic planning is to set the stage for all other planning in the organization by defining a clear organizational mission and purpose at the corporate level, setting detailed supporting company objectives that guide the whole company and designing the sound portfolio of businesses and products that is best for the company.

In respect to strategic planning, Berhan Bank has a Department called Strategic Planning and Performance Management which works in planning strategically and evaluating and checking the performance of the Branches and Departments through its self-designed parameters. Lastly it has a controlling mechanism through its parameters or standards. But there is a lot to be done in this respect to compete with the Ethiopian Banking industry to cope up with the new entrant and the existed private Banks in the country. To be competent, the bank should have a well-designed strategic plan and control the performance of the Bank in the way that it leads beyond the level where other banks' products and services to win in financial, market capabilities.

The core activities generate two principal sources of income: interest earnings and provision earnings. In the first case, a bank is working on its own behalf and risk; and in the second case on behalf of and at the risk of its clients. It is usual to distinguish between different banking departments such as investment banking, commercial banking, corporate banking, private banking, trade finance, electronic banking, securities, financing and loans, savings and so on. Some banks specialize in one or more of these areas. Universal banks usually cover all activities. Organization is environmental dependent and environment serving. An organization has to develop competitive strategy to out compete the competitors. Strategy links organization to the environment. To achieve its objective the organization chooses strategies that align them properly with environment. This is aimed at avoiding any mismatch between the organization and the environment. This in turn leads to effect on the performance of the organization.

The choice of strategies to employ at a given time is informed by different factors within and without the organization. Different firm's strategies differ from organization to another which is influenced by the external and internal factors. Major factors include firm and industry factors. There have been conflicting views on which factors are more important than the other in influencing strategy .The firm characteristics view which is supported by resource based view of strategy has dominated in theoretical and empirical literature. The choice of strategy is an important step in the strategy development process. Since the beginning of the deregulation of financial institutions in the early 1980's the role of management within the financial institutions has changed significantly. The aspect of planning has been identified as extremely important in determining the growth and success of virtually all businesses.

Porter (1980) wrote a book about Competitive Strategy. He defined competitive strategy as "a broad formula for how a business is going to compete, what its goals should be, and what policies will be needed to carry out those goals." Chandler (1962) in his book Strategy and Structure did a classic study of the relationship between an organization's structure and its strategy. As a result, he defined strategy as "the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources for carrying out these goals."

1.2 Background of the Bank

Banks have an important role in an economy: they are intermediaries between people with shortages and surpluses of capital. Their products include savings, lending, investment, mediation and advice, payments, guarantees, and ownership and trust of real estate. Berhan Bank is one of the private Banks in Ethiopia.

(www.berhanbanksc.com)Berhan Bank S.C was formed in accordance with Article 304 of the Commercial 1Code of Ethiopia with the objective of operating in the banking industry.

This objective has been ensured in Article 3 of the Memorandum of Association of the Company. The Bank was registered and licensed by the National Bank of Ethiopia on 27 June 2009 with a paid up capital of Birr 95.7 Million divided in to shares of Birr 1,000 and an authorized capital of Birr 300 Million.

Berhan Bank with a vision 'to be radiant and trustworthy Bank in Excellence" and with the mission 'provide divers financial products by developing motivated and qualified human resource as well as up-to-date technology with highest ethical standard to create maximum value to stakeholders.

The values in the Bank are Quality service, at most respect to customers, innovation excellent and progress, Integrity and loyalty, professionalism and team spirit, collaboration and partnership, public confidence and rust, Fairness and confidentiality.

Having been registered and licensed by the National Bank of Ethiopia on 27th June, 2009, Berhan Bank S.C got its start its operation on October 30, 2009. Opening its first branch in Addis Ababa near Bole International Airport as 'Berhan International Bank- Bole Branch'

(Annual Magazine of Berhan Bank S.C, 2019/20) With a branch network leapfrogging 231 as at June 30, 2020, headquartered in Bole, Addis Ababa today, it operates in virtually all regional cities of Ethiopia and in their respective towns. The bank has the dedicated esteemed customers and over 4,572 employees, they serve more than half a billion customers across the nation.

With its goal to make banking stress free and efficient, It kept one investing in technology and innovations that enable its customers to reach their goals as in saving, investment, business or managing money. In addition to serving its customers at its networked branches, it offers electronic banking services such as Debit Cards allowing customers to access their accounts at any ATM machine nationwide, introduce Mobile Banking, with a plan to introduce Internet Banking and Agent Banking in the near future.

Beyond local banking services, it has also partnered with international money transfer companies such as Western Union, Money Gram, Ria, Dahabshiil, Trans-Fast, Xpress Money, Taran Express and World Remit.

The Bank's capital base has also kept on showing a steady growth. Its total capital at the end of June 30th 2020 reached Birr 3.4 billion paid up capital reached 2.45 billion. Moreover, the number of shareholders has also significantly increased to over 14,980 making Berhan Bank among the leading private commercial bank with such massive public base.

The pace of global economic activity remained weak in the first half year of 2019/20 following the increased trade tension tightened financial condition and growing political tension among pillar economies the spread of corona virus, which escalated to a pandemic in the second half year of 2019/20has shocked the world economies and put the globe in to unpredictable condition, Further ,the limited knowledge about the virus has moved most powerful economies in to lockdown and eventually in to divers economic disruption and potential recession in general.

Berhan Bank, being part of the banking sector, has experienced most of the aforementioned impacts of the pandemic and the effect has reflected particularly in the fourth quarter of the financial year.

Despite all the odds experienced during the year 2019/20, the Bank exhibited strong operational performance, and was able to bag a gross profit of Birr 707.5 million .and the deposit position stood Birr 16.6 Billion at the end of 2019/20 financial year, (2019/2020,Berhan Bank, Annual report) .when it compared to other Banks in the country the profit of the bank is ranked 12th in 2019/20 financial year.

1.3 Statement of the Problem

 Ethiopia is considered one of the fast growing countries in the Africa, which is a source more than 80% of Blue Nile River which is considered the back bone of the economy to Egypt and Sudan. The hydro power electric need in Ethiopia made her to build a Dam called Great Renaissance Dam from the source of the River Abay which is tribute to Blue Nile; this is expected that it could lead the country economy to grow fast in attracting foreigner investment and improving livelihood of the nation.

(Kalpakian, 2015) Ethiopia would like to use the dam primarily for power generation to rid itself of butane imports and as a catalyst for industrialization.

Further, the recent drop in global economic due to Covid 19 has affected major banks and other micro-financial institutions in the all over the world which put pressure on the government to provide financial support for private and government Banks together with tighter liquidity. This situation called for the adoption of proper strategic planning and management practices by all the major players in the financial sector, so as to cope with unexpected issues and plan future coping strategies.

Over the past few years, a growing amount has been written on strategic management practices worldwide and their impact on organizational effectiveness as well as financial performance, with a few empirical studies focusing on banking and financial systems. It is therefore not surprising that strategic planning and management, as a relatively new phenomenon in the Ethiopia particularly in Berhan Bank, still needs though investigation.

The financial institutions which have a great contribution to growth of a country need to focus on the diagnosis on their strategy plan which is related to their institutional performance a head. Banks should check on the strategic planning and the management of their performance in respect to the real situations in the country. Ethiopia has been able to build a competitive economic system and world-class infrastructure through regional stability, strong international relations and the fast growth of its economy. This steady growth has been due in part to the

significant role played by the banking industry, which provides financial support to individuals and businesses in creating jobs.

Nevertheless, Berhan bank was not immune to the world financial crisis that affects Ethiopia; this made an enormous impact on the country's economic growth and financial stability. And Berhan bank is one of the affected financial institutions by the phenomena real situation in the country and in the world as a whole. Even if a drop in profits was not encountered in the recent year, the Bank will never expect retaining its former growth rate with the situation in the normal circumstances in the country.

Despite the large number of studies that have focused strategic planning preparation and implementation then after the evaluation of the implementation. It is clear that there is no known study that has addressed the strategic planning elements, Implementations and evaluation of the implementations among banking institutions in Ethiopia, particularly in Berhan Bank. In order to cover this research gap, this study will investigate how strategic planning preparation is performed in Berhan Bank. The study findings will be representative Berhan Bank and to some extend the Ethiopian private banking sector. The study will therefore seek to answer the following research questions. To what extent does Berhan Bank engage in strategic planning process and management practices that are identified in terms of such Strategic planning (SP) components as institutionalizing the planning process, Formulation of the strategic plan, conducting the strategic situational diagnosis, managing their implementation and evaluation of the implementation? And to what extent has SP management practices of Berhan bank engaged in the perception of its management level employees.

1.4 Research Questions

The research investigated the relevance of strategic planning process and management formulation of Ethiopia particularly in Berhan Banks and tested any relationships that may exist between SP practices on performance of the Bank, measured in terms of financial and parameters. Based on insights derived from a critical review of the literature on the above variables, the study was designed around the following major research questions:

1. To what extent does Berhan Bank engage in strategic planning and management practices?
2. Which components of strategic planning and management practice did the bank perform good or weak?

1.5 Objectives of the Study
1.5.1 Objectives

Achieving these research objectives would provide substantial insights into and understanding of the effect of strategic planning followed by Berhan Bank on its performance and reveal how the bank should formulate and implement its strategy for superior performance.

1.5.2 Specific Objective

In order to answer the above research questions, the research investigation was divided into five specific research objectives, as follows:

i.   To see the strategic planning practices of the Bank in the perception of it management.
ii.   To assess the gap of the strategic planning and management practices of the Bank for future better performance of the Bank.

1.6 Scope of the study

Due to time, the study investigated the strategic planning and its management practice in Berhan Bank in Addis Ababa, particularly in eight branches and four Departments of the bank. Components of the strategic planning related to institutionalizing the planning process, Formulation of the strategic plan, conducting the strategic situational diagnosis, managing their implementation and evaluation of the implementation was diagnosed to the well-being of the bank. It must be noted that the study was cross-sectional (i.e. data was taken only once for the study) both in study population and time of investigation.

1.7 Definition of Terms

Planning; Hofer & Schendel (2003) asserted that it is an anticipatory decision making process for effective performance. Planning occupies a central position in management and obviously, it

is difficult to talk about management without planning. However, a plan is concrete in nature, does not allow deviation, and is not flexible, but strategic planning is very flexible and open for adaptation and change when needed as a result of real-time strategic issues. Real time management issues translate to surprising changes arising from many sources while implementing strategic plan. The function of planning involves evolving mission statement and objectives as well as designing the actions to achieve them (Oyedijo, 2004). Other important management functions include organizing, coordinating, directing, and controlling.

Strategy: Strategy is the direction and scope of the organization over the long term which deliver a competitive edge for the firm amidst an ever changing business environment. Effective strategy configures a firm's resources and core competencies so as to adequately meet the firm's goals and objectives. Strategy creates a culture in the firm in which the firm only focuses on the value adding priorities in its mission and vision (Johnson, Scholes, and Whittington, 2008).

Performance: it is a measurement of organization efficiency in terms of non-financial (success) or financial. Financial measure comprises such indicators as: profit turnover, return on investment, return on capital employed and inventory turnover the planned against the actual.

Strategic Management: strategic management is the concept of strategy (Ansoff and McDonnell, 2007). There is no universally accepted definition of strategy (Mintzberg, Guinn and Ghoshal, 2003). In the military context, strategy has been associated with how war is conducted. In general application, strategy has been taken as a plan for attaining a goal. Mintzberg and Quinn (1991) have defined strategy using five dimensions. This dimensions" view strategy as a plan, a ploy, a pattern, a position and a perspective. The most basic definition of strategy regards strategy as the long term direction of an organization (Johnson and Scholes, 2004).

Strategic planning: Strategic planning is a vital instrument in an organizational setting. It is defined as the process of determining the future of overall goal or objective of a business. Planning therefore bridges the gap between where we are, and where we want to go (Adeleke, 2001).

Strategic planning is defined as a long-term planning that considers internal and external variables and identifies the targeted market segments and the competition methods (Ali & Al-Jaradi, 2016)

1.8 Significance of the Study

Strategic planning is an important survival tool for organizations and organizations which do not embrace it may end up with being extinct from business. The findings of this study will be of significant to the following: Berhan Bank and other Banks in Ethiopia. It will enable organizations not only in the banking industry but also in the other sectors to understand better the role strategic planning process and its management for the good of the bank.

The findings of the study will also assist Ethiopian private and government banks to understand better how the strategic planning affect the level of performance in service delivery. This may be one way through which the bank can make any necessary changes to ensure harmony between its strategic plans and the level of performance. Banks will find out how strategic planning affects the performance of their operations and service delivery.

1.9 Delimitation/Scope of the Study

The study was limited to Addis Ababa Branches of Berhan Bank and head office Departments exclusively outline branches of the Bank that are outside of Addis Ababa branches. The data will be collected from selected branches of Berhan Bank S.C

1.10 Organization of the study

The paper incorporated five chapters ; the first chapter explained an introduction of the study, Back ground of the study, statement of the problem, research questions, the general and specific objectives of the study, definition of terms, the significance of the study, scope of the study and organization of the study.

The second chapter incorporated the review of literatures. it included the theoretical and empirical literature review were discussed in detail and conceptual review. The third chapter stated research design and methodology, the research design of the study, population and sampling technique, data type and sources, methods of data collection and Data analysis were discussed. The fourth chapter contained data presentation, analysis and interpretation. In the fifth chapter, the researcher revealed with findings, conclusion and recommendations.

Chapter Two

Literature Review

IMF (2016) reported that banking sector accounts for the biggest share of assets in most countries, with the exception of middle income countries, non-bank assets account for more than 50% of financial sector assets in Leseto, Namibia, Swaziland and South Africa. In several countries, state owned bank's asset is sizable like Ethiopia, Rwanda, Seychelles and Seralion.

The application of strategic management in business for various sectors has long been adopted as a response to market demand, variations in clients' taste and changing of technology. Having a good strategy is also important factor that enable the organization/firm to survive and go further.

2.1. Theoretical Review of the Study

Strategic Management Theories and Models

The field of strategic management has advanced both theoretically and empirically. Hitt et al. (2004), and Jasper and Crossan (2012) discussed the general perception of the field and provided the following summary on strategic management.

i. It is a process that involves the whole workforce under the leadership of higher management.

ii. It facilitates the fit between the firm and its external environment.

iii. It raises anticipation, innovation, and excellence, promising a better response in the future.

iv. It achieves the desired performance and strategic goals through change management and organizational development.

v. It continuously communicates decision making.

Bakar et.al. (2011) compared six strategic management models by various authors namely
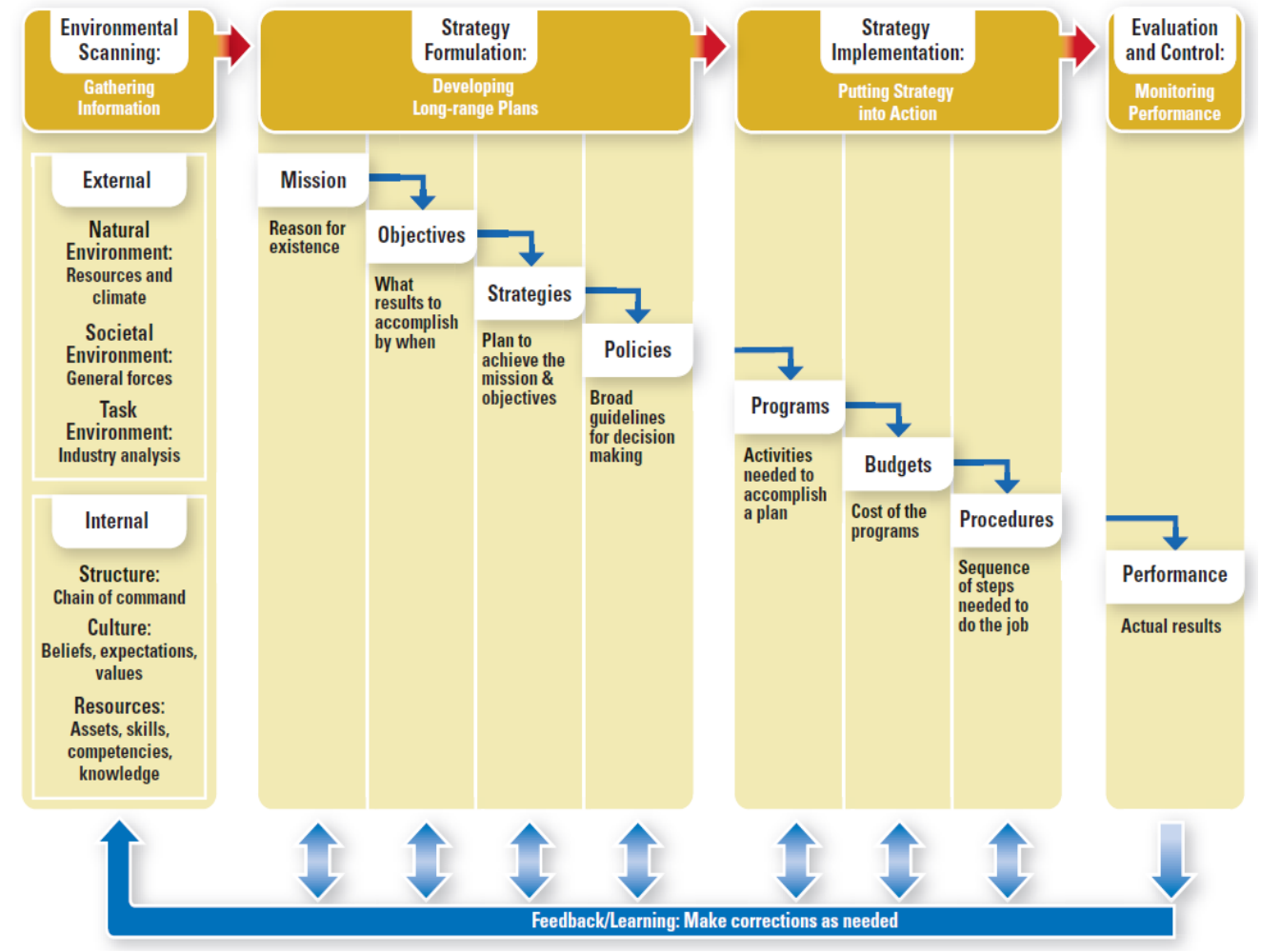
Figure 0.1 Adopted from Wheelen & Hunger (2017) Strategic Management Model

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 interact each other. At the corporate level, the strategic management process includes activities that range from environmental scanning to performance evaluation. Management scans both the external environment for opportunities, threats and the internal environment for 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.

Raduan et al. (2009) found in this field a blend of strategy formulation, implementation, and evaluation. However, they did not refer to participation, despite its significance for strategic management. The researcher believes that, in the fast-paced world of globalization and technological advancement, employee engagement in strategic decisions is no less important than strategic planning and its management. It is often crucial for an organization to involve the entire workforce in policy development initiatives and decisions that lead to the correct strategic sequence for meeting the proposed organizational objectives and goals.

In order to address the strategic issues which have been identified, the financial institution will undertake strategic planning which involves setting strategic goals, action plans, and tactics. The strategic goals should follow the acronym SMART (Specific, Measureable, agreed upon, Realistic, and Time/cost bound) (Thomson et al, 2016).

The basic strategic planning process includes: Identify the purpose (mission statement).This is the statement(s) that describes why the organization exists, i.e., its basic purpose. The statements will change somewhat over the years. Select the goals the organization must reach if it is to accomplish its mission. Goals are general statements about what the organization needs to accomplish to meet its purpose or mission, and address major issues facing the organization. Identify specific approaches or strategies that must be implemented to reach each goal. The strategies are often what change the most as the organization eventually conducts more robust strategic planning, particularly by more closely examining the external and internal environments of the organization. Identify specific action plans to implement each strategy. These are the

specific activities that each major function (for example, department, etc.) must undertake to ensure its effectively implementing each strategy. Objectives should be clearly worded to the extent that people can assess if the objectives have been met or not. Lastly, Monitor and update the plan. Planners regularly reflect on the extent to which the goals are being met and whether action plans are being implemented.

2.1.1. Strategic Management Theories

The Industrial-Organization (I/O) theory and Resource-Based Theory are the two main theories that explain a firm's primary objective in achieving competitive advantage and optimum performance. Both theories are discussed further in this section, with a short description of other related strategic Management theories.

Table 0.1 Theoretical Perspectives on Firm Performance

Theoretical Perspectives on Firm Performance

Theoretical Perspective	Primary Influence on Firm Performance	How perspective is applied to the Case Analysis Industrial
Industrial organization (IO) theory	Structure of the industry	Industry analysis as a part of the external environment
Resource-based theory	Firm's unique combination of strategic resources	Analysis of internal strengths and weaknesses
Contingence theory	Fit between the firm and its external environment	SWOT (strengths, weaknesses, opportunities, and threats) analysis and SWOT matrix

Theoretical Perspective Primary Influence on Firm Performance

How perspective is applied to the Case Analysis

a) Industrial Organization Theory

Industrial Organization Theory is a deterministic theory that explains why firms need to take care of the external environment before constructing their strategy.

It explains that an industry in which a firm chooses to compete has a stronger influence on its performance than do the choices themselves that managers make for the organization. The theory assumes that the external environment creates pressure and constraints on a firm that is working on its strategy. It also assumes that firms competing 14within a particular industry have similar resources under their control.

Therefore, firms in the same industry are more or less equal. Further, it assumes that the resources under the firm's control are highly mobile. According to Flemming (2014), organizations that choose a strategic fit within the industry's forces will be able to prosper, since they determine their strategic plans according to the needs of the industry and are then able to anticipate market fluctuations and build flexibility into their resource allocation.

. It is from such discussions that the researcher envisions a study which can evaluate the strategic fit of the Berhan Bank in the country's financial sector and the impact of their strategy on their performance.

The most popular perspective in industrial organization analysis is that industrial performance is explained by a firm's conduct, which is determined by variables in the market structure (Wirth & Bloch, 1995). The most important variables in defining structure include the number of sellers and buyers, product differentiation, entry barriers to an industry facing new firms and the level of the barriers hindering a firm's exit firm an industry. Variables associated with conduct include pricing, advertising strategies, innovation, investment in production facilities and legal tactics.

b. Resource-Based Theory

This is one of the most widely used strategic management theories. It suggests that, to survive, a firm needs to contribute an added value that is unique and hard to imitate. Wernerfelt (1984) was the first to publish the resource-based view with the primary intention of directing strategy scholars to resources as vital elements of a firm's performance. This is because a firm's strategic resources constitute the sources of sustainable competitive advantage in consequence, an attempt wade to draw up a theory, later named the resource-based view, of competitive advantage to complement Porter's theory (1980).

i) Institutionalizing the Strategic Plan

Tolbert and Zucker (1999) highlight two subsequent processes which form part of the institution's formation and spread. The first is the situation which is about problem-solving attitudes and the link of these attitudes – or behaviors – to particular stimuli. In this case, problem solving is called objectification, which is critical for the transplantation of actions away from their point of initiation.

The authors further describe the situation as a process comprising arrangements for institutional problems and the formalization of these activities in the institution's policies. It can be argued that if the organization and institution which adopts SP does not make it clear to its staff that it intends to adopt new strategies and involves them in the new plans, clarifying the new policies and transformations that the organization will undergo, it has little chance of success. Institutionalizing the planning practices makes the process clear to the employees of the organization. It should also make managers, strategists and policymakers more aware of the significance of institutionalization, a concept that may be somewhat new to some of them. The two authors pinpoint an important concept, staff awareness, which depends on the clarity of the firm's norms, behaviors, attitudes, policies, and procedures. The strategic management process and management practices are described below.

Environmental Diagnosis

This step represents the analysis of the internal and external environment of the organization. Organizations usually use several tools to carry out this analysis, such as SWOT analysis (Strengths, Weaknesses, Opportunities and Threats), PEST analysis (Political, Economic, Social and Technological), EPISTEL tool (Environment, Political, Informatics, Social, Technological, Economic and Legal) and the ARM approach (Targeted strategies, measuring progress approach and impact). SWOT analysis is one of the most popular of these tools as it collects data about the internal and external environment of the organization to be used in strategy formulation. External analysis of the environment is an important source of data that helps the organization identify opportunities and threats such as entry of new competitors, technological changes, enforcing new environmental regulations, and others (Ayanda & Oyinlola, 2014).

Internal analysis is limited to analyzing internal processes, such as production processes, resources and accounting, to identify strengths and weaknesses in order to exploit the strengths of the organization to gain any competitive advantage for the organization and thereby minimize weaknesses such as changing information systems or changing office equipment (Rothaermel, 2017). Organizations should use the environmental scanning for strategy formulation purposes, which contributes to the achievement of the organization's mission (Aremu & Oyinloye, 2014).

Strategic formulation

The strategic plan passes through three phases: vision, mission and objectives. Vision is defined as the future path of the organization that determines what the organization wants to reach and the center it intends to achieve (Rothaermel, 2017). Mission represents the products and services that the organization intends to provide as well as the markets that it intends to enter (Rothaermel, 2017). The objectives are the results to be achieved through outputs that the organization delivers in the form of products or services with specified features that lead to these results or objectives. Based on the environmental analysis, the organization will be able to formulate its strategy to ensure that the objectives are achieved and in line with its vision and mission.

Strategic plan implementation

It refers to putting the strategy into practice and to making sub-organizational entities begin to implement their roles in the strategic plan successfully by building an organizational structure capable of implementing the plan, allocation of supporting budgets and programs to implement the strategy and developing an information system and follow-up reports to monitor the progress of the implementation process, as well as creating an internal regulatory environment that is in line with the success of the strategy (Babafemi, 2015).

Evaluation of the strategic planning v implementation

The process of developing or implementing the strategy cannot be viewed as a one-time task. This means that sometimes the implementation of the strategy is not going well, or there may be changes in the internal and external environment of the enterprise, which leads to the need to do some adjustments to re-route the strategy, furthermore, there may be significant changes at the level of the organization's environment making it necessary to make a change in its strategy (Agwu, 2018).

Strategic Planning and Management (SPM) Practices

Strategic planning is a process of using systematic criteria to analyze external and internal environment of the organization, formulate, implement, and control strategy, and formally document organizational expectations (Higgins and Vincze, 1993; Mintzberg, 1994; Pearce and Robinson, 1994; Piffs and Lei, 2003).

The starting point for this section provides a comprehensive view of strategic planning and management and explores how the proper application of strategic planning and management helps organizations to achieve strategic objectives.

Empirical evidence suggests that strategic planning and management practices exert considerable influence effect on a firm's performance. For instance, Armstrong (1982) reviewed 15 different studies to investigate the benefits of formal strategic planning.

This study was based on firms' use of the five strategic planning processes: 1) developing objectives, 2) creating strategies, 3) evaluating strategies, 4) controlling the process, 5) commitment to the processes.

Performance Measurement

A performance measurement system is recognized as a way for firms to achieve competitive advantage and respond to external changes (Behery, Jabeen, & Parakandi, 2014). A major issue in empirical strategy research is that scholars struggle to find interrelationships between variables and incline rather to hypothesizing and measuring individual constructs (Boyd & Reuning-Elliott, 1998).

(Rummelt, 1994). According to the existing point of view, heterogeneity in the performance indicators can be explained by strategic planning process, strategy formulation and the degree of planning strategy implementation (Minzberg, 1990; Parnell, 1997). Therefore, the impact of the above mentioned three factors on organizational performance is discussed in the following research. The organizational results are measured with two mechanisms - "Objective fulfillment" and "Relative competitive performance". The objective fulfillment shows how an organization manages to reach its outlined short-term or long-term goals, while "Relative competitive performance" show the degree of improvement or worsening the company's performance according to sales, profit, market share, etc.

Organizational performance

Performance Measures - The majority of studies use a variety of measures, such as non-financial (success) or financial. Financial measure comprises such indicators as: profit turnover, return on investment, return on capital employed and inventory turnover. Non-financial measures include innovation and market standing. The measures in the success of a firm's performance generally include the bottom-line and financial indicators such as sales, profits, cash flow, return on equity, and growth. These factors are important to determine how a firm compares with its industry competitors when assessing a firm's performance. With the multitude of competitive environments faced by firms in differing industries, knowing only absolute financial numbers such as sales, profits, and or cash flow is not very illuminating unless viewed in the context of

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how well the firm is doing compared to their competition. Therefore, it is important to use an industry comparison approach when making firm performance assessments for organizations sampled from a wide variety of industries.it is used by many researchers in different combinations.

2.2. Empirical Review of the study

Several studies such as those by Ansoff (1988) and by Layton (1991) showed that a formal strategic planning system was an important factor in leading to corporate success, as measured by financial performance. Other researchers of the strategic planning activity such as Watts (1987) and Malik and Karger (1975) have reported conflicting evidence which both supports and refutes the significance of a formal strategic planning process on the corporate success of an organization.

Robbins and coulter (2002) have stated that strategic management is the process that encompasses strategic planning. Implimentation and evaluation.

Thompson and Strickland (2003) drew five duties in the strategic management process: evolving a strategic vision and mission: starting objectives, strategy formulation strategy execution and analyzing the status of its performance: in order to deter them Johanson and scholes (2004) established a model for strategic management consisting of strategic analysis, planning, and choice and strategy implimentation.

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.

After the studying several works Boyd and Raining-Elliot (1998) revealed incoherence and discordance in the process of measuring strategic planning. They identified the following

indicators: formality, analysis, efficiency, comprehensiveness, size, completeness, meaning, rationality, goal formulation, observation and analysis, processes, factors, systems, clarity, innovation, specifications, abilities and strategy. Most of these works characterized the strategic planning according to the meaning of indicators and formality (Pierce, Friedman and Robinson, 1987) while, other works indicated that knowledge and abilities play more important role than other aspects (Vencatraman and Ramanujam, 1987). Boyd and Roining- Elliot (1998) considered the strategic planning to be a normative process and identified its main indicators: mission statement, tendency analysis, competition analysis, long-term annual goals, action plans and liquidity.

Another well-known management writer Ansoff (1988) indicated that the prescriptions which have been developed for strategic planning were based upon three underlying assumptions. First, reasonable people will do reasonable things, and that managers will therefore welcome new ways of thinking and will cooperate wholeheartedly. The second assumption was that the key problem in strategy was to make the right decision and that existing operation implementation system and procedures would effectively translate strategic decisions into actions. The third basic assumption was that strategic formulation and strategic implementation are sequential and independent activities.

In keeping with the theme of a turbulent environment and the need to anticipate change, Gebelein (1993), stated that structural changes often take place much faster than expected. The strategic choices that companies make now will limit choices and raise new strategic issues in the future. In short, an industry's structure must be continually analyzed, and plans must be created or modified in response to market changes. Ruocco and Proctor (1994) argue that when an organization engages in strategic planning that a structured approach to the process is recommended over the unstructured or informal approach to long-range planning. They also noted that the perceptions of the senior management team involved in the strategic planning process were a critical component in the success of the planning process**.**

Local studies on strategic management by Amelework (2015), with the title of Assessment of Strategic Management Practices In Case of Ethiopian Insurance Corporation, The purpose of this study was to describe the strategic management practices of EIC. The study compares these practices

with the widely accepted theoretical concepts in the field. The research utilized both qualitative and quantitative data. Quantitative data was collected based on the questionnaires distributed to the management and employees. Secondary sources of data including strategic plans and budget preparation guidelines were also used.

A study by Dinberu (2016) articulated the strategy planning, formulation and implementation and monitoring and evaluation practice of Nib International Bank. A descriptive statistics was used to analyze the data gathered. The finding of the study revealed that NIB's practice of communicating the strategy plan was poor and through participation of stakeholders is not realized. In addition, the bank's weak use of SWOT analysis results, misalignment or linkage of strategic plans with work units and individual tasks were observed. The strategic plan also lacks the comprehensive performance measurements and not linked with strategic management.

2.3. Conceptual framework of the study

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┌─────────────────────────────────────────────────────────────────┐
│ Establish mission strategies and key objectives of organization   │
└─────────────────────────────────────────────────────────────────┘
         ↓                                          ↓
┌──────────────────────────────┐      ┌──────────────────────────────┐
│ Examine external environment │      │ Analyze internal strength and │
│                              │      │           weaknesses          │
└──────────────────────────────┘      └──────────────────────────────┘
                          ↓
              ┌──────────────────────────────────────────┐
              │ Determine the most logical group in of    │
              │ activities                                │
              └──────────────────────────────────────────┘
                          ↓
              ┌──────────────────────────────────────────┐
              │ Specify authority and responsible structures │
              └──────────────────────────────────────────┘
                          ↓
              ┌──────────────────────────────────────────┐
              │ Develop the organization structure        │
              └──────────────────────────────────────────┘
```
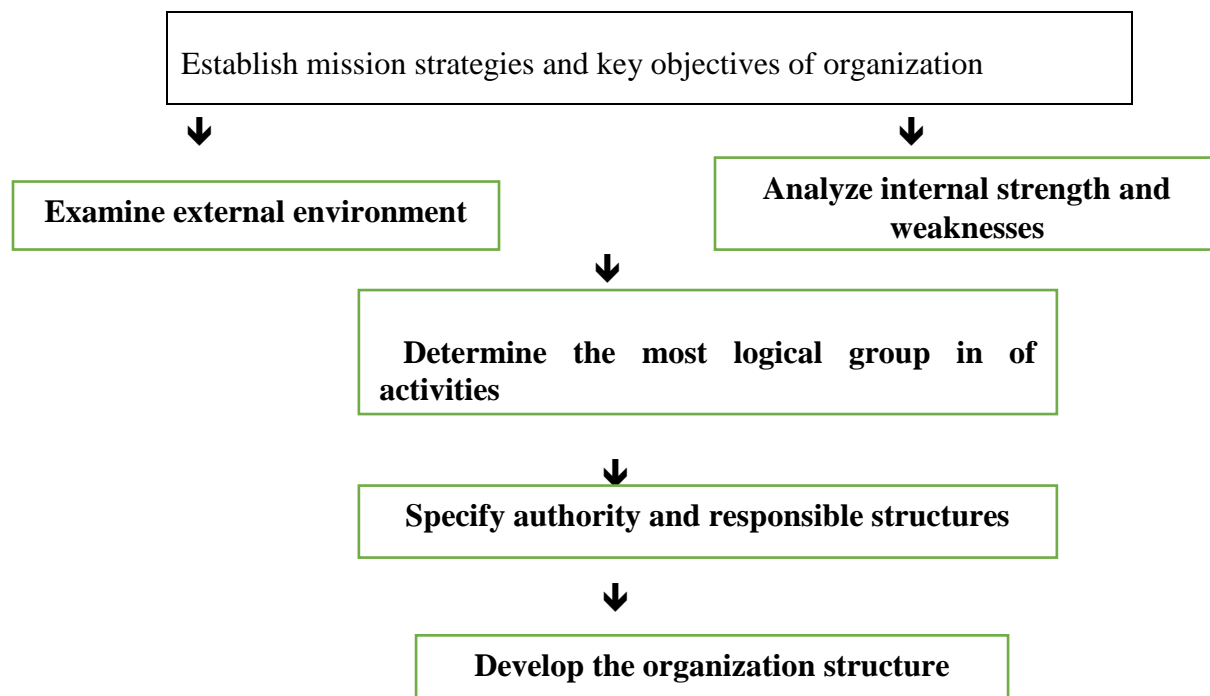
Source: Bennett R, 1996- "Corporate strategy and business planning"

Chapter Three
Research Design and Methodology

This study assessed the strategic planning and management practices in Berhan Bank Under this chapter: the research design, target population and sampling technique, the data collection instruments, the procedure followed during data collection and method of data analysis are discussed as follows;

3.1. Research Design

According to Kothari (2004) the major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research .researcher quite often use the term Ex post facto research for descriptive research studies. The main characteristics of this method is that the researcher has no control over the variables, the researcher can only report what has happened or what is happening. It is a case study of specific bank enables the researcher to have a designed data. in order to asses and describes the present practice of strategic planning and management practice in Berhan Bank S.C. study applied a purposive non probabilistic judgmental approach.

The study also involves study design in addressing the research questions, this is due to the design's suitability in situations where questions such as how, why and what are investigated on a certain phenomenon to give facts of the situation as it is without being subjective to the researcher's perception (Saunders et al., 2007). This design is suitable since only Berhan Bank was used for the study; in an attempt to unveil the strategic planning components and management practices.

3.2. Data type and sources

The data type in this research is mainly the primary data and the secondary data as a support. The primary source of data was collected through the use of self-administered questionnaires from eight branches and four Departments in Head Office. Each questions were designed to evaluate the strategic planning process and management practices of the bank in this regard. The interview of the strategic and performance management Department of the bank two Division mangers.

3.3. Population and Sampling Technique

Population involved Berhan Bank eight Branches in Addis Ababa and four Departments in Head Office out of the 220 Branches and 16 Departments that could be for 30 questionnaires papers to the 30 respondents who are in the management level. The selection is non-probability sampling purposive that is judgmental sampling. The choice of the Branches for the present study was based on their importance in the growth of the Bank and their excellent contribution in the wellbeing of the Bank in profitability, Deposit Balance of branches and Department that that are more related to the concern of the titles of the research as per the annual report of the bank.

3.4.   Instrument of Data Collection

 Sets of questioners have been prepared to collect data. These questionnaires were adopted from which highly fit with the strategic planning processes and its management used and also protested before it was used to collect data so as to ascertain that the questions made sense to respondents and was successful. In order to help alleviate the resource limitation both in time and cost.

The questionnaire is adopted from in a tool. The tools are divided in to six main parts; the first part of the questioner consisted of respondents demographic characteristics, second part of the questioner address institutionalization to the strategic management planning stage of the organizations, the third section measures situational Diagnosis to the strategic planning, and the fourth part is formulation of strategic planning ,the fifth was the strategic management implimentation and the last is evaluation and control practices of the implimentation of the strategic planning and management practices. The questioner had a five point Likert scale.

The method of data collection is survey method. In way of giving questionnaires to the management level employees of the Bank in closed ended questions to 30 employees in total.

The Head Office has offices for the top management staff in all departments and thus was the right place to obtain management and performance information conveniently. Primary data was collected by use of interview guide, which contained open-ended questions. Babbie (2012) noted that the open-ended types of questions allow respondents to give varied answers as well as offer

more information leading to further insights. The targeted informants were three and included: the representative and heads of: strategic planning and performance management Department.

All the interviewees were based at the Head Office and the interviews were conducted face to face by the researcher. The researcher also checked secondary data collection on the company's website, internet, and other published material as sources of secondary data in the bank.

3.5. Data Analysis Methods

The data analysis deals with the analysis of data obtained for this research. Further, presentation and interpretation of the study results obtained through data analysis will also be conducted. In the first step, the researcher will conduct data cleaning to eliminate erroneous and incomplete data to ensure accurate results. Thereafter, the researcher can proceed to discuss the results from the interview. Comparing its strategic plan of 2015/16 to 2019/20and the actual performance of the bank in reality

3.6. Limitation of the Study

This study has limitations that make the finding not foolproof. The study did not cover in full the more than two hundred branches of Berhan Bank. The study was only limited to samples of Berhan Bank senior managers at the Headquarters and city branches only. A wider study is required to incorporate other branches in other to confirm these findings. The study is limited on the strategic planning preparation and management practice in relation to its suitability to the bank.it doesn't incorporate other perspectives.

The findings that reflect the operational efficiency of the Berhan Bank are for a specific period in time, that is, the time growth up to the time when the interview was conducted. Strategic management is itself a highly dynamic activity dictated by the ever-changing factors in a business internal and external strategic environment. The situation might have changed to the better or the worse even soon after the conduct of the interview. That is likely not to be captured by the results of the analysis.

3.7. Reliability and validity

<u>Reliability</u>

1. Institutionalization

The Cronbach alpha test for institutionalizing the planning process was 0.865 which indicates an adequate consistency for the research as shown in Table 3

Table 0.1 Cronbach Alpha Test for Institutionalization Variable

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
SPIN	80.5333	191.775	.425	.249	.865
SPSD	78.0333	188.171	.594	.378	.828
SPF	77.6000	194.800	.616	.494	.826
SPIM	79.2333	176.806	.735	.600	.802
SPEV	80.2000	152.510	.743	.691	.801

Source: own survey result (2021)

2. Situational Diagnosis

The Cronbach alpha test for the Establishment of the Strategic Situational
Diagnosis was 0.828 which indicates an adequate consistency for the research as shown in Table
3.

3. Strategically planning formations

The Cronbach alpha test for establishing the strategic formulation was 0.826 which indicates an adequate consistency for the research as shown in table 3

4. Strategic plan implementation

Alpha test for the management of strategic plan implementation was 0.802 which The Cronbach indicates an adequate consistency for the research as shown in Table 4.

5. Strategic plan Evaluation

The Cronbach alpha test for strategic plan Evaluation was 0.801 which indicates an adequate consistency for the research as shown in table 4;

Validity of the Instrument

Demonstrating validity can be a challenging task, especially in quantitative research, since researchers inevitably infuse their views onto the research (Yin, 2009). Validity refers to the extent to which a scale can measure what it is planned to measure. In other words, it is the degree to which a measuring tool can reflect the differences found among the respondents being studied (Cooper and Emory, 1995; Zikmund, 2003). However, in order to assess these differences and avoid bias, Cavana, Delahaye, and Sekaran (2001) referred to four types of validity, namely, face, content, construct and criterion validity. Face validity Face validity is one of the most important and easiest types of validity to achieve (Neuman, 2011). It is based on the concept that each question on the questionnaire should have a logical connection to a research objective. Consequently, it is important for each item on the instrument to cover the topic or attitude being measured or assessed. Face validity was applied in the present research to evaluate the validity of the questionnaire items in measuring formative and reflective indicators, and accordingly, judge whether the operationalization of a measure correctly reflected the construct. Content validity Content validity refers to the extent to which a questionnaire offers sufficient coverage of the examined questions (Saunders, Lewis and Thornhill, 2009). It is usually achieved through two procedures,of which one is a literature review or previous discussion with others. The other procedure, as recommended by Saunders et al. (2009), is to ask a panel of individuals to evaluate whether the questions in the instrument are essential, useful but not essential, or not necessary. The present study followed the recommendations of Cooper and Schindler (1998) by interviewing some bank managers to obtain their feedback on the measures and comments on the questionnaire. In addition, the conceptual domains of strategic planning and management practices (scanning, institutionalizing, formulation and development) were highly dependent on the extensive literature review.

3.8. Ethical Considerations

Research ethics should operate throughout the formulation and clarification of the research topic, designing the research and access, the data collection, data analysis and writing up of the research (Saunders et al., 2009). Penslar (1995) categorizes the problems that researchers might encounter into three kinds, namely, ignorance, stress and misconduct. He suggests that the first two problems can be controlled by proper planning and preparation, which reduce unethical issues or stop them from coming up. The ethical issues which I considered in the present research as follows: Consent This issue means that it is unethical to gather information without the respondent's approval, willingness, or informed consent (Saunders et al., 2009).   .

3.9. Summary

This chapter described the research philosophy, research approach and research strategy. A positivist philosophy was employed to answer the research questions and meet the study objectives. A cross-sectional survey was selected using the questionnaire method for data collection. A sample was drawn from Berhan bank and the respondents were selected from three managerial levels. Reliability and validity tests were also made, as discussed in this chapter. In the next chapter, the researcher   presents the results of the data analysis.

Chapter Four

Data Analysis and Results

This chapter deals with the analysis of data obtained for this research. Further, presentation and interpretation of the study results obtained through data analysis is also conducted. The quantitative data was analyzed and interpreted using descriptive statistics. Descriptive results will be presented.

In the first step, the researcher conducted data cleaning to eliminate erroneous and incomplete data to ensure accurate results. And mean comparing was conducted in IBM SPSS 23.

In this study though it is observed that the level of SP practice in banks, it would be interesting to know if there are significant practices pertaining to the sub-components of SP Accordingly, the interview results can be discussed and the results analyzed, lastly the strategic plan of the bank and the actual performance of the bank can be compared to reach to its conclusion.

4.1. Sample Characteristics

A total of 30 questionnaires were distributed to branches in Addis Ababa and four Departments of Berhan Bank and 30 of them were completed and returned that results a respondents response rate of 100%.,an initial analysis of the study respondents was made, as presented in Table 4. In total, 30 respondents participated in the survey. With respect to age, the participants were split into four groups (Under 30 years, 30-40 years, 41-49 and 50-59 years). The data show that 83.35% of the respondents were 50 and below 50 years old.

Table 0.1 the age of the respondents

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	under 30 Years	2	6.7	6.7	6.7
	30 -40 Years	11	36.7	36.7	43.3
	41 -50 Years	15	50.0	50.0	93.3
	51-60 Years	2	6.7	6.7	6.7
	Total	30	100.0	100.0	100

Source: own survey result (2021)

As far as qualifications are concerned, the data showed that 56.7% of the participants had a master's degree while 43.3% of them, the next largest group, were associate degree holders. This analysis showed that the respondents were generally well educated and not challenged by understanding and responding to the survey questionnaire.

the education level of education level

Table 0.2 the education level of education level

Education	Frequency	Percent	Valid Percent	Cumulative Percent
Associate Degree	13	43.3	43.3	43.3
Master's Degree	17	56.7	56.7	100.0
Total	30	100.0	100.0	

Source: own survey result (2021)

The data collected from Berhan Bank, showed that. This allocation was proportional to the distribution of branches in the final sample in which 8 branches of the bank and 4 Departments. The dataset of the study showed that the sampled participants represented different ranks in their respective areas. More than two-thirds (70%) of the respondents held middle-level managerial positions. The number of first line managers came second, as more than one-fourth (26.7%) of the total respondents. The lowest numbers were represented by top level manager who comprised only 3.3% of the total population.

The Level of Management Level of the Respondents

Table 0.3 The Level of Management Level of the Respondents

Level of management		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Top Management	1	3.3	3.3	3.3
	middle management	21	70.0	70.0	73.3
	First line management	8	26.7	26.7	100.0
	Total	30	100.0	100.0	

Source: Own Survey results (2021)

Time spent in their current position showed a consistent pattern: that the longer the number of years a respondent had spent in her/his current position, the lower the number of respondents who had done the same.

The education level of the respondents

Table 0.4 the education level of the respondents

Education		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Associate Degree	13	43.3	43.3	43.3
	Master's Degree	17	56.7	56.7	100.0
	Total	30	100.0	100.0	

Source: Own Survey results (2021)

Among all, 43.3% of the respondents had had below 5 years of experience in their current position, and 36.7% had had 5-10 years of experience there and 13.3% of the respondents had (11-15) years of experience. The respondents with more than 15 years of experience in their current position represented only 6.7% of the total. That showed the bank in middle managements are

the work experience of the respondents

Table 0.5 the work experience of the respondents

Work Experience		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 to 5 Years	13	43.3	43.3	43.3
	6 -10 Years	11	36.7	36.7	80.0
	11-15 Years	4	13.3	13.3	13.3
	more than 16 years	2	6.7	6.7	6.7
	Total	30	100.0	100.0	100.0

Source: Own Survey results (2021)

The first objective of this study is to assess the extent of strategic planning practiced by Berhan bank. For this purpose, the response scores (ranging from1 to 5) received from the respondents from branches and Departments of Berhan bank were averaged and a summary score was calculated for each of the five sub-dimensions of Strategic planning present in the

bank. These sub-dimension scores were finally averaged to arrive at the 'extent of SP practice' prevalent in the bank under study.

4.2. Data Screening

It is necessary to check data files for any form of errors before analyzing the data (Pallant, 2011). There are three main essential checks to make for data screening.

a. Missing value analysis

b. Checking aberrant values/checking for errors.

c. Observing data normality.

4.2.1. Missing Value

Analysis Missing values in a data set are a common phenomenon in research, particularly in social science research (Enders, 2010). Missing values can significantly cause the results of the data to deviate if present in large quantity. Therefore, researchers do a careful examination of missing values in data sets before applying statistical tests (Hair et al., 2006; Tabachnick et al., 2007). In the current study, missing value analysis was conducted using SPSS and frequency distribution of variables involved. The analysis showed that no missing values had appeared in the dataset. This may have resulted from our earlier scrutiny of the survey questionnaires to exclude any with missing values. It is annexed II

4.2.2. Aberrant Values

Aberrant or abnormal values are those that fall beyond the normal values of that specific variable. For example, in the present study, the researcher coded gender as 1 = male and 2 = female. So any value less than 1 or greater than 2 would have been considered an aberrant value. In order to observe any aberrant values, we found the minimum and maximum values of all variables. The result showed that the value of the items of all the variables falls in their prescribed range.

4.2.3. Data Normality

The normality of the data is assumed to describe a bell-shaped and symmetrical curve in which the greatest number of scores fall in the middle, and few frequencies fall toward the extremes (Gravetter and Wallnau, 2004). In order to find the normality of data in the present study, the skewness, Kolgomorov Smirnov test is conducted. The result of the Kolmogorov-Smirnov normality test, displayed in Table (a), shows that most of the values are significant, suggesting normality of the data. However, for further verification, skewness and kurtosis values are also analyzed.

4.3.   Reliability and Validity – SP

After finalizing the factor structure for independent variables, the reliabilities and validities of the scales were calculated. Reliability refers to the internal consistency of the scale (Pallant, 2011). To establish the reliability of a given scale, the composite reliability should be higher than 0.7 (DeVellis, 2003). The CR value of all scales used in the present study was higher than the ideal value of 0.7 . The validity of the scale, for its part, refers to the degree to which the scale measures what it is supposed to measure (Pallant, 2011). The validity of the scale was analyzed using average variance extracted (AVE). Thus, convergent validity was established, since the AVE values were higher than the threshold limit of 0.50.

4.4.   Extent of Strategic Planning and Management in Berhan Bank

The first objective of this study is to assess the extent of strategic planning and management practiced by the bank. For this purpose, the response scores (ranging from1 to 5) received from the respondents from each branches of the bank was averaged and a summary score was calculated for each of the five sub-dimensions of Strategic planning present in the bank. These sub-dimension scores were finally averaged to arrive at the 'extent of SP practice' prevalent in the banks under study. The results revealed that for, the level of SP practice was not as such good with the summary SP scores placed above 3.14 out of a maximum score of 5. The following showed sub-dimensional picture of strategic planning and management practiced by the bank. These observations help us in answering the first objective and reveal that the extent of strategic

planning and management practice is not quite good among the banks. Detailed analysis of the five SPM components, however, reveals that there are variations in the sub-dimensional scores of SPM less in Berhan bank. The sections below discuss the details. Out of eight branches of the bank and four of the Department in Head Quarter of the bank, the scores of all the branches and Departments on strategic planning and management practices are shown below in Tables

4.4.1. Descriptive analysis

The tables under shows the descriptive results in terms of mean scores and standard deviations on elements of strategic planning and management practices in Berhan Bank. The result are shown in terms of mean score which range from 5 to 1 as was the Likert scale used in the questionnaire, values closer to 5 indicate higher agreements with the statement while lower values indicate little agreement with the statement. To those yes or no questions the researcher encoded 5 to yes and 1 for responses meant to say no. AMCES also gave the mean groups as follows those results having less than 3.5 needs major improvements and a mean values greater than 3.5 means doesn't need major improvements.

The data in the table includes the mean's values for all elements in strategic planning and management practices related to the -five perspectives of strategic planning ranged between 2.30 and 4.00 with an average of 3.17 which is considered to be as such neutral.

a. Strategy Institutionalization

Examination of the score data shows that on the first dimension, institutionalization,

Table 0.6 institutionalization Data Presentation

	Statement	Mean	Std. Deviation	N
	Institutionalization			
Q1	Top management takes formal responsibility for the Bank's strategic business planning	3.77	.971	30
Q2	Strategic planning is top priority activity, performed on a regular basis, e.g. each year	2.53	.973	30
Q3	The bank follows a defined set of procedures in its strategic planning process	3.07	.828	30
Q4	The bank provides resources (managers' time, money, staff support) specifically to strategic planning.	3.67	1.093	30
Q5	All managers in branches and Departments participate in the strategic planning process.	2.37	1.033	30

Source; Own survey (2021)

As shown on table 4.6 Item (Q1) respondents were disagree with 3.77 mean and SD 0.971 on the statement that the bank lets Top management takes formal responsibility for the Bank's strategic business planning. This indicates that preparing strategic planning is the responsibility of the top management of the bank. The middle managers are not allowed to participate in preparing the strategic planning.

Regarding this under table (Q2) respondent was asked whether Strategic planning is top priority activity, performed on a regular basis. Accordingly majority of the respondents were disagree with mean 2.53 and SD.973 This reveals that the strategic planning preparation is not give more attention as a top priority in the bank.

As indicated under table 4.6 item (Q3) the result of the respondents shoes that neutrality is observed that weather The bank follows a defined set of procedures in its strategic planning process.to the question of this is evidenced with mean value of 3.07 and SD .828 This indicates that the bank follows sets of procedure in strategic planning processes.

According to the response result that is indicated under table 4.6 item (Q4) respondents were agreed with mean 3.67 and SD 1.093 on the statement that The bank provides resources (managers' time, money, staff support) specifically to strategic planning.. As the majority of the respondents agreed on that. it indicates that the bank provides resources to the branches and departments as per the requests.

As per the response result that is indicated under table 4.6 item (Q5) respondents were disagreed with mean 2.37 and SD 1.033 on the statement that the bank doesn't let all managers in branches and Departments participate in the strategic planning process. As the majority of the respondents disagree on the participation of all managers in branches and Departments participation in the strategic planning process.

b. Strategy Situational Diagnosis

Examination of the score data shows that on the first dimension, Situational Diagnosis,

Table 0.7 Situational Diagnosis Data Presentation

	Statement	Mean	Std. Deviation	N
	Situational Diagnosis			
Q1	The bank periodically gathers and analyses data about market or other geographic and /or demographic and or psychographic segments.	2.30	.651	30
Q2	The external /market analysis identifies key threats to the business and key opportunities.	3.43	.728	30
Q3	The Bank assesses the industry as a whole in terms of new competitors and concepts, new technology, procurement practices, price trends, labor practices, etc.	2.33	.844	30
Q4	The Bank assesses institutional factors such as cost and availability of capital, government regulation and the economy.	2.67	.922	30
Q5	This internal analyzes identifies key strength and weakness in the bank.	3.53	.730	30
Q6	After completing its external and internal analyses, the bank reviews the mission and goals in light of apparent threats/ opportunities and strength /weakness.	3.27	.740	30

Source; Own survey (2021)

 In situational diagnosis, the bank is strong in the external /market analysis identifies key threats to the business and key opportunities.

These mean's values indicate that the bank adopts strategic planning in most of its components but there are weaknesses in few areas. Of which can be elaborated.to support the strategic plan.

And checking the response of the respondents from the list given to the strategic plan of the situational diagnosis has got mean of 2.92 of to 5. This also indicates the bank made the situational diagnosis to the strategic planning has weaknesses in some areas. . According to the responses of respondents the assessment of The bank periodically gathers and analyses data about market or other geographic and /or demographic and or psychographic segments were seen weak with the mean value of 2.33 out of 5.

And in gathering and analyzing the data about market or other geographic and /or demographic and or psychographic segments. The bank perception was seen weak according to the response of the respondents with the mean value of 2.30 and it is seen on the situational diagnosis assessment of institutional factors such as cost and availability of capital,

government regulation and the economy is seen as weak with mean value of 2.67 as per the responses.

value of 3.43 and in the average mean of external /market analysis identifies key threats to the business and key opportunities is 3.53.that shows the bank is good at analysis SWOT analysis preparations.

The bank is strong in this internal analyzes identifies key strength and weakness in the bank with the mean.

c. Strategy planning Formulation

Examination of the score data shows that on the first dimension, Situational Diagnosis,

Table 0.8 Formulation Data Presentation

No.	Question Statement of Strategic Formulation	mean	S.D	N
Q1	The Bank uses the SWOT factors that are determined from environmental analysis to formulate strategic plan options.	3.97	.615	30
Q2	The bank announces its vision, mission and objectives, goals and setting policy guidelines to achieve.	4.00	.455	30
Q3	The bank considers market penetration options e.g. pricing, promotion, market expansion, Segmentation to formulate strategic plan.	2.50	.974	30
Q4	The planning process is based on criteria by which options can be compared and selected.	3.23	.817	30
Q5	The Bank decides its strategic plan based on feasibility and risk/return criteria.	4.00	.643	30

Source; Own survey (2021)

According to the respondents on the bank strategic planning process on formulation under table 4.8 item (Q1), Majority of them agreed with the mean and SD of 3.97 and .615 on the statement that if The Bank uses the SWOT factors that are determined from environmental analysis to formulate strategic plan. This implies that the bank uses the SWOT factors that are determined from environmental analysis to formulate strategic plan options and it is obviously revealed.

Regarding this, under table 4.8 item (Q2) respondents were asked whether the bank announces its vision, mission and objectives, goals and setting policy guidelines to achieve as

a result majority of the respondents agreed with the mean of 4.00 and SD of .455. This implies that the bank has formulated and announced its vision, mission, objectives, goals and setting policy guidelines to achieve to the bank to managers and its employees and others clearly.

As indicated under table 4.8 item (Q3) majority of respondents didn't support the argument that The bank considers market penetration options e.g. pricing, promotion, market expansion, Segmentation to formulate strategic plan with mean value of 2.5 and SD 0.974 This indicates that the bank does not uses market penetration option.

As per the response result that is indicated under table 4.8 item (Q4) respondents were agreed with mean 3.23 and SD 0.817 on the statement that The planning process is based on criteria by which options can be compared and selected. As the majority of the respondents agreed, it indicates that the bank compare and select among options to the planning process in some degree level.

According to the responses Q5 on formulation with the mean of 4 and SD .643 to the questions if The Bank decides its strategic plan based on feasibility and risk/return criteria.it indicates that majority of the respondents agreed on the issues.

d. Strategic planning and management practice implementation

Examination of the score data shows that on the first dimension, implementation,
Table 0.9 strategic implementation Data Presentation

No.	Statement Questions of implementation	Mean	Std. Deviation	N
Q1	The bank makes strategic decisions (implementation action plans) based up on the strategic plan.	3.37	1.033	30
Q2	The bank clearly assigns lead responsibility for action plan implementation to a person or alternately, to a team.	3.00	.910	30
Q3	The bank provides resources and managers' time, money, staff support, etc.) Allocated specifically for strategic planning implementation.	3.10	.759	30
Q4	The bank sets clearly defined and measurable performance for each plan element.	2.73	.980	30
Q5	Policies are put into action through the development of programs, budgets and procedures in the Bank.	4.00	.788	30

Source; Own survey (2021)

The average mean of the strategic planning and management practice implimentation is 3.24

As per the respondents responses on the bank strategic planning process on implimentation under table 4.9 item (Q1), even though Majority of them agreed with the mean and SD of 3.37 and 1.033 on the statement, a little concentration gap is show as per the responses.

According to the response of respondents in (Q4) with the least mean value of 2.73 in that weather The bank sets clearly defined and measurable performance for each plan element.

e. strategic planning and management practice Evaluation

Presentation of strategic planning and management practice evaluation

Table 0.10 Evaluation Data Presentation

No. Statement Questions of implementation	Mean	Std. Deviation	N
Q1 The bank reviews monitoring data regularly, and revise strategic decisions as appropriate.	2.87	1.042	30
Q2 The bank systematically measures actual performance.	2.83	.950	30
Q3 The bank develops an organized system for monitoring how well those performance standards were met.	2.83	1.020	30
Q4 Individuals are responsible for strategic planning and implementation rewarded for successful performance.	3.33	.994	30
Q5 If the performance does not match the standards set by the bank, correcting measures will be taken..	3.90	.607	30

Source; Own survey (2021)

According to the response of respondents, the components of the strategic plan management practice evaluation, according to the response of respondents in table 4.10. It has got average mean of 3.05 of 5 biased to neutral,

According to the respondents responses evaluation the implementation of the strategic plan, the following were seen as a weakness of the bank with the mean value of 2.87 reviewing the monitoring data regularly, and revise strategic decisions as appropriate .and with the mean 2.83 is in measuring actual performance systematically was weak as per respondents., The bank hardly developed an organized system for monitoring how well those performance standards were met With the mean value of 2.83 each.

The bank reviews monitoring data regularly and revise strategic decisions as appropriate.

Strategic plan in respect to institutional has average mean of 3.08 out of 5 .ta could lead to see the bank may perform less in this respect

In the institutionalization out of 5 the respondents mean 3.77 to this near to strongly agreed that shows The Top Management takes formal responsibility to draw the strategic plan of the Bank. And it is also revealed on the mean of 3.67 that the bank allocates its resources to support the accomplishment of the strategic plan whereas mean value of 2.37 from the respondents of the bank shows the bank performance is weak in respect to opening its doors to middle level managers in branches to let them participate in the strategic planning process, and the mean value of 2.53 out of 5 found from the respondents response shows ,the bank has given lesser attention in assessing the industry as a whole in terms of new competitors and concepts, new technology, procurement practices, price trends, labor practices etc. and it has less accomplishment in this area, etc. In turn it will be reflected positively on the financial performance of the bank in all perspectives,

Generally, According to the respondent's responses, average mean of the five components in the strategic plan of the bank the average mean of 3.1. This shows that the bank performs has got some gaps in preparation and accomplishment of strategic plan for the five years from 2015/16 to 2019/20 fiscal years.in a sequence of descending order Situational Diagnosis, Institutionalization ,Evaluation ,Implimentation and Formulation the gaps are seen as per the responses of the respondents in the management level workers.

4.5. Interview responses presentation

The results of the study were addressed according to the specific objectives of the study as below.

Data presentation on the interview

4.5.1. Situational Diagnosis

According to the respondents' response in the interview if the bank considered on the situational diagnosis of the strategic planning formulation of the bank in 2015/16 to 2019/2020 any situations of the country, the respondents answered that the bank had a situational analysis by its own, it had its own SWOT analysis in considering PEST and other situation in the country and in the bank itself. Unfortunately the changes of laws \by

Government in national Bank of Ethiopia and the economic situations and political situations were unexpected and they had some effect in the real situations encountered by the bank, the Covid 19 situation in the country had also some effects to the real situation of the bank. The formal strategic plan of the bank was written and being applied and even if the bank was trying to reduce the effect of the changes, the bank had given more concern to remain honest and keeps its integrity in any situations.

4.5.2. Formulation

As the interview respondents' response of the bank to the question if the bank has a revised or launched a strategic planning to the ongoing work years to come. The interviewee said that after the strategic plan of the previous five years from 2015/16 to 2019/20.,the bank has not launched a new strategic plan to one year instead the bank had already present a transitional strategic plan until the new five years strategic planning is functional to the next five years.

4.5.3. Implementation

The respondents explained that strategy implementation procedures were necessary to success of the bank. Time was thus taken in ensuring a careful execution of a strategy. The respondents also focused that most of the strategies that have been adopted by the bank have escalated the bank's competitive advantage. This was attributed to careful implementation of well formulated strategies as well as engagement of employees.

The Departments in which the work are led by, prepared the manual policy and guidelines to ease the accomplishment of the target set by the Strategic Planning and Performance Management Department of the bank as it is cascaded to each branch and Department annually, semi-annually, quarterly and monthly.

4.5.4. Evaluation

As per the respondents in the interview to the question that how the bank was collecting data to measure the performance of branches answered that the collection of data are taken through reports of the core banking financial report of the bank manually.

According to the responses of the interviewee, Among the key performance indicators of the branches were Deposit amount of the branches and foreign currency collection, number of

customers, the number of ATM Cards issuance by branches, the amount and number of guarantee letter issuances, mobile banking usage, holding the controlling expenses, amount of cash withdrawal from ATM, reducing the amount of non-performing loans in the branches but the performance indicators of the branches were seen as per the annual plan given to them against their actual performance at the end of each fiscal years.

The measurement of the performance to branches is given with colors as a symbol.

Green: it is a color which represents the high performance accomplishment in the bank.

Yellow: it is a symbol of average performance accomplishment

Red: It is symbol of satisfactory performance accomplishment

Black: it is a symbol of low performance accomplishment per year.

A reward structure was linked to accomplishment of results as a way of encouraging branches and Departments. Or degraded employees of the branches with the low performance the branch managers to make them as a relief manager, Annual amount of bonus payment is less than branches with the good performance in the specific fiscal years.

Chapter Five

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of the Finding.

The main objective the study is to examine the factors affecting the financial performance of Berhan Bank S.C In accordance with the results of the data analysis the following conclusions are listed.

According to the respondents response on the general question to the respondents 43% of the Berhan bank managerial level respondents have Degree level education and 56.7% of respondents had Master's Degree level education qualification, this showed most of the respondents are educated enough to understand and have knowledge to respond the questionnaires, regarding the age of the respondents 83.3% that is .most of the managerial level respondent of the bank are above 30 years of age. This showed that they are matured enough to be managers of the branches and Departments of the bank.. Since 3.3% of the respondents were top management and 70% of the respondents were middle level management. The top management participation was limited in the research.

From the five elements mentioned in the strategic planning of the this research in Berhan Bank, according to the responses of respondents with the average mean of 2.92 which is scored the least or weakest side in the bank is seen in situational Diagnosis with the mean of 2.30. The bank periodically gathers and analyses data hardly about market or other geographic and /or demographic and or psychographic segments.in addition to that with the mean of 2.33 and 2.63 which was performed weaker in assessing the industry as a whole in terms of new competitors and concepts, new technology, procurement practices, price trends, labor practices, etc. and assessing institutional factors such as cost and availability of capital, government regulation and the economy.

From the strategic planning and management practice elements, on the institutionalization, the lowest average mean with 3.08 out of 5.it is with mean indicated with mean of 2.37 that all managers of the bank has not got the participation in strategic planning; process of the bank before it descends down to the branches and Departments to score excellent performance of the bank. The last but not the least according to the respondent's response was in institutionalization with the mean 2.53 the bank lacks making Strategic planning as a top

priority activity, performed on a regular basis, e.g. each year. it is also revealed in the interview of the Corporate Strategic Planning and performance Management Department of the bank on the strategic plan of the bank, Since the previous five years from 2015/16 to 2019/20 years strategic plan. The bank has not formulated and made it functional the new strategic plan to branches and Departments in Head Office yet.

Moreover, the average mean of evaluation 3.15 in the management practice of the bank ,even if the bank has got strength in this part there were weakness seen with the means that were listed 2.87 out of 5 were seen according to the response of the respondents on evaluation that indicated the bank was weaker in reviewing the monitoring data regularly and revise strategic decisions as appropriate, and also with mean value of 2.83 the bank is weaker measuring the actual performance of the branches and Departments and the bank did not develop an organized system for monitoring how well those performance standards were met. According to the response of the respondents from the interview, the bank is collecting the data of the branches and Departments in order to evaluate the performance as per the key performance indicators held by the bank.

Even if there are weaknesses in some parts implementation of the strategic planning and management practice like with the mean of 2.73 out of 5 in lacking to set clearly defined and measurable performance for each plan element in the bank, the implementation as a whole was found to be in average mean of strength with 3.24. That is in a level to get stronger

✓ According to the interview result the bank has not let the whole management to participate in preparation of strategic planning as institutionalization.

Situational Diagnosis parts of the bank in the strategic planning part were not reviewed as changes were occurred in the actual situation in the political, economic and social situations in the external environment.

5.2. Conclusions

Among the strategic planning process and management practices, the elements mentioned in the research that can contribute to the success of preparation of well-structured strategic planning to a good performance of Berhan bank are 1.situational Diagnosis, 2.evaluation of implementation against the plan, 3.institutionalization, 4. Implementation and 5. Formulation in descending order.

✥ The bank lacks periodically gathering and analyzing data hardly about market or other geographic and /or demographic and or psychographic segments and in assessing the industry as a whole in terms of new competitors and concepts, new technology, procurement practices, price trends, labor practices, etc. and assessing institutional factors such as cost and availability of capital, government regulation and the economy.

✥ The bank has not facilitated the participation in strategic planning; process of the bank before it descends down to the branches and Departments to score excellent performance of the bank. in institutionalization and

✥ The bank lacks making Strategic planning as a top priority activity, performed on a regular basis, e.g. each year. it is also revealed in the interview of the Corporate Strategic Planning and performance Management Department of the bank on the strategic plan of the bank, Since the previous five years from 2015/16 to 2019/20 years strategic plan. The bank has not formulated and made it functional the new strategic plan to branches and Departments in Head Office yet and working in the transitional strategic plan.

✥ The bank has gap in reviewing the monitoring data regularly and revise strategic decisions as appropriate.

✥ The bank has a gap in measuring the actual performance of the branches and Departments and the bank did not develop an organized system for monitoring how well those performance standards were met. From the interview, the bank is collecting the data of the branches and Departments to evaluate the performance as per the key performance indicators held by the bank manually from the records in the financial reports of branches.

5.3. Recommendations

Based on the major findings the following recommendations are forwarded: and in each part of the strategic planning and management practices, the bank is recommended to upgrade its self in the following matters;

- In the strategic planning, institutionalization, Berhan bank should give concern to the strategic planning and its management as a top priority activity which should be performed on a regular basis by the bank to be immersed in the higher performance.

- The bank should let the middle level management to engage in participation in processing of the strategic planning of the bank. As institutionalization is taken that may contribute to the higher performance of Berhan Bank.

- In situational Diagnosis the bank should work on periodically gathering and analyzing data about market or other geographic and /or demographic and or psychographic segments.

- In situational Diagnosis, The Bank should assesses the industry as a whole in terms of new competitors and concepts, new technology, procurement practices, price trends, labor practices, etc.

- In situational Diagnosis, the Bank should assess institutional factors such as cost and availability of capital, government regulation and the economy formally.

- In Formulation, The bank should consider market penetration options e.g. pricing, promotion, market expansion, Segmentation to formulate strategic plan to well-designed strategic planning.

- In implementation, The bank should set clearly defined and measurable performance for each plan element than ever before.

- In evaluation the implementation of the strategic planning, the bank should put a controlling expense as one of the key performance indicators with a greater weight to measure the performance of the branches and Department among other performance indicators. That may lead the bank to score better performance.

- The bank should review monitoring data regularly and revise the strategic decisions as appropriate that may lead the bank to get the better performance.

▪ The Bank should develop an organized system for monitoring how well the key performance indicators are achieved or met by each branch and Department to increase its performance.

▪ The bank should let the middle level management to engage in participation in processing of the strategic planning of the bank. as institutionalization is taken that may contribute to the higher performance of Berhan Bank. Dauda et.al. (2010) emphasized the key for effective strategy formulation and execution is when managers consider the organization as a whole and not as any entity made of distinct and independent business units, and must include everyone in the organization because strategy is a detailed plan for a business in achieving success.

5.4.   Limitation and direction for future research

It must be noted that the results found, and conclusions drawn are subject to the limited area and cross-sectional nature of study. Further studies on more branches of the bank and other banks will be helpful in validating the results achieved and discover additional results that will enable Berhan Bank to identify and deliver better performance on the most influential factors that affecting the performance of the bank.

Finally it can be recommended, further research on assessment of strategic planning and management practices to the performance of the bank and on other related areas will be helpful to validate the results found from this research and help Berhan Bank S.C and in clearly identifying the challenges faced by the Bank, identify the most influential factors that affects the performance. Further studies may also identify the impact of other factors that limit the performance of the bank which have not been included in this study with the perspective of other researchers.

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Annexes

Aannex1
Descriptive Statistics

	N	Mean	Std. Deviation
SPIN1	30	3.77	.971
SPIN2	30	2.53	.973
SPIN3	30	3.07	.828
SPIN4	30	3.67	1.093
SPIN5	30	2.37	1.033
SPSD1	30	2.30	.651
SPSD2	30	3.43	.728
SPSD3	30	2.33	.844
SPSD4	30	2.67	.922
SPSD5	30	3.53	.730
SPSD6	30	3.27	.740
SPF1	30	3.97	.615
SPF2	30	4.00	.455
SPF3	30	2.50	.974
SPF4	30	3.23	.817
SPF5	30	4.00	.643
SPIM1	30	3.37	1.033
SPIM2	30	3.00	.910
SPIM3	30	3.10	.759
SPIM4	30	2.73	.980
SPIM5	30	4.00	.788
SPEV1	30	2.87	1.042
SPEV2	30	2.83	.950
SPEV3	30	2.83	1.020
SPEV4	30	3.33	.994
SPEV5	30	3.90	.607
FPMK	30	2.67	.711
FPCST	30	3.30	.794
FPROE	30	2.70	.651
FPEX	30	2.53	.571
FPPR	30	3.60	.814
Valid N (listwise)	30		

Source: own survey result (2021)

Annex II

Table checking of the missing values.

Item	N	Missing	
		Count	Percent
SPIN1	30	0	0.00
SPIN2	30	0	0.00
SPIN3	30	0	0.00
SPIN4	30	0	0.00
SPIN5	30	0	0.00
SPSD1	30	0	0.00
SPSD2	30	0	0.00
SPSD3	30	0	0.00
SPSD4	30	0	0.00
SPSD5	30	0	0.00
SPSD6	30	0	0.00
SPF1	30	0	0.00
SPF2	30	0	0.00
SPF3	30	0	0.00
SPF4	30	0	0.00
SPF5	30	0	0.00
SPIM1	30	0	0.00
SPIM2	30	0	0.00
SPIM3	30	0	0.00
SPIM4	30	0	0.00
SPIM5	30	0	0.00
SPEV1	30	0	0.00
SPEV2	30	0	0.00
SPEV3	30	0	0.00

SPEV4	30	0	0.00
SPEV5	30	0	0.00
FPMK	30	0	0.00
FPCST	30	0	0.00
FPINT	30	0	0.00
FPEX	30	0	0.00
FPPR	30	0	0.00

Source: own survey result (2021)

APPENDIX

QUESTIONNAIRE FOR MSE OPERATORS

SAINT MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES   MBA PROGRAM

SECTION 1: INTRODUCTION

Dear respondent, I am a graduate student in the Department of Business administration, Saint Mary's University. Currently, I am undertaking a research titled 'the EFFECT OF STRATEGIC PLANNING ON THE PERFORMANCE OF THE BANK".

. You are requested to fill the question with faithfully.

I confirm you that the information that you share me will be kept confidential and only used for the academic purpose. No individual's responses such and the identity of Persons responding will not be published or released to anyone.

Thank you in advance for your kind cooperation and dedicating your time

Please take a few moments to complete the following survey on strategic planning .your opinion is very important to me because it will help to evaluate the performance of Berhan Bank. The survey is part of the study on the impact of strategic planning on the performance of Bank and it is to a partial fulfillment of Master's Degree at St. Mary's University.

Strategic plan Management Questionnaire

Part 1:

Berhan Bank

1. Please indicate your level in the formal structure of the organization?

A, Top Management ☐

B. Middle management ☐

c. First line management ☐

2. What is your age?

a. under 30 years ☐

b. 30-40 years ☐

c. 41-50 years ☐

d. 51-60years ☐

d. 60 years and older ☐

3. What is the highest degree you have earned?

School Diploma ☐

Associate Degree ☐

Master's Degree ☐

Doctorate Degree ☐

4. How long have you been in the current position?

2-5 years ☐   11-15 years ☐

6-10Years ☐   More than 16 Years ☐

Part II

✓ Use for your agreement or disagreements of the Questions.

No.	Questions	Strong	Disagree(2)	Neutral(3)	Agree(4)	Strongly
	Institutionalizations					
1	Top management takes formal responsibility for the Bank's strategic business planning					
2	Strategic planning is top priority activity, performed on a regular basis, e.g. each year					
3	The bank follows a defined set of procedures in its strategic planning process					
4	The bank provides resources (managers' time, money, staff support) specifically to strategic planning.					
5	All managers in branches and Departments participate in the strategic planning process.					
	Strategic situational Diagnosis					
6	The bank periodically gathers and analyses data about market or other geographic and /or demographic and or psychographic segments.					
7	The external /market analysis identifies key threats to the business and key opportunities.					

V

8	The Bank assesses the industry as a whole in terms of new competitors and concepts, new technology, procurement practices, price trends, labor practices, etc.					
9	The Bank assesses institutional factors such as cost and availability of capital, government regulation and the economy.					
10	This internal analyzes identifies key strength and weakness in the bank.					
11	After completing its external and internal analyses, the bank reviews the mission and goals in light of apparent threats/ opportunities and strength /weakness.					
Developing Strategic Plan(formulation)						
12	The Bank uses the SWOT factors that are determined from environmental analysis to formulate strategic plan options.					
13	The bank announces its vision, mission and objectives, goals and setting policy guidelines to achieve.					
14	The bank considers market penetration options e.g. pricing, promotion, market expansion, Segmentation to formulate strategic plan.					
15	The planning process is based on criteria by which options can be compared and selected.					
16	The Bank decides its strategic plan based on feasibility and risk/return criteria.					
Strategic implementation						
17	The bank makes strategic decisions (implementation action plans) based up on the strategic plan.					
18	The bank clearly assigns lead responsibility for action plan implementation to a person or alternately, to a team.					
19	The bank provides resources and managers' time, money, staff support, etc.) allocated specifically for strategic planning implementation.					
20	The bank sets clearly defined and measurable performance for each plan element.					
21	Policies are put into action through the development of programs, budgets and procedures in the Bank.					
Evaluation						
22	The bank reviews monitoring data regularly, and revise strategic decisions as appropriate.					
23	The bank systematically measures actual performance.					
24	The bank develops an organized system for monitoring how well those performance standards were met.					
25	Individuals are responsible for strategic planning and implementation rewarded for successful performance.					
26	If the performance does not match the standards set by the bank, correcting measures will be taken.					

Please return the completed questionnaire to **Mussie Mesfin**   **Tel.0911155964**

Interview questions

1. What have you considered on the situational diagnosis of the strategic plan of the bank in 2015/16 to 2019/20 and what do you think which was not considered?

2. After the strategic plan of the previous five years from 2015/16 to 2019/20.have you prepared the new strategic plan to the future?

3. What did the bank exercise to implimentation of the strategic plan in the past five years to guide the employees?

4. How do you collect the data to measure the performance of branches and Departments?

5. What are the key performance indicators of the banks and their implications?

6. What did the bank do to the good performance and low performance of the employee or branches and Departments?