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THE EFFECT OF ORGANIZATIONAL FACTORS ON STRATEGY PLANNING DEVELOPMENT: THE CASE OF DEBRE BIRHAN TOWN INDUSTRY AND INVESTMENT OFFICE

By

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THE EFFECTS ORGANIZATIONAL FACTORS ON STRATEGIC PLAN DEVELOPMENT; THE CASE OF DEBRE BIRHAN INDUSTRY AND INVESTMENT OFFICE

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DECLARATION OF ORIGINALITY

I hereby declare that this submission is my own work towards the Masters of Business Administration prepared under the guidance of Berhanu Endeshaw (PhD) and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due Acknowledgment has been made in the text.

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CERTIFICATION

This is to certify that Tesfaye Chalew has completed his thesis entitled **"The effects of organizational factors on strategic plan development in the case of Debre Birhan industry and investment office"**. As I have evaluated, his Master's thesis is appropriate to be submitted as a partial fulfillment requirement for the Award of Degree in Masters of Business Administration (MBA).

Berhanu Endeshaw (PhD)   _____

Advisor: _____   Signature

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ACRONYMS

ANRS: Amhara National Regional State

COID-19: Coronavirus Disease

CSA: Central Statics Agency

DBIIO: Debre Birhan Industry and Investment Office

ESPD: Effective Strategic Plan Development

GDP: Gross Domestic Product

HR: Human Resources

HRM: Human Resources Management

L: Leadership

OC: Organizational Culture

OS: Organizational Structure

SMEs: Small and Medium Enterprise

SPSS: Statistical Package for the Social Sciences

ABSTRACT

The purpose of this study was to explore the effects of organizational factors on strategic plan development in the case of Debre Birhan industry and investment office . The statement problem of this study evolved on the fact that the industry and investment process as well as performance have suffered in one way or the other way from lack of or poorly developed strategic plans. The objectives of this study were, to examine the influence of organizational structure, organizational culture, leadership, and human resources on development of strategic plans. The study is focused on the Debre Birhan town industry and investment office. Previous studies were reviewed with the aim of identifying research gap and endeavored to fill the knowledge through this current study. This study was achieved by employing descriptive and explanatory research design. Target population is the employees of the Debre Birhan industry and investment office which were seventy-eight (78) due to this, the sample technique that the researcher used is census method. The research data was collected using questionnaires and observation. The data was analyzed descriptively with the use of analyzing techniques like inferential statistics among others of the SPSS and findings presented through tables chart and graph. In essence, the study established that organizational structure, organizational culture, leadership, and human resource have a great bearing on the development of strategic plans in the Debre Birhan town industry and investment office.

Key words: strategic plan development, organizational structure and culture, leadership and human resources.

CHAPTER ONE
1 INTRODUCTION

This chapter deals with the background of the study, the background of the organization, statement of the problem, research questions, the objective of the study, the significance of the study, the scope of the study, operational definition of terms, limitation of the study, and organization of the study.

1.1 BACKGROUND OF STUDY

A strategic plan is a road map that takes the organization from where it is now to where it hopes to be in the future. For any organization that wants to grow, no matter how big or small, a strategic plan is a weapon to achieve the problems that a particular organization wants to solve in its life cycle. To develop a comprehensive plan that includes long-term and strategic elements for an organization, all established strategic planning procedures must be followed. Therefore, a strategic plan is a series of views, procedures, and actions that are currently written and agreed, and will be implemented or executed in the future (Heracleous, 1998).

According to (Hin, 2013), It is a long-term plan for effective management of environmental opportunities and threats based on the strengths and weaknesses of the company. Such planning includes establishing corporate mission, clarifying goals, formulating strategies and formulating policy guidelines.

Another scholar (Tsiakkiros, 2002), Define strategic planning as a recognized basic discipline, an important, systematic, and continuous process that enables organizations to plan the use and application of their resources, skills, and knowledge to achieve their organizational mission, goals and objectives in a constantly changing environment. purpose.

Whereas, strategic planning helps determine the long-term direction and scope of the organization, and match its resources with its changing environment, especially its market, customers, and customers, to achieve delivery. In addition, the key aspects of strategic planning include formulating a company's mission statement, setting goals, formulating and implementing strategies, and monitoring and controlling the progress of strategy implementation. Stakeholder expectations (Sandada, 2014).

In addition, in the management and administration environment, it is a contemporary concept and process recognized by both the company and the public domain. Regarding the public plan itself, the public government was the first government to implement a strategic plan and write it in a written document to categorize goals and ways to achieve it. For example, the New York City Office of Research formally formulated an urban planning system in the 20th century, establishing goals, schedules, activities, and milestones in careful and orderly planning documents. (Smallbone, 2012).

Therefore, public sector strategic planning focuses on strengthening the long-term health and effectiveness of government units and guiding them to make positive changes to ensure continuity and productive adaptation to the changing environment. This implies establishing a value chain that enables the institution's users to receive effective and efficient services, and provides transparent accountability for the public and politicians. It also implies the implementation of effective monitoring and evaluation activities. The staff of the best public sector organizations always have a comprehensive understanding of the issues affecting the groups that use their services and know where to find resources that can help them (Haderberg, (2008)).

According to Joyce (2007), Public services went through very difficult periods in the 1980s and 1990s, and it is not clear that the danger they faced is over. Most crises in public service organizations exist due to the mismatch between the organization and its environment, which means that the failure of public services to keep up with the pace of external changes will cause a gap between the organization and the environment, that is, public serve. Strategic management in public services is an unfinished and evolving phenomenon. Therefore, in order for the strategic

planning of the public transportation system to be effective, the top management must play an active role in the strategic planning process. This means accepting strategic planning as your primary responsibility instead of delegating it to lower-level managers.

Effective strategic planning also requires the CEO to clearly define the organization's mission and strategic goals, which serve as the basis for organizational-wide strategic planning. An organizational culture and atmosphere should then be created so that senior management, department managers, and strategic planners can work well together to develop realistic and responsive strategic plans (Isaiah O. Ugboro, 2011).

Otherwise, large organizations with years of experience and extensive planning processes prefer to adopt a formal method to develop strategic plans. This approach cultivates a long-term view of strategy, which is then used as a means to direct, coordinate, control and communicate strategy, create ownership, and make it more inclusive in all aspects of the organization. Leadership in any organization is considered to be an important factor in the formulation of strategic plans. This kind of leader influences the short-term and long-term development direction of the organization. Underpants, these decisions were made by a small group of elderly people (ODERA, 2014).

On the other hand, the organization's strategy reflects the factors consistent with the organization's performance and the factors that affect the organization's objectives and its future success. The main factors encountered when formulating and implementing strategies in an organization revolve around finances, personnel, and background. Among these internal and external factors, the factors that have the greatest impact on the formulation and implementation of the strategy are finances, human resources, geographic location, and political climate (KIMANI, 2011).

Therefore, formulating an effective strategic plan must ensure that all members of the organization understand the company's requirements for them. In addition, they must be able to directly participate in the formulation of the plan. This is necessary to ensure that every member can claim ownership. Although this is obvious, it is not easy to implement (Tassabehji, 2014).

How an organization formulates plans are typically influenced by its culture, how an organization does things, or its way of doing things. This has a great bearing on how an organization goes about planning (Salamzadeh, 2016).

According to (Daugherty, 2011), who confirms that the organizational structure does have an impact on an organization's strategy formulation. The author is particularly concerned with the layers of management or the hierarchy in the organization. Beside this, culture is a huge determinant of strategy formulation in an organization because commonly held believes are likely to influence decisions and the process (Kiptoo, 2014).

On the otherhand, (Malik, 2020), emphasizes the importance of structure as a means for people to work towards a common goal, thus acting as a facilitator for the achievement of organizational goals. It sounds simple, but the organization must ensure that employees agree with the organization's ideas and are willing to give up their personal interests. Therefore, by designing a structure that accommodates employees, you will increase the burden and use the employee to take the goals of the organization as their own environment and share the belief that value is obtained through work. Therefore, a good structure should provide command and control and correctness for employee independence. Combine, not the resentment that prevents the organization from carrying out its mission.

As sometimes, (Muoki, 2016), studied that organizational structure is the main key factor to improve the efficiency of all organizations. It is regarded as an organizational framework and provides a foundation for the operation of the organization; however, transforming strategic thinking into organizational actions is the most difficult stage of in strategic management. Without the successful implementation of the strategy, the organization will not be able to achieve its goals.

In addition to the above (Neis, Strategic planning process and organizational structure: Impacts, confluence and similarities. , 2017), contended that the strategic planning process influence and are influenced by the elements of the organizational structure and highlights the confluences, the

impacts and similarities between the stages of formulation and implementation of the strategic process with the various constituent elements of the organizational structure.

(Onyango, 2012), also studied that the factors that influence formulation and implementation of the strategic plan which included organization and industry structure, communication, resources, human resource capacity and practice, leadership and management, organization and industry policies and procedures, management of information system, government policies, and competition.

In Africa, strategic planning dates back to 1994, when some learning institutions in the region offered courses in strategic management. This marked the establishment of the South African Center for Strategic Studies in Africa in 1994. There is not much literature on the subject of strategic planning because the concept does not involve much in the African context (Perry, 2010).

The development of Africa differs between administratively stable and well-governed countries, which have made tremendous progress in improving their economies through targeted and far-sighted strategic planning. Examples of these countries include South Africa, Botswana and Ghana. However, affected by conflict or poor governance, most African countries have a lot of work to do. These countries have made little progress in poverty reduction, and in some cases even regressed (Lee, 2010).

Ethiopia's industrial development strategy has formulated principles that focus primarily on promoting agricultural industrialization, export development, and expanding labor-intensive industries. These principles are interdependent and interrelated. The strategy also establishes other principles, clearly articulating the key contribution of the private sector, the leadership role of the government, and the comprehensive and coordinated participation of the general public in the cultivation strategy (Zerihun, 2008).

Investment plays a crucial role that differentiates the developed, developing, and underdeveloped countries and it acts as an indicator to project the GDP, Inflation, WPI, National income, etc., of

a country. Meanwhile, Debre Birhan has a tremendous and attractive opportunity to become one of the most suitable investments and industry destinations in Ethiopia at the moment. Foreign and domestic investors are investing their capital in Debre Birhan and which create development for the town as sometimes it boosts incomes and creating jobs opportunity. Due to this rationality, the study will assess the effects of organizational factors on the development of strategic planning in the case of the Debre Birhan town Industry and Investment office. Even if most of the research in this regard is done based on the developed countries' context, given the fact that strategic planning is comprised in developing countries like Ethiopia, therefore, the implications of organizational factors on strategic plan development must be researched and documented.

1.2 STATEMENT OF THE PROBLEM

Today, the main goal of an organization, whether public or private, is to formulate strategies and technologies to provide the best service and production in the most effective and effective way. If your long-term mission can adapt to your business in a rapidly changing world, then all of this is possible. Therefore, they must determine the necessary strategies and put them into practice (Guclu, 2004).

The public sector has the responsibility to provide effective and efficient services to the public in any economy or country. Recently, many public sector organizations have carried out activities to improve the services provided to their customers. One of the activities is to develop a strategic plan (Wachera, 2019).

Rose and Cray (2010), The factors that influence the development of strategies for Canadian public sector organizations are studied. Researchers recognize that the problems that arise are similar to those encountered by private companies, and that agency leadership and the organizational environment contribute greatly to the quality of strategies formulated by government agencies.

Siddique (2015), Who studied the practice of strategic planning in the United Arab Emirates, linking the strategy formulation between small and medium-sized companies and large organizations? Researchers have found that companies, big or small, use strategic planning and recognize the impact of culture and leadership in this process.

On the other hand, enterprise planning focuses on how the organization can better position and equip it to compete effectively in the market, while human resource planning contributes to the enterprise by providing the means (personnel) to achieve specific goals. To achieve these goals, human resource planning is considered one of the most critical factors. Without it, the goal is almost dead (OKOLIE, 2020).

In the Ethiopian context, there are no studies on the effects of organizational factors on strategic planning development due to this reason the researcher tries to focus on related studies. Chane (2010), Researched "the challenges and prospects in the process of formulating and implementing strategic plans for selected institutions in Ethiopia. The researchers stated that the formulation or formulation and implementation of strategic plans did not get management, customers, employees, and other stakeholders involved in the process. Active participation of the participants.

According to Assefa B. (2015), Who has studied the practice of strategic planning and implementation in Ethiopia's public universities and has come to the conclusion that participation in the strategic planning process is low, insufficient attention is paid to critical appraisal of the external environment, and there is a lack of adequate monitoring, monitoring and feedback systems This is due to the lack of strategic leadership capacity to deploy human and material resources.

It is found that the serious problems that affect the formulation and implementation of the strategic plan are: lack of reliable data on schools, lack of well-trained planning human resources, little awareness of the actors on how to prepare educational strategic plans, lack of commitment strategic planning team stakeholders Lack of coordination, lack of well-trained

human, financial and material resources, and little stakeholder involvement in the preparation of the school's strategic plan (Andualem 2019).

Hence, this study sought to fill the identified research gap by exploring the effects of organizational factors on strategic plans developed in the Debre Birhan town Industry and Investment office.

As the researcher observed in person, strategic planning development in the Debre Birhan town Industry and Investment office, the management staff faced many trials, such as lack of commitment of the management, unwillingness to force strategic plan to operational plan, low strategic plan revision, poor communication and lack of monitoring and evaluation system.

1.3 RESEARCH QUESTIONS

The research answers the following questions;

1. What is the effect of organizational structure on strategic plan development in the case of Debre Birhan town Industry and Investment office?

2. To what extent organizational culture influence strategy plan development in the case of Debre Birhan town Industry and Investment office?

3. What are the influence of leadership on strategic plan development in the case of Debre Birhan town Industry and Investment office?

4. What is the influence of human resources on strategic plan development in the case of Debre Birhan town Industry and Investment office?

1.4 OBJECTIVES OF THE STUDY

1.4.1 GENERAL OBJECTIVE OF THE STUDY

The main objective of the study is to describe the effects of organizational factors on strategic planning development in the case of the Debre Birhan town Industry and Investment office.

1.4.2 SPECIFIC OBJECTIVES OF THE STUDY

➢ To examine the influence of organizational structure on the strategic plan developed in the case of Debre Birhan town Industry and Investment office.

➢ To determine the effect of leadership on the strategic plan developed in the case of Debre Birhan town Industry and Investment office.

➢ To determine the effects of organizational culture, the strategic plan development in case of Debre Birhan town Industry and Investment office.

➢ To examine the influence of human resources on the development of strategic planning in the case of Debre Birhan town Industry and Investment office.

1.5 SIGNIFICANCE OF THE RESEARCH

The results of this study are very important to the managers of the Industrial and Investment Office of Debre Birhan, because they will understand the influence of organizational structure, organizational culture, leadership and human resources in the strategic planning process. In Debray. Birhan Township Industry and Investment Office, which will help them develop a strategic plan within the organization. In addition, the research results will help Debre-Birhan Town Investment Office and industry employees understand the influence of organizational structure, organizational culture, leadership and human resources in formulating the strategic plan of the industry and Debre-Birhan Town Investment Office , Which will help reduce the resistance to making strategic plans within the organization.

In addition to the above, the study will be significant to the government as the study will find valuable insight on challenges facing on development of the strategic plan in the ways of maximizing them for effective strategic plan development. The findings of this study will provide valuable insight to all those interested in entering and investing in the public sector. The findings of this study will help the Government in developing policies that will ensure smooth formulation as well as the implementation of the strategic plan in other ministries. Also, findings will form a basis for further reference in the public sector. The researchers may need a reference to information on various challenges of strategic plan development to revise their research on strategic plan development practices. In addition, they will be able to spot flaws in the logic, errors in assumptions, or even management questions that are not adequately addressed by the objectives and designs.

1.6 SCOPE OF THE STUDY

The study focuses on determining the effect of organizational factors affecting the development of strategic plans in the case of the Debre Birhan town Industry and Investment office. The study gathers primary data from the managers in charge of the development of strategic plans and secondary data from the publications and website.

According to the above reasons the researcher tries to address the rationality behind the effects of organizational factors on the strategic plan developed in the case of Debre Birhan town Industry and Investment office. Among these factors, human resources, leadership, organizational culture, and organizational structure are the only factors that the researcher focuses on. Methodologically, the study uses descriptive and explanatory research. Geographically, the study is taking place in Debre Birhan town only.

1.7 OPERATIONAL DEFINITION OF TERMS

Strategic plan: The process and document by which the leaders of an organization determine what the organization wants to look like at the end of a specified period – usually three to five (Joyce, 2014).

Human resource: Human resources is used to describe both the people who work for a company or organization and the department responsible for managing all matters related to employees, who collectively represent one of the most valuable resources in any business or organization (Nickson, 2021).

Organizational structure: Organizational structure is a system used to define a hierarchy within an organization. It identifies each job, its function, and where it reports to within the organization. This structure is developed to establish how an organization operates and assists an organization in obtaining its goals to allow for future growth (Sobel, 2013).

Organizational culture: Organizational culture is a system of shared assumptions, values, and beliefs, which govern how people behave in organizations. Organizational culture includes an organization's expectations, experiences, philosophy, and values that hold it together, and is expressed in its self-image, inner workings, interactions with the outside world, and future expectations (Kumar, 2016).

Leadership: According to (Winston, (2006)), a company's management can set and achieve challenging goals, take fast and decisive action when needed, outperform the competition, and inspire others to perform at the highest level they can.

1.8 LIMITATION OF THE STUDY

Due to time and capital constraints firstly, the population of the study is limit only to the Debre Birhan town Industry and Investment office. Therefore, from the results, the researcher will not able to generalize other sectors like the zonal or regional level which are working on the same areal. Therefore, there can be some conceptual differences and limitations among the organizations to the challenges leading to failure or limitation of the industry and investment of growth at Debre Birhan town.

1.9 ORGANIZATION OF THE STUDY

This research is organized into five main chapters. Each chapter contained its sub-divisions. The first chapter deals with the background of the study, statement of the problem, objectives of the study, basic research questions, significance of the study, limitation of the study, the scope of the study, and definition of key terms. The second chapter consisted review of the related literature. Chapter three constituted research design and methodology.

Chapter four focused on the presentation and analysis of the data obtained from respondents while chapter five covered the summary, conclusion, and recommendations, and finally, reference question, interview guide, and other important documents were annexed to the last part of the research.

CHAPTER TWO

2 REVIEW OF THE RELATED LITERATURE

The purpose of this chapter is to review the literature on the factors affecting the development of a strategic plan for the Debre Birhan town Industry and Investment office. Since strategic planning is a key component of success to every kind of organization, the researcher gathers literature on what other scholars have written on the topic of a strategic plan in general with a view of using the experiences and writings to respond to the four research questions.

2.1 STRATEGY THEORY

Strategic theory provides a useful framework for understanding how companies try to adopt strategic planning. The strategy provides a coherent plan to bridge the gap between today's reality and the ideal future. This is a disciplined calculation of goals, concepts, and general resources within an acceptable risk range to create future results that are more favorable than those that may exist by accident or in the hands of others. In the context of a country, strategy is to use specific power tools (political/diplomatic, economic, military, and information) to achieve the country's political goals, and to cooperate or compete with other actors that may conflict with themselves. the goal (Omalaja M.A., (2017).

The strategic process is about how (concept or form) the leadership will use the power (resources or means) available to the country to control a series of environments and geographic locations in order to achieve the goals (objectives) after the national policy. The strategy provides direction for the compulsory or persuasive use of this power to achieve specific goals. This direction is proactive in nature, but not predictive. The strategic hypothesis, although the future cannot be predicted, it is possible to study and evaluate the strategic environment, and to predict and manipulate the strategic environment to varying degrees. Only through proper analysis can a country decide what to do or not to do to identify, influence, and shape trends, problems, opportunities, and threats (Bryson J. M., 2018).

The policy guides the strategy through the elaboration of the final state and the orientation of resources, restrictions on actions or similar considerations. Final state analysis and orientation produces strategic goals. Goals provide purpose, focus, and justification for the actions incorporated into the strategy. The achievement of the goals will produce strategic effects that will help to achieve the desired end state. The national strategy implies a hierarchy of objectives determined by political objectives. Strategy formulation provides information for policy; politics must adapt to the reality of the strategic environment and the limitations of power. Therefore, politics ensures that strategy pursues appropriate goals, while strategy informs the art of political possibilities (Papke-Shields, 2017).

2.2 THE NEW PUBLIC MANAGEMENT THEORY

The New Public Management (NPM) has in its central design the idea of flexibility in the use of private management tools to improve performance in public organizations (Christensen, 2017). Characteristic elements of the new public management can be systematized as follows: the introduction and the use of performance indicators and quality standards for public services; the preference for specialized administrative structures, with well-defined purpose, at the expense of large bureaucratic structures, with rigid hierarchies, with multiple purposes; the use of contractual models to define the hierarchical relationships of administrative institutions; the widespread use of market and market mechanisms for providing public services; the disappearance of clear borders between management solutions used in public and private organizations; the flexibility in supporting alternatives to direct offers of goods and services from the public sector, giving priority to solutions that value on efficiency in spending public money; creating a new competitive environment for organizations, and; new forms of budgetary and financial management to support features such new public management approach presented (Islam, 2015).

Both the above theories were relevant to this study as strategic management is essential for the public sector in pursuit of enhanced service delivery. Specialized administrative structures with a well-defined purpose, and new forms of budgetary and financial management for providing public services. The enabling organizational cultural framework that animates the actions of all employees in pursuit of common goals and objectives.

2.3 STRATEGIC PLANNING

Strategic planning is the method of formulating and implementing long-term plans broadly and flexibly to achieve the aspirations of the organization. The main components of strategic planning practices entail asking questions on where the business wants to be the present position of the business means to get where it wants to be and what changes will take place in the business's environment (Mintzberg, 1993).

Key aspects of strategic planning include formulating the company's mission statement, setting goals, formulating and implementing strategies, and monitoring and controlling the progress of strategy implementation. In other words, companies plan for the future by envisioning what the future will look like and what it will look like, and then make decisions based on these visions of the future (Boyd, 1998).

Strategic planning is an organizational process used to determine the expected future and develop decision guidelines on how the organization will logically and consistently relate to its external environment over time (Katsioloudes, 2012).

Strategic planning can "encourage clarification of business objectives, systematic information gathering, project prioritization, teamwork, environmental response, communication of strategic intent to all stakeholders, and performance improvement (Nickols, 2016).

2.4 STRATEGIC PLAN DEVELOPMENT

Management strategy formulation and execution is an operation-oriented transformation activity aimed at shaping the performance of core business activities in a way that supports strategy. The management of the strategic planning process can be considered successful.
If things go well, the company can meet or exceed its strategic and financial performance goals, and make good progress in realizing the management's strategic vision to provide efficient and effective services to customers (Zorpas, 2020).

The strategic development process is defined as the management process that includes informing, shaping and supporting the strategic decisions faced by the organization. There are many reasons for using the term "strategic development". First, since strategy formulation and implementation are inseparable activities in which each organization continuously participates, the concept of sustainable development is at the core of its thinking. Second, the term "strategic planning" used in connection with creating deterministic, unique 5-year and 10-year plans has become derogatory: implying that thinking ahead is uselessly rigid. Third, the term "strategic management" is too vague to describe the reflective participation and analytical questioning that organizational development emphasizes (Dyson, 2007).

As part of the overall strategic succession planning process, line managers should systematically identify and monitor employees with high leadership potential. Successfully training the next generation of leaders requires the establishment of a talent management system in which recruitment, development, performance management, succession and career management are unified, reviewed and supported by senior leaders (Fulmer, 2009).

On the other hand, strategic plan development involves allocation and management of sufficient resources, establishing a chain of command or some alternative structure, assigning the responsibility of specific tasks or processes to specific individuals or groups. The notion of strategic plan development might at first seem quite straightforward: the strategy is formulated and then it is implemented. Implementing would thus be perceived as being about allocating resources and changing organizational structure. However, transforming strategies into action is a far more complex and difficult task (Ronda- Pupo, 2012).

The strategic planning process requires a lot of thought and planning on the part of the top management of the company. Before deciding on an action plan and deciding how to implement it strategically, executives can consider many possible options. Ultimately, the management of the company hopes to develop a strategy that is more likely to produce positive results and that can be executed profitably with a high probability of success while avoiding excessive financial risks (Clarkson, 2009).

2.5 FACTORS AFFECTS STRATEGY DEVELOPMENT

Strategy development and implementation is basically an entrepreneurial nature and requires a lot of analysis, judgment and innovation. However, most authors believe that it may be affected by many internal and external factors. Among them, (Radomska 2014, and Zeps, 2015), indicates that elements such as internal processes, systems, involvments of employees, definition of vision and mission statements, motivation of managments towards its employees, people and the environment should be taken into account when strategy is developed to secure its successful implementation.

In addition to the above (Swartzman, 1994), who studied on the factor structure of the coping strategies questionnaire argued that when strategic plan adopted senior management must emphasize on strategy, structure, leadership, alignment, employee engagement, change, customer value and sales.

Based on the above, the researcher here focused only the internal factores such as organizational structure, leadership style, organizational cultural quality, and human resources are important factors that affect the formulation of strategic planning.

2.5.1 ORGANIZATIONAL CULTURE ON STRATEGY PLANNING

As an important aspect of organizational performance, the company has long ignored culture. Culture includes the principles, basic assumptions, expectations, collective memory and definitions that exist in the organization. It symbolizes "what is the situation here". It shows the principles and beliefs that exist in people's minds. It expresses the personality and uniqueness of employees, provides an unwritten and often self-evident guiding principle on how to get along in the organization, and helps control the social interactions they experience (Cameron, 2011).

In addition, culture can determine the results of an organization more than any other factor, including the education and skills of the people working in the organization. It is precisely because of this factor that organizational culture must be considered in any effort for strategic planning. If the prediction of the future fits the culture and its path forward, or if the lifestyle feels so important in its possible continuation that it will reduce the need for the future in the

past by any technology (Wahyuningsih, 2019).

Although, culture can be considered an element of organizational strategy. Therefore, it is an invisible weapon. The return on investment in terms of employee loyalty and organizational continuity, service to people outside the organization, increased productivity, and disinterest towards others in the organization is impressive. It can help raise expectations, promote trust, promote communication, and reduce uncertainty in relationships between people. By doing so, you can promote more fruitful results (Heskett, 2012).

Organizational culture provides information about the internal environment and mindset, which is reflected in the degree of openness, customer orientation, quality of work, and speed in completing tasks and responding to changes (Rajasekar, 2014).

Therefore, organization managers must attach importance to organizational culture to enhance and promote strategic thinking at the organizational level. Since market culture affects all aspects of strategic thinking, it is recommended that managers encourage employees to be creative. Welcome to work with managers and employees at different levels to create a clear vision, avoid superficiality, institutionalize the organization's system thinking and attitudes, and exchange opinions on employees' entry into new markets and product development (Mohammad Bagher Arayesh, 2016).

As mentioned above, the culture of an organization is a set of norms, values, and beliefs. All of these unfold over time, are unplanned, and are urgent. However, the culture of an organization can have a major impact on how the organization operates and how effective it is. It is also evaluable and, if necessary, can be modified over time. Organizational cultural interventions are notorious for their difficulty and duration, but if a cultural change is required, this should not prevent the organization from initiating the change process (Rajaee P. & Lafti, 2010)

Because organizational culture is a system of shared assumptions, values, and beliefs, it governs how people behave in an organization. These shared values have a great influence on the people in the organization and determine their dress, behavior, and work style. Culture signifies how the entities and groups of an organization communicate with each other and with external parties. This is the main competitive advantage of high-performance organizations. Organizational culture includes the attitudes, experiences, beliefs and values of the organization acquired through social learning. They control the way individuals and groups interact with each other and with external parties in the organization (Nkem O. Obaji, 2017).

Therefore, organizational culture influences strategy formulation by shaping the interpretation modes and meanings assigned by strategic decision makers to internal and external events within the company. Culture determines how top managers collect information, how they perceive and interpret the company's environment and resources, but it also affects how they make strategic decisions, that is, strategic choices. Organizational culture influences the implementation of strategy by legitimizing or de-legalizing strategy, which depends on the consistency between cultural values and selected strategy (Janicijevic,2012).

2.5.2 ORGANIZATIONAL STRUCTURE ON STRATEGY PLANNING

According to (Porfeli, 2009), organizational structure is the framework of the relations on jobs, systems, operating process, people, and groups making efforts to achieve the goals.

Although (Ahmady, 2016), structure is not a coordinating mechanism, but it has an impact on all organizational operations, according to research. The models of internal organization relations, authority, and relations and reporting, formal communication routes, responsibility, and decision-making delegation are clarified by organizational structure.

The structure is a high degree of combination of the relationship between the organizational elements that constitute the existing philosophy of organizational activities. The view from the organization system to the structure shows that the structure is made up of hard elements on one side and soft elements on the other side. Organizational structure is a way or method of

dividing, organizing, and coordinating organizational activities. These organizations create structures to coordinate the activities of the work factors and control the performance of their members. The organizational structure is shown in the organization chart. This research is descriptive and library methods are used for data collection (Gholam Ali Ahmady, 2016).

The formulation of the strategic planning process will affect and be affected by the elements of the organizational structure. Sometimes, the implementation of the strategic planning process will also affect and be affected by the elements of the organizational structure (Dyogo Felype Neis M. F., 2016).

In addition, Wilden, Gudergan, Nielsen & Lings (2013), the structure of an organization is generally defined as the sum of how you divide your work into different tasks and then achieve coordination between them. They added that the organizational structure is usually defined by three structures, namely, the degree of formalization or decision-making and working relationships governed by formal rules and procedures, and the degree of concentration or decision-making power that is tightly controlled or delegated to middle and low level managers by senior managers. The degree of specialization or the degree to which the organization hires experts or generalists.

Organizational structure can also be classified using mechanical to organic structural dimensions. The mechanical structure is characterized by centralized decision-making, compliance with formal rules and procedures, strict control of information flow, and a well-designed reporting structure. In contrast, organizational structure is often associated with decentralized decision making, open communication, organizational addiction, and an emphasis on formal rules and procedures (Abdullah, 2014).

The formulation of the strategy is entirely carried out by the top management, and the implementation of the strategy is carried out by the middle management. However, under dynamic and constantly changing circumstances, the structure needs to be consistent with the strategy. When the organizational structure changes or management, organizational design is necessary . Organizational design means that managers make key decisions about the elements of the structure so that the company can control the activities required to achieve its goals. Managers use organizational structure as a tool to achieve organizational goals (Chitale, 2013).

Organizational structure also influences the capability of employees to learn, innovate, and participate in decision-making. Different structural configurations affect not only efficiency and financial results defined by the marketplace, but also job fulfillment, dedication, drive, and perceptions about expectations and obligations. Redesigning organizational structure, therefore, will affect the intangible "psychological contract" of each worker (Mills et al., 2007).

In addition to the above (Neis, 2017), also studied that the phases of the strategic planning process influence and are influenced by the elements of the organizational structure and highlights the confluences, the impacts and similarities between the stages of formulation and implementation of the strategic process with the various constituent elements of the organizational structure.

On the otherhand (Pertusa- Ortega, 2010), suggested that the design of the organization and the company's competitive strategy (strategic plan) are very important to gain a competitive advantage and improve company performance. The relationship between organizational structure, competitive strategy (strategic plan) and company performance is usually analyzed using emergency methods. Examine how the organizational structure affects company performance, while considering the relationship with competitive strategy. Based on this organizational structure, it has no a direct impact on performance, rather it has an indirect impact through competitive strategies or strategic plans.

In the long term, many academics believe that if the formulation of the strategy does not conform to the structure, the efficiency of the case will be low, that is, the input-output relationship will not reach the optimal level. This is why strategists must pay close attention to the structure when formulating strategic plans, not considering the structure will condemn the inefficiency of the company and will fall into the error of believing that it will continue. The latter needs to be modified in the simplest way, recognizing that the relationship between strategy, structure and environment is symmetric; the environment affects strategy and structure, and shapes the environment through the weight of organizational resources (Kavale, 2012).

Structure is all the people, positions, procedures, processes, culture, technology and related elements that comprise the organization. This structure must be totally aligned with strategy for the organization to achieve its mission and goals. If an organization changes its strategy, it must change its structure to support the new strategy. Changing strategy means changing what everyone in the organization does. The sum total of how an organization goes about its work is its strategy. When a company makes major changes, it must carefully think out every aspect of the structure required to support the strategy. Every part of an organization, every person working for that organization needs to be focused on supporting the vision and direction.How everything is done and everything operates needs to be integrated so all the effort and resources support the strategy (Rahmati, 2012).

2.5.3 LEADERSHIP ON STRATEGY PLANNING

In an earlier study (O'Reilly, 2010), believes that the participation of middle managers in the strategy formulation process can improve organizational performance in two main ways: higher-quality strategic decision-making and more effective implementation. Based on measurements at various stages of their participation in the process, their results show that decision-making regarding the stronger of the two influences has been improved.

According to O'Reilly, Caldwell, Chatman, and Lapiz (2010), understanding the impact of leadership on organizational performance requires examining multiple levels of leadership at the same time (Hunter, BedellAvers, and Mumford, 2007). For example, (Berson & Avolia, 2004) believes that the behavior of higher-level leaders affects the way lower-level leaders translate and disseminate information about new strategies. The leader's mechanism for giving meaning to key elements in the work environment can affect this consistency. For example, one of the key ways a leader influences team performance is by providing compelling direction for the team (Hackman & Wageman, 2005). Similarly, Podolny and Giltinane (2013) believe that the root of executive leadership lies in creating meaning within the organization. If this information lacks clarity and consistency between leaders at different levels, it can reduce members' ability to understand and implement the importance of strategic initiatives (Cha and Edmondson, 2006; Osborn, Hunt, and Jauch, 2002).

Therefore, it is obvious that leaders at different levels influence strategic initiatives and their implementation, and how to summarize the impact of leadership on organizational performance is not simple. For example, a nervous senior leader may compensate for a less powerful leader when he is demoted. Again, a horizontally aligned leader who is not feasible but is deeply adjusted can be effective in implementing change. Or, on the other hand, the workable arrangements for subordinate managers who do not support important activities may change. Despite the influence of individual leaders, the crossover arrangement or dislocation of leaders at different levels can enhance or weaken the effective execution of important activities (Kamiri, 2018).

(Goncalves, 2013), also studied that when an organization is out of touch with the organization's mission, its employees, and the culture it enters, the leadership process itself can turn into a monologue. Leadership within an organization can only be achieved through the combination and use of power and authority. Power is the ability to influence others to complete their job, and authority is the formal right of a person in a particular position, because power does not necessarily accompany the position.

Leadership can be learned, power can be cultivated, but to become an effective leader, one must be able to distinguish various forms of power and choose the power that best suits his personality, leadership style, and work environment. There are many ways to lead, and each leader has his own style. Some of the more common styles include authoritarian, bureaucratic, democratic, and laissez-faire (Rauf et al., 2015). Transactional leadership involves offering rewards to others in exchange for compliance. Transactional leaders focus on management tasks and do not agree with the team's common values. Nonetheless, rewards can have a positive impact on followers' satisfaction and performance. Autocratic leadership is an example of transactional leadership (Giltinane, 2013) Autocratic leadership style, where the manager retains as much power and authority as possible to make decisions. The manager does not consult employees, nor does they allow them to express any opinions.

The laissez-faire leadership style is also called the "hands off" style. In this leadership style, managers provide little or no guidance and give employees as much freedom as possible. All power or power is given to employees, and they must set goals, make their own decisions and solve problems.When employees have experience, education and skills, and when they are proud

of their work and have their own motivation for it Success, this type of leadership is an effective form of leadership (Rauf et al. 2015). Vinkenburg et al (2011) suggest that transformational leaders inspire their followers to go beyond the call of duty and act as mentors.

Transformational leaders express a clear and compelling vision for the future, intellectually motivate followers, identify individual differences, and help followers develop their strengths (Giltinane, 2013). Transformational leaders provide inspiration and motivation to encourage others to pursue the team's vision. If followers contribute to the team's vision, they will feel valued and the relationship between leader and follower will improve. This encourages followers to develop ownership of the team's vision and move towards achieving it, thereby boosting morale. Followers are motivated to develop their leadership skills (Rolfe 2011). When it comes to groups, these leaders aim to express the importance of group goals, develop common values and beliefs, and inspire joint efforts to achieve group goals (Wang and Howell 2010). Effective transformational leadership requires trust between leaders and followers. If followers trust the leader, they will act according to the leader's vision (Bach & Ellis 2011).

Therefore, senior leaders should encourage their subordinates to develop different leadership styles to deal with different situations. The core competence of situational leaders is to recognize the ability, performance, commitment, and flexibility of others (Lynch et al., 2011). Implementing strategy in an organization requires all employees to participate in it and foresee a unified mode of action compatible with strategic goals. Gębczyńska (2016) Employee participation is related to empowering them in the strategic planning and implementation process, which requires adequate leadership. During the implementation phase, the leader must explain how the agreed goals translate into employee tasks. Gorman emphasized that an effective leader is proficient in several basic styles and can switch between styles flexibly according to the situation.

Responsible leadership ensures the effectiveness of the strategic management process. It provides a baseline for strategic thinking and guides the organization to formulate strategy by providing a vision. The strategy formulation process attempts to align the organization with the required environmental changes. Then his attention turned to the implementation of the strategy. The primary focus of leadership is to bring the vision to life through the execution of the strategy. The most important task of leadership is to align its vision with the goals and objectives

of the organization so that the organization can compete effectively with a well-trained dynamic environment and motivate people to realize its vision. Finally, the leadership must evaluate the entire process to ensure the efficiency of the entire process, which will help identify defects and help update the strategy according to changes (Arooj Azhar, 2012).

2.5.4   HUMAN RESOURCE ON STRATEGY PLANNING

Strategic planning has become traditional because it transforms its process into a chain of mechanisms for long-term activities. People are forced to reserve margins on such plans. Today, the reality of strategy planning and implementation, as well as strategic planning responsibilities, have changed. Strategic planners must consider several methods when making strategic plans. These methods include: using knowledge as an alignment within the company, having significant advantages among HR managers and strategic planners, developing network organizations, and ultimately changing the scope of strategic planning (Richardo, 2011).

Strategic planning is necessary for organizational goals, realistic goals and objectives, consistency with organizational missions, communication, priorities, productivity corrective measures, consensus, efficiency, effectiveness, and teamwork. These reasons create urgency for the implementation of the organization's successful strategic plan. To achieve the implementation of strategic planning, it is necessary to "match" between strategic human resource management and organizational strategy, which requires close coordination with strategic human resource management strategies (Ragui, 2014).

 Today, the role of the formal coordinator of the strategic plan has been reduced or even eliminated. As an alternative, a number of new programs have been replaced that affect the interaction between human resources and project managers. The job of this new team is to help the project manager provide the necessary operators (necessary human resources) at each stage. To successfully implement the strategy, executives must have high interpersonal skills and interpersonal skills. All actions taken to implement the strategy affect managers and employees (Temtime and Pansiri, 2011).

According to Oladele (2006), each department of the organization must try to answer questions such as how we should correctly implement the organizational strategy. The implementation of strategies is also called practical strategic management. The purpose of implementing the strategy is for managers and employees to cooperate to implement the strategic plan that has been formulated.

Today, the role of the strategic planner is to lead an organization in this way to take advantage of growth opportunities. They play a vital role in cultivating intrinsic skills and promoting entrepreneurship. Therefore, motivating employees and developing key employee skills is your top priority. If we think of strategy as an option, then creating opportunities for employees to participate effectively is a basic challenge for managers and should not be within the scope of other functions (Monk and Wagner, 2009).

The knowledge, experience and skills of the organization's employees are the decisive factors for success. To this end, the organization pays special attention to hiring employees and develops organizational skills by training employees and volunteers. When pursuing recruitment and training strategies, organizations are often limited by their financial strength. However, employee training is an important aspect of good business management and an achievable strategy even in financial difficulties (Subramanian, 2017).

According to Storley (1995), Human resource management is a unique employment management method that aims to gain a competitive advantage by strategically deploying a highly loyal and capable workforce and using a wide range of workforce culture, structure, and technology.
 Human resource development is an important organizational investment to obtain an acceptable return on investment income, which involves training, development and authorization of the general business activities of the organization. For the future, investment in human resources is a basic element of corporate strategy.

 Human resource development investment similar to any investment should generate measurable and effective return on investment. The organization must evaluate the results and methods of

completing the human resource development plan. The main factor in achieving reliable success in the human resource development plan is to include a systematic evaluation and measurement method. The research results show that there is a significant positive correlation between human resource development and strategic innovation capability (Dr. Ahlam Ibrahim Wali, 2016).

Assist companies in the formulation and implementation of strategic directions and needs, determining a corporate culture consistent with corporate strategy, formulating and implementing human resources policies, plans and practices consistent with corporate culture, ensuring that human resources processes are consistent with corporate culture and strategy. It is transformative rather than transactional; think about its structure; credible, which means having educated, experienced, and well-trained HR professionals; and provide valuable services to the organization (Noe, 2017).

Human resource planning is part of human resource management and helps to hire the right number and type of staff and to perform tasks at the right place and time to achieve corporate goals. Human resource planning is essential to the effectiveness and efficiency of the organization, because it enables the organization to get the right number of qualified people on the right job at the right time, focus on business goals, utilize human resources, and reduce uncertainty and labor costs. production, maintain good labor-management relations, keep records and control human resources   (OKOLIE, 2020).

Human resources are the most valuable production factor and the main source of competitive advantage. It is considered as the strategic resource of the organization; therefore, human resource planning is part of the strategic planning. The basis of human resource planning is to recognize that decision-making is based on its assumptions, and with sufficient prediction and good judgment, the expected goals can be achieved. Recognizing the current external and internal conditions that influence the organization's future-oriented activities is a research topic in the field of strategic planning. Therefore, the evaluation of different human resource planning models and models and their best application in organizational planning will be fruitful (Bagheri, 2016).

2.6 EMPIRICAL REVIEW

The researcher couldn't find a local study that was made on the effects of organizational factors on strategic plan development. Based on this the researcher tries to focused on other related studies.

According to (Kimanthi, 2015), Who studied the organizational factors affecting the development of strategic plans among SMEs in Machakos Town in Kenya. The data were analyzed descriptively and the study established that human resources, information systems, and organizational culture have a great impact on the development of strategic plans but SMEs in Machakos Town have not fully utilized these factors towards the development of strategic plans. The researcher recommended that training employees on strategic plan development and initiating motivation schemes to encourage employees to participate in strategic plan development, SMEs need to update their organization data and maintain quality and quantity of information, and SMEs should improve their organizational commitment to strategic plan development and cultivate flexibility by adapting to change.

On the other hand, (Ndirangu, 2017), He studied the influence of various internal factors on the development of Kenya's telecommunications industry strategy, with a focus on Telkom Kenya. The researchers used a descriptive research design. Although the sampling technique of the study was stratified, random sampling techniques and questionnaires were used to collect data from selected respondents.

The findings of the research revealed that managers need to consult widely when selecting the firm's vision, mission, and values throughout the institution, leaders must communicate the organization's vision, mission, and values, managers need to intricate the need for change in the organization and leaders need to forecast the future and make plans based on those forecasts, and Managers should also include their junior staff in strategy formulation. Besides this, the researcher concludes that lower-level employees should participate in strategy formulation, and when the business environment is stable and predictable the firm can formulate long-term plans. The researcher was recommended that there is a need for managers to include the required stakeholders in consultation before selecting the firm's vision mission and values. The firm

should take an all-inclusive approach to ensure effective employee participation in strategy formulation in the organization.

Mainly the other scholar (Odera, 2014), who studied the identity of factors influencing the strategic planning by major sugar-producing firms in Kenya. The researcher used Primary data for collected data through semi- structured questionnaires and descriptive research design to analyze the findings. The researcher concluded that all the major sugar-producing firms have a formal documented vision and mission statement, however, the factors influencing the strategic planning process were not consistent with the main objectives of the strategic planning but were more legislative than business-oriented.

Among these researchers, Kimanthi, who was focused on the organizational factors affecting strategy plan development was focused on organizational factors such as human resources, organizational culture, and information system not addressed the influence of organizational structure and leadership. The other researcher Ndirangu, who was focused on the influence of various internal factors in strategy formulation mainly focused only on the impact of leadership, organizational structure, and organizational culture on the formulation of strategy, and Odera who was focused on identify factors influencing the strategic planning process while the researcher only used primary data sources not identified whether these factors which addressed by the research were merely internal or external. Therefore, this research contributes a lot to the literature as it assesses the effects of organizational factors on strategic plan development.

In addition to the above (Rajapakshe, 2002), who studied on the relationship between structure of an organization and strategy argued that there is astrong relationship between organization's structure and its strategy.A selective review of conceptual and empirical studies has been used to find out whether the strategy determines structure or structure determines strategy.It is assumed that, each affects the other simultaneously. Most of the studies suggest that the relationship between strategy and structure is highly complex. It is confirmed that changes in the structure depend on the strategy. Some scholars argue that structure leads to change the strategy. Even though evidence does exist to say with confidence that chosen strategies cannot be effectively implemented without developing a sound organizational structure.

2.7 CONCEPTUAL FRAMEWORK OF THE STUDY

This study conceptualized that the independent variables will affect the dependent variable (strategic plan development in the case of Debre Birhan town Industry and Investment office). The strategic plan development of the Debre Birhan town Industry and Investment office was evaluated in terms of human resources, leadership, organizational culture, and organizational structure.

Figure 2.5 Conceptual framework of the study

Independent variables   **Dependent variables**

Organizational structure

Organizational culture

Leadership   Effective strategy plan development

Human resources
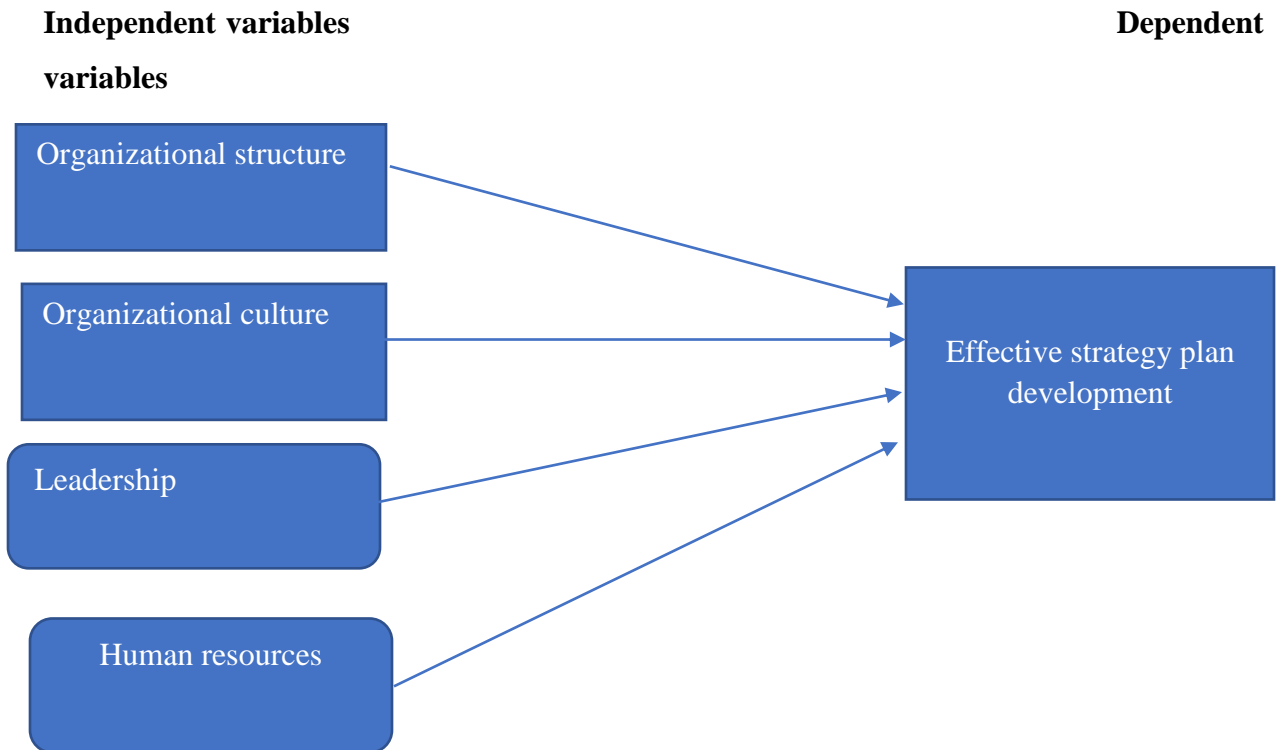
Source: Gizaw Kifle (2020), with some modifications.

CHAPTER THREE

3   RESEARCH METHODOLOGY

3.1 INTRODUCTIONS

This chapter outlines the research methodology to be used in the study including the research design, research approach, data sources, the population of the study, sample size, and technique, data collection methods, data analysis technique, validity and reliability, pilot test, and data processing and analysis of the research findings.

3.1.1 DESCRIPTION OF STUDY AREA

Historically there was a contemporary issue that Debre Birhan town as the small village was founded by Emperor Zara Yaqob in 1456E.C, and the name was given in response to a miraculous light that was seen in the sky at the time. This study was conducted at Debre Birhan Town, the capital of North Shoa, or the "Semen Shewa" zone from April to June 2012. North Shoa zone is one of the 10 Zones in Amhara National Regional State (ANRS) which has 115 woredas and 212 Towns (Salie, 2007). North Shoa takes its name from the kingdom or former province of Shoa. The Zone is bordered on the south and the west by the Oromia Region, on the north by Debub wollo, on the northeast by the Oromia zone, and on the east by the Afar Region. According to CSA (2008) report, the estimated population size was 1,839,089 of which 50.5% were males and 49.5% were females. Debre Birhan is about 130 kilometers northeast of Addis Ababa on the paved highway to Dessie. According to CSA (2008) report, the estimated population sizes of Debre Birhan town were 65,244 people, and out of these 31,658 were males and 33,556 were females.

The woreda has an estimated area of 14.71 square kilometers which gives Debre Birhan a density of 4.571.20 people per square kilometer. But according to finance and economy development office statistics (2011), the population currently increased to males 38,229 females 40,504 and a total number reached to78, 733 people.

3.2 RESEARCH DESIGN

A research design is a systematic plan to study a scientific problem. According to Singah (2006), research designs are types of inquiry within qualitative, quantitative, and mixed methods approach that provide specific direction for procedures in a research design.

The study adopted both descriptive and explanatory research design to investigate the effects of organizational factors on strategic plan development in the public sectors specifically Debre Birhan investment and industry office. The descriptive design was used in this study because it allowed the researcher to describing, explaining and validating the findings of the study and explanatory data help the researcher to assess the relationship between the dependent and independent variables.

3.3 RESEARCH APPROACH

There is a quantitative and qualitative approach in research (Halcomb, 2015). The quantitative approach involves the collection of quantitative data, which are put to rigorous quantitative analysis formally and rigidly while the qualitative approach uses the method of subjective assessment of opinions, behavior, factors, and attitudes (Arcidiacono, 2009). Quantitative research engages in the systematic and scientific investigation of quantitative properties and phenomena and their relationships (Khalid, 2012). The researcher used a mixed approach consisting of qualitative and quantitative strategies. Asserts that the differences between quantitative and qualitative researches are not exclusive. He argues that using both paradigms in a study yields important results (Bryman, 2017).

3.4 DATA SOURCES

According to Ghauri and Gronhaug (2005), there are two types of data sources available for a study include primary and secondary data sources. In line with the research design employed for the current study, the researcher uses both primary and secondary data sources for the study.

3.5   RESEARCH POPULATION

Saunders (2007), defines the research population as the full set of cases from which the sample is taken. It is also stated that a population is a group of people who are subject to a piece of research. The population for this study is employees who are working in Debre Birhan town's industry and investment office. The total population involves that employees in the office, which were seventy-eight (78).

3.6 DATA COLLECTION TOOL

The researcher used questionnaires and observation methods of structure for the study including open and close end questionnaires. The use of open and close-end questionnaires ensures that quantitative data can be capturing (Vitale et al., 2008). The study employs questionnaires to gather relevant data from the industry and investment office of Debre Birhan town. The researcher uses structured questionnaires as the data collection instrument. The questionnaires are made up of two (2) sections. The first section deal with the demographic characteristics of the respondents, section two paid particular attention to investigate the effects of organizational factors on strategic planning development in the case of the Debre Birhan industry and investment office with the extent of human resources, leadership, organizational culture, and organizational structure. Due to COVID-19 protection rules, the researcher cannot gather data over and done interviews.

3.7 DATA ANALYSIS TECHNIQUE

For data analysis, both descriptive and correlation analyses are applied. Descriptive statistics such as graphs, charts, percentages were applied to characterize the sample units.

Questionnaires were used to collect quantitative data and it was analyzed by the use of descriptive statistics using SPSS (Statistical Package for Social Sciences) and presented through percentages, means, and frequencies. In addition, the study conducted a multiple regression analysis to determine the relationship between strategy plan development and the variables of the study. The regression model was given by

$$Y = \beta0 + \beta1X1 + \beta2X2 + \beta3X3 + + \beta4X4 + \varepsilon$$

Whereby Y = strategy plan development

     X1 = Leadership qualities

     X2 = Human resources management

     X3 = Organization Structure

     X4 = Organizational Culture

     $\beta0$ = constant term; ε = Error term and

$\beta1$, $\beta2$, $\beta3$, and $\beta4$ are the regression equation coefficients for each of the variables.

The results of the regression analysis were interpreted based on the R square, the significance of F statistics, and the significance of beta values from the coefficients of the X variables at a 95% level of confidence. Also, data collected via interview and organization's document review are interpreted using the narrative analysis method. The imperical value of the coefficient is calculated by using ordinary least sequare.

3.8 VALIDITY AND RELIABILITY

According to Joppe (2000), reliability is the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. Cronbach's alpha is a coefficient of reliability that gives an unbiased estimate of data generalization (Zinbarg, 2005). An alpha coefficient of 0.75 or higher indicated that the gathered data are reliable as they have a relatively high internal consistency and can be generalized to reflect the opinions of all respondents in the target population (Zinbarg, 2005).

Joppe (2000) Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. In other words, validity is the degree to which results obtained from the analysis of data represent the phenomenon under study. The data was a true reflection of the variables and the inferences based on such data were accurate and

meaningful. To reduce subjectivity, the questionnaires were revised many times after repeatedly discussed with an advisor and other experts. The questionnaire was evaluated and commented on by different professionals and classmates were asked to give comments and opinions on statements used in the questionnaire in terms of clarity and completeness.

3.9 PILOT TEST

Piloting has paramount importance for improving the instruments of data collection. After preparation, the instruments were tested to check whether they can generate the desired information and to judge their internal consistency. Therefore, the institution itself where the pilot testing was made. In the pilot test, 32 employees included 4 managers level in a total of 36 participants were involved. Then, based on the feedback obtained, the necessary modification was made for the actual work by the researcher. Moreover, the reliability of the items has been checked before distribution questionnaires and was analyzed 0.80 by using Cronbach's alpha test. Therefore, the result revealed that the instrument was found to be reliable to measure what was intended to measure.

CHAPTER FOUR

4 RESULT AND DISCUSSION

4.1 INTRODUCTION

This chapter presents data analysis and discussions. The study sought to evaluate the effects of organizational factors on strategic plan development in the Public Sector: A Case of Debre Birhan industry and investment office in Debre Birhan. Primary data was collected through the administration of questionnaires to the targeted Debre Birhan industry and investment office in Debre Birhan.

4.2. RESPONSE RATE

A total of seventy-eight (78) questionnaires had been distributed to the respondents, out of which 72 were completed and returned. This gave a response rate of 92%. According to (Blumberg, 2014), a response rate of 50% is adequate for a study, 60% is good and 70% and above is excellent. Thus, a response rate of 92% was fit and reliable for the study as shown below the table.

Table 4.1. Response Rate

Response Rate	Frequency	Percentage
Responded	72	92%
Non-responded	6	8%

Source: Questionnaire April 2021

From Table 4.1, the total number of questionnaires that were administered was seventy-eight (78) and among all of those total population 92% were answered and returned and the remained 8% was non-responded. From the study, it can be concluded that the response rate was high to give credence to the findings.

4.3. DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

This section sought to collect information on the respondents' gender, age, marital status, education level, and year of experience.

Table 4.2. Demographic characteristics of the respondents

Respondents' characteristics	Characteristics details	Frequency	Percentage
Gender	Female	28	38.9
	Male	44	61.1
	Total	72	100
Age	Below 20 yrs.	0	0
	21-30	23	31.9
	31-40	33	45.8
	41-50	16	22.2
	Above 51	0	0
	Total	72	100
Marital status	Married	55	76.4
	Single	17	23.6
	Total	72	100
Educational level	Diploma	7	9.7
	Degree	44	61.1
	Master (MA/MSC)	21	29.2
	PHD	0	0
	Total	72	100
Experience	1-5 yrs.	18	25
	6-10 yrs.	40	55.6
	11-15 yrs.	14	19.4
	16-20 yrs.	0	0
	Above 21 yrs.	0	0
	Total	72	100

Source: Questionnaire April 2021

The respondent's demographic information collected included age, gender, the highest level of education, and year of experience. The graphical presentation was used to summarize the study findings as shown in table 4.2 Accordingly, the majority of the respondents were aged between 31-40 years as accounted for by 45.8% followed by 31.9% who were aged between 21-30 years and 22.2% were aged between 41-50 years. This implies that most of the employees in the industry and investment office were energetic and therefore could adjust to the strategies adopted and enthusiastic to learn new things within the organization. Analysis for gender indicated that the majority of the respondents were male accounting for 61.1% while a female was 38.9%. This implies that though there is gender distribution in occupation of job in the industry and investment office. The other analysis part which is discussed above the table is a marital status that majority of the respondents were married accounting for 76.4% while the remaining 23.6% are single.

In addition, the study sought to find out the highest level of education attained by the respondents. Results of the study indicated that 61.1% had attained the first degree as the highest level of education while 29.2% had attained master's (MA/MSC) as the highest level of education and 9.7% had attained a diploma certificate. In this case, the majority of the respondents have first-degree education as the highest education level and this infers that the respondents are educated enough to respond to the questionnaire and had a good knowledge on the relationship between organizational factors and strategic plans development hence higher chances of obtaining reliable data.

Concerning with duration of experience in the industry and investment office, majorities are with 6-10 years (55.6%), followed by 1-5 years (25 %), and next to this from 11-15 years (19.4%) respondents have a year of experience in the office. Thus, the majority of the respondents had 6-10 years-which is an average year for a competent worker.

Graph 4.1 Monthly income
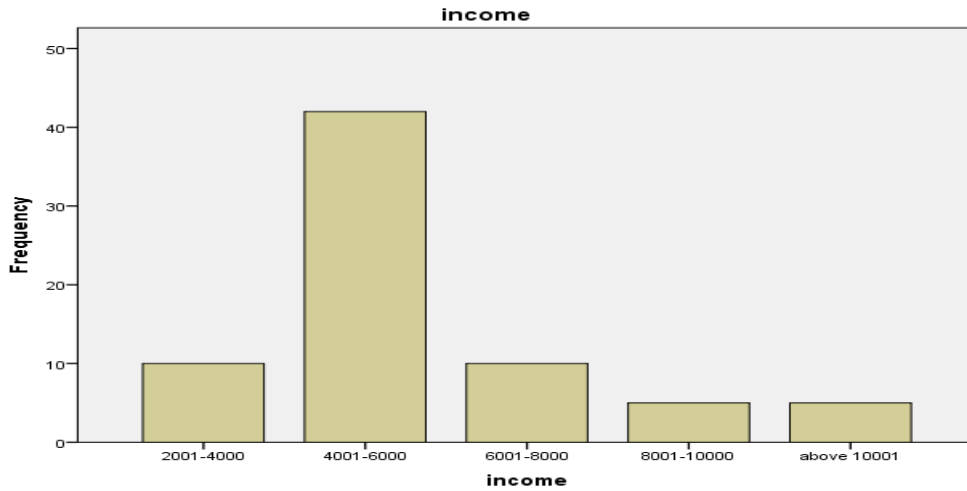
income

Regarding monthly income which is a show from the above graph 4.1, 58.3% of respondents had to earn from 4001-6000, while the remaining 13.9% had to earn both from 2001-4000 and 6001-8000, and 6.9% had to earn both from 8001-10000 and above 10001. Based on this the industry and investment office has paying majority for 4001-6000 birr monthly for its employees.

Chart 4.1

position
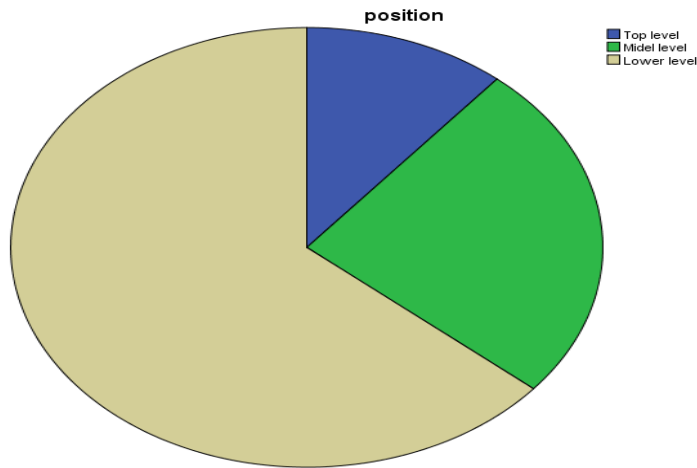
As indicated in the above chart 4.1 lower-level employees are the majority and represented 63.9%, middle-level employees are represented 25% while the remaining 11.1% are top-level managers of those surveyed. This indicated a good response proportion from top managers to

middle-level managers and onwards to their lower-level employees. Therefore, contributing to the accuracy of the report as they are the employees expected to participate in strategy formulation.

4.4 DESCRIPTIVE OUTCOMES ANALYSIS

Accordingly, the 0.8 was a result found by dividing the difference between the maximum (5) and the minimum (1) scores to the maximum score (5) of the questionnaire. In the process of examining the data, the standard deviation was used. A small standard deviation (relative to the value of the mean itself) indicates that data are close to the mean whereas a large standards deviation (relative to the mean) indicates that data points are distant from the mean. The mean is a poor fit of the data. Standard deviation is a measure of how well the mean represents the data (Håkansson, 2014). All of the variables were measured using a five-point Likert scale where 1 stands for strongly disagree and 5 stands of strongly agree. Therefore, the interpretation made using the mean of each variable the mean falls between the two ranges, hence if the mean of approaches to 1 the interpretation would be the respondents didn't agree on the raised issue or variables and if it approaches 5 the reverse would be true.

The importance of various variables engaged in forming the various construct, mainly four in numbers such as organizational structure, organizational culture, leadership, and human resources concerning effective strategy plan development were analyzed and presented in the table below. The tables present the mean and standard deviation. The highest items mean that "the researcher believes that there is a strong relationship between effective strategy plan development and their greater factors which might be influenced it and the lower mean and had the highest standard deviation of (S.D) indicating the varied response in their particular items. The main purpose of this paper was to investigate the effects of organizational factors on strategic plan development in the case of the Debre Birhan town industry and investment office.

4.5 ANALYSIS OF EFFECTIVE STRATEGY PLAN

The study sought to determine the extent to which respondents disagree with each of the following statements regarding effective strategic plan development. The study required respondents to indicate their level of agreement on effective strategic plan development. They

were to show on a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4=agree, and 5= strongly agree.

Table 4.4 summarizes the study findings.

Table 4.4 Descriptive analysis of effective strategy plan development

Statements	N	Mean	Std. Deviation
The institutionalization of strategy is a key for the effective development of strategic plans.	72	2.4306	1.08545
Effective development of the strategic plan is mostly depending on setting up of proper organizational climate/environment.	72	3.7639	.88003
Developing appropriate vision, mission, and policies is a major determinant for successful strategic plan development.	72	2.7778	1.34502
Monitoring and evaluation of plans at every step of development are important to effective strategy development.	72	3.8889	.94281
Periodical strategic plan revision is very important to develop an effective strategic plan.	72	2.5833	1.26435
Grand mean	72	3.0889	.51555

Source: Questionnaire April 2021

According to the findings, the respondents disagreed that institutionalization of strategy is a key for effective development of strategic plans (mean=2.4306), and Periodical strategic plan revision is very important to develop an effective strategic plan (mean=2.5833), whereas the respondents are agreed that effective development of the strategic plan is mostly depending on setting up of proper organizational climate/environment (mean=3.7639) and monitoring and evaluation of plans at every step of development are important to effective strategy development(mean=3.8889). In addition, the respondents are neutral that developing appropriate vision, mission, and policies is a major determinant for the successful strategic plans

development (mean=2.7778). Finally, based on the grand mean result the respondents are neutral (Grand mean=3.0889) meant that there is/is no effective strategy plan in the organization.

4.6 ANALYSIS OF ORGANIZATIONAL STRUCTURE ON STRATEGIC PLANS

This section sought to address the first objective of the study which was to examine the influence of organization structure on strategic plans developed in the Debre Birhan town industry and investment office. The respondents were to indicate their level of agreement on the statements given relating to organizational structure in the Debre Birhan industry and investment office. The findings are shown in table 4.5 below. They were to show on a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4=agree, and 5= strongly agree.

Table 4.5 Descriptive analysis of the organizational structure and strategic plans development

Statements	N	Mean	Std. Deviation
The organization structure intends to match with the strategic plan development.	72	1.8889	.84845
Radical shifts in organizational structure reflect, changes happening in the wider social, economic, and, Technological environment.	72	1.5278	.80443
The new organizational structure helps to emphasize flexibility, creativity, and participation.	72	3.6806	.70863
When managers restructure strategic plan development, aim as a means of improving and bring organizational productivity.	72	1.8194	.92426
Formal organization structure often conflicts with the informal social groups.	72	3.3611	.90858
Grand Mean		2.4556	.41142

Source: Questionnaire April 2021

The response presented in table 4.5 shows that the respondents are neutral that formal organization structure often conflicts with the informal social groups (mean=3.3611). whereas, the respondents have disagreed that the organization structure intends to match with the strategic plan development (mean=1.8889), when managers restructure strategic plan development, aim as a means of improving and bring organizational productivity (mean=1.8194), and radical shifts in organizational structure reflect, changes happening in the wider social, economic, and, Technological environment (mean=1.5278). in addition to the above, the respondents are agreed that the new organizational structure helps to emphasize flexibility, creativity, and participation (mean=3.6806). Further, based on the grand mean (Grand mean=2.4556), result the respondents have disagreed which mean that the organizational structure is not suitable for the development of the strategic plan in the organization or strategic plan development can be strongly affected by organizational structure in Debre Birhan town industry and investment office.

4.7 ANALYSIS OF ORGANIZATIONAL CULTURE ON STRATEGIC PLANS

This section sought to address the second objective of the study which was to determine the influence of organizational culture on strategic plan development in the Debre Birhan town industry and investment office. Respondents were kindly asked to indicate the extent to which they disagree with the statement that the challenges of strategic plan development result from the effects of cultural values to meet the changing organizational needs. Table 4.6 summarizes the study findings. They were to show on a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4=agree, and 5= strongly agree.

Table 4.6 Descriptive analysis of organizational culture and strategic plans development			
Statements	N	Mean	SD
The forecast of the future of an organization shall be in line with the culture and path of the organization.	72	1.9306	.96890
Organizational culture can influence strategy formulation by shaping the interpretative schemes and meanings.	72	3.500	.80491
Managements must have abilities and knowledge of how to change organizational culture to achieve the goal of an organization.	72	1.7917	.83813
Shared values of organizational culture have a solid impact on the people in the organization.	72	2.9028	1.17677
Assumptions, values, norms, and symbols, determine how the members of an organization perceive and interpret the reality within and around their organization.	72	1.7222	.95272
Grand Mean		2.3694	.43334

Source: Questionnaire April 2021

From the findings the respondents have disagreed that the forecast of the future of an organization shall be in line with the culture and path of the organization (mean=1.9306), managements must have abilities and knowledge of how to change organizational culture to achieve the goal of an organization (mean=1.7917), and assumptions, values, norms, and symbols, determine how the members of an organization perceive and interpret the reality within and around their organization (mean=1.7222). whereas the respondents are agreed that organizational culture can influence strategy formulation by shaping the interpretative schemes and meanings (mean=3.500). Furtherly the respondents are neutral that shared values of organizational culture have a solid impact on the people in the organization (mean=2.9028). Based on the grand mean (Grand mean=2.3694), which is a disagreed result indicates organizational culture has a direct effect on strategic plan development in the organization which

means that strategic plan development can be strongly affected by the organizational culture in Debre Birhan town industry and investment office.

4.8 ANALYSIS OF LEADERSHIPS AND STRATEGIC PLAN

This section sought to address the third objective of the study which was to examine the influence of leadership on strategic plan development in the Debre Birhan town industry and investment office. The respondents were to indicate their level of agreement on the statements given relating to leadership in the Debre Birhan industry and investment office. Table 4.7 summarizes the study findings. They were to show on a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4=agree, and 5= strongly agree.

Table 4.7 Descriptive analysis of leadership and strategic plan development			
Statements	N	Mean	S.D
Leadership is the baseline for strategic thinking and provides a vision for the organization and aligns its vision with the organization's goals and objectives.	72	3.6250	.95589
The top managers shall give energy and willingness for strategic plan development.	72	1.6667	.73158
The managers intend to allow active participation for all employees during strategic plan development.	72	1.6944	.83310
The vision, mission, and objective of the organization lead by any leader in the organization.	72	3.0833	1.17185
Grand Mean		2.0139	.41019

Source: Questionnaire April 2021

From the findings that the respondents are neutral to the vision, mission, and objective of the organization lead by any leader in the organization (mean=3.0833). Whereas, the respondents are agreed that leadership is the baseline for strategic thinking and provides a vision for the organization, and aligns its vision with the organization's goals and objectives (mean=3.6250). Furtherly, the respondents disagreed with the managers' intend to allow active participation for

all employees during strategic plan development (mean=1.6944) and the top managers shall give energy and willingness for strategic plan development (mean=1.6667). Based on the grand mean (Grand mean=2.0139) results the respondents have disagreed which means that leadership has a direct consequence on strategic plan development in the organization or strategic plan development can be strongly affected by leadership in Debre Birhan town industry and investment office.

4.9 ANALYSIS OF HUMAN RESOURCES ON STRATEGIC PLAN

This section sought to address the fourth objective of the study which was to determine the influence of human resources on strategic plans developed in the Debre Birhan town industry and investment office. The respondents were to indicate their level of agreement on the statements given relating to leadership in the Debre Birhan industry and investment office. Table 4.8 summarizes the study findings. They were to show on a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4=agree, and 5= strongly agree.

Table 4.8 Descriptive analysis of human resources and strategic plan development			
Statements	N	Mean	SD
Educated and having skilled employees are the most important for strategic resources and the secret for the growth of the organization.	72	1.8472	.91405
Creating opportunities for employees to participate during strategy plan development is the basic challenge for managers.	72	2.9167	1.21898
The HR shall be involved at every step of the process of strategic plan development.	72	3.9583	.63772
HRM training programs are integrated with the company's mission and values during strategy development.	72	2.0556	2.47175
Line managers have joint responsibility in all areas of people hiring and management activities in the organization.	72	1.8750	1.09978
Grand Mean		2.5306	.70584

Source: Questionnaire April 2021

Based on the findings the respondents have disagreed that human resources management training programs are integrated with the company's mission and values during strategy development (mean=2.0556), line managers have joint responsibility in all areas of people hiring and management activities in the organization (mean=1.8750), and educated and having skilled employees are the most important for strategic resources and the secret for the growth of the organization (mean=1.8472). Besides this, the respondents are agreed that human resources shall be involved at every step of the process of strategic plan development (mean=3.9583). In addition, the respondents are neutral that creating opportunities for employees to participate during strategy plan development is the basic challenge for managers (mean=2.9167). Whereas, the grand mean (Grand mean=2.5306) result shows that the respondents have disagreed which mean that the human resources department has a direct influence on strategic plan development or strategy plan development is affected by human resources in Debre Birhan town industry and investment office.

4.10 ECONOMETRICS ANALYSIS

Econometrics analysis is the quantitative application of statistical and mathematical models using data to develop theories or test existing hypotheses in economics and to forecast future trends from historical data. It subjects real-world data to statistical trials and then compares and contrasts the results against the theory or theories being tested. These methods rely on statistical inferences to quantify and analyze economic theories by leveraging tools such as frequency distributions, probability, and probability distributions, statistical inference, correlation analysis, simple and multiple regression analysis, simultaneous equations models, and time series methods (Das, 2019).

4.10.1 PEARSON CORRELATIONS

Pearson's correlation (also called Pearson's R) is a correlation coefficient commonly used in linear regression. It is the most common method to use for numerical variables; it assigns a value between -1 and 1, where 0 is no correlation, 1 is a total positive correlation, and -1 is a total negative correlation. This is interpreted as follows: a correlation value of 0.7 between two variables would indicate that a significant and positive relationship exists between the two. A

positive correlation signifies that if the variable independent goes up, then dependent variables will also go up, whereas if the value of the correlation is negative, then if the independent variable increases, dependent variables also decrease (Benesty, 2009).

Multiple regression analysis was used to determine the relationship between strategy plan development and the other four independent variables for the case of Debre Birhan industry and investment office. The regression model was adopted for the study is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Whereby Y = strategy plan development; X1 = organizational structure; X2 = organizational

culture; X3= leadership; X4 = human resources; β_0 = constant term;

β_1, β_2, β_3, and β_4 are the regression equation coefficients for each of the

variables; and ε = Error term

The researcher was used SPSS (Statistical Package for Social Sciences) software to compute the measurements of multiple regression results for the study. Before analysis of the data, assumptions are testing such as checking of the data for linearity, normality, homoscedasticity, and Multicollinearity was made. All diagnostic tested result show that fit the model (attached in the appendices figure A, B, C & table A). These results are summarized in Table 4.9 below.

Table 4.10.1 Pearson correlations matrix

Correlations		ESPD	OS	OC	L	NeHRM
ESPD = effective strategy plan development	Pearson Correlation	1	.891**	.846**	.868**	.285*
	Sig. (2-tailed)		.000	.000	.000	.015
	N	72	72	72	72	72
OS= Organizational structure	Pearson Correlation	.891**	1	.750**	.798**	.262*
	Sig. (2-tailed)	.000		.000	.000	.026
	N	72	72	72	72	72
OC= Organizational culture	Pearson Correlation	.846**	.750**	1	.766**	.259*
	Sig. (2-tailed)	.000	.000		.000	.028
	N	72	72	72	72	72
L= Leadership	Pearson Correlation	.868**	.798**	.766**	1	.190
	Sig. (2-tailed)	.000	.000	.000		.110
	N	72	72	72	72	72
NeHRM= Human resources management	Pearson Correlation	.285*	.262*	.259*	.190	1
	Sig. (2-tailed)	.015	.026	.028	.110	
	N	72	72	72	72	72
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

Source: Questionnaire April 2021

The correlation summary shown in Table 4.10.1 depicts that there is a positive relationship between strategic plan development and Organization structure (r=0.891, P≤0.01). Therefore, it can be implied that an increase in organization structure is associated with increased strategic plan development. Secondly, the study showed that there is a weak positive relationship between strategic plan development and human resources (r=0.285, P≤0.01). Thirdly, the findings showed that there is a strong positive relationship between leadership and strategic plan development (r=0.868, P≤0.01), which means that an increase in strategic plan development is associated with an increase in leads. Finally, the outcome of the study shows that there is a positive relationship

between organizational culture and strategy plan development (r=0.846, P≤0.01), which means that an increase in organizational culture is directly associated with an increase in strategic plan development.

4.10.2 MULTIPLE REGRESSIONS ANALYSIS

The regression model is used here to describe how the dependent variable changes with changing conditions. Predictive regression analysis was carried out for organizational structure, organizational culture, leadership, human resources, and strategic plan development.

Table 4.10.2 Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.945[a]	.894	.888	2.68416
a. Predictors: (Constant), NeHRM= human resources management, L= leadership, OC= organizational culture, OS= organizational structure.				
b. Dependent Variable: ESPD= effective strategy plan development.				

Source: Questionnaire April 2021

The model summary table 4.10.2, indicates that there was a very strong positive relationship (R=0.945) between the dependent and independent variables. The value of R-square 0.894 indicates that 89.4% of the variation in strategic plan development is explained by the independent variables of the study (organizational structure, and organizational culture, leadership, and human resources). This means that the remaining 10.6% of strategic plan development is determined by other factors not considered under this study. This is quite high so predictions from the regression equation are fairly reliable and the goodness of fit test is fulfilled.

Table 4.10.3 Statistical significance (ANOVA)					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4069.728	4	1017.432	141.217	.000^b
	Residual	482.716	67	7.205		
	Total	4552.444	71			
a. Dependent Variable: ESPD= effective strategic plan development						
b. Predictors: (Constant), NeHRM= human resources, L= leadership, OC= organizational culture, OS=organizational structure.						

Source: Questionnaire April 2021

The F-ratio in the **ANOVA** table 4.10.3, tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F_{(4, 67)} = 141.217$, $p < .0005$ the regression model is a good fit of the data).

Table 4.10.4 Estimated model coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.906	1.283		.707	.482
	OS	.367	.062	.426	5.966	.000
	OC	.290	.068	.284	4.246	.000
	L	.294	.071	.303	4.146	.000
	NeHRM	.456	.443	.043	1.029	.307
a. Dependent Variable: ESPD						

Strategy plan development (ESPD) = 0.906+ 0.367* (OS) + 0.290* (OC) + 0.294*(L).

Source: Questionnaire April 2021

From the finding in Table 4.9.4, the study found that holding organizational structure, organizational culture, leadership, and human resources, at zero strategic plan development will be 0.906 effective. It was established that a unit increase in the alignment of

organizational structure with strategic plan development while holding other factors (organizational culture, leadership, and human resources) constant, will lead to an increase in effectiveness on strategic plan development by 0.367, (p = 0.000). Further, a unit increase in change of Organizational culture, while holding other factors (organizational structure, leadership, and human resources) constant, will lead to an increase in effectiveness on strategic plan development by 0.290, (p = 0.000). A unit increase in leadership, while holding other factors (organizational structure, organizational culture, and human resources) constant, will lead to an increase in effectiveness on strategic plan development by 0.294 (p =0.000). This infers that organizational structure contributes most to the strategic plan development followed by leadership then organizational culture based on the P-value. At a 5% level of significance and level of confidence, human resources, organizational culture, organizational structure, and leadership affect strategic plan development.

Other researcher findings also show the same result. According to Ndirangu (2017), who studied internal factors influencing strategy formulation argued that leadership, organizational culture, and organization structure have a direct impact on strategy formulation effectiveness.

On the other hand, Kimanthi (2015), who studied organizational factors influencing strategic plan development argued that human resources and organizational culture have a positive influence on strategic plan development effectiveness.

According to (Noe, 2017) who studied the role of human resources in gaining competitive advantage argued that human resource function manages the set of resources (e.g., human capital skills, employee commitment, culture, teamwork, etc.) that are most likely to be sources of sustained competitive advantage into the next century.

On the other hand, (Azhar, 2013), who studied the role of leadership in strategy formulation and implementation argued that leadership has significant impact on strategic management process. Especially it helps to determine the vision and mission of the organization, and it facilitates the organization to execute effective strategies to achieve that vision.

While (Schneider, 1989), who studied strategy formulation, the impact of national culture argued that organizational culture can affect this process of strategy formulation because it influences the nature of the relationship of an organization with its environment as well as relationships among people within an organization.

According to (Arayesh, 2017) who studied the effects of organizational culture on the development of strategic thinking at the organizational level argued that culture market has a significant effect on all aspects of the strategic thinking and has the greatest impact on the strategic analysis, and it has a significant effect on the dimensions of vision, systems thinking, and strategic communication.

On the other hand, (Janićijević N. , 2012) who studied organizational culture and strategy concluded that organizational culture influences strategy formulation by shaping the interpretative schemes and meanings which strategic decisions makers assign to the occurrences within and outside of the company, and it also determines how top management gathers information, how they perceive and interpret the environment and the company resources.

Although (Neis, Strategic planning process and organizational structure: Impacts, confluence and similarities. , 2017), who studied   strategic planning process and organizational structure: impacts, confluence, and similarities concluded that the formulation of the strategic planning process is influenced by the elements of the organizational structure and as some times the implementation of the strategic planning process is also influenced by elements of the organizational structure.

CHAPTER FIVE
5 SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS
5.1 INTRODUCTION

This chapter comprises the summary, discussion, conclusion, and recommendations of the study. The first section contains the summary which includes the study objectives, methodology, and findings. The second section presents the discussion on the major findings and the third section covers conclusions based on the research questions as per the results obtained in chapter four. The fourth section offers recommendations for improvement based on the research questions as well as recommendations for further studies.

5.2 SUMMARY OF THE MAJOR FINDING

The overall objective of the study was to describe the effects of organizational factors on Strategic Plan Development in the case of the Debre Birhan industry and investment office in Debre Birhan town. The research had four specific objectives; to examine the influence of organizational structure on strategic plan development in the case of Debre Birhan industry and investment office in Debre Birhan town, to determine the effects of organizational culture on strategic plan development in the case of Debre Birhan town industry and investment office in Debre Birhan, to determine the influence of leadership on strategic plan development in case of Debre Birhan town industry and investment office in Debre Birhan, and to examine the influence of human resources on strategic plan development in case of Debre Birhan town industry and investment office in Debre Birhan. The researcher used a census sample method, 78 respondents were the target population for this study. A combination of descriptive statistics and correlation analysis was used to analyze the quantitative data.

The study found out that most of the employees at the Debre Birhan industry and investment office were within the age bracket of 31-40 years and were in the year of experience they are from 6-10 years. The majority of respondents have been in the organization for quite some time means that they are appropriated to know the matters which are discussed by the researcher and therefore to identify the effects of organizational factors on strategic plan development.

Based on the research findings Debre Birhan industry and investment office were found to be affected by numerous challenges in the development of the strategic plan at the office levels.

The study further found out that organizational structure with the Grand mean=2.4556, result shows that the respondents have disagreed which mean the organizational structure has a direct influence during strategic plan development in Debre Birhan town industry and investment office. In addition, organizational culture with the Grand mean= 2.3694, result shows that the respondents have disagreed which mean the strategic plan development is directly affected by organizational culture in the given institution. Besides this, leadership with the Grand mean= 2.0139, result shows that the respondents have disagreed which mean that strategic plan development in Debre Birhan town industry and investment office is affected by the leadership in the institution. Finally human resources with the Grand mean= 2.530, result shows that the respondents have disagreed that human resources management has a direct effect on strategic plan development in the Debre Birhan town industry and investment office.

Furtherly, pre-test of Multicolliniarity, (there is no multicollinearity problem in the study), Normality, (indicated normality of the distribution data has no problem), and Hetroscedsticity, (which shows that heteroscedasticity is not presented in the study). In addition to this, the regression analysis showed that 89.4% of strategic plan development is contributed by organizational factors discussed in this study while the remaining 10.6% is contributed by other factors not included in this study.

5.3   CONCLUSION

The overall finding of the study was that the effects of organizational factors on strategic plan development are very strong which mean that organizational structure, organizational culture, leadership, and human resources have a direct impact or influence on strategic plan development in Debre Birhan industry and investment office.

The organizational structure which intends to match with strategic plan development, the radical shift or changes which can affect the wider social, economic, and technological environment of the organization, giving emphasis, flexibility creativity, and participation in the organization must be in attendance while strategy plan development is enacted.

Besides this the forecast of the future of an organization shall be in line with the culture and path of the organization, the influence of shaping the interpretative schemes and meanings in the institution, the ability, and knowledge of how   change in the organization will help to achieve the goal of the organization, the consideration of shared values and its impact on organizational culture within the people of the institution and values, norms and symbols which have a determinant effect how the members of the institution perceive and interpret the reality within and around their environment, shall be in consideration during strategic plan development in the institution.

Although, as leadership is a baseline for strategic thinking and provide a vision, goals, and objectives of the organization, leaders must intend to allow active participation for employees when they establish the vision, mission, and objectives of the organization, with a full of willingness and energy at the time of strategic plan development in the organization.

Finally, as educated and skilled manpower is an important strategic resource for the efficiency and effectiveness of the organization, creating opportunities for employees to participate at the time of strategic plan development, giving chances to participate in the process of   strategic plan for human resources management, organizing programs integrated with the organization vision and mission shall be in the consideration during strategic plan development in the organization   .

5.4 RECOMMENDATIONS

The following are the recommendations for improvement and further studies; the recommendations are drawn based on the study findings.

Regrade to the organizational structure it is recommended that the top management and concerned bodies should take initiations to amend the current organizational structure of the industry and investment office to make   in line with and flexibly adjusted to the strategy, and not too hierarchical which will foster the decision-making process.

The study also recommends that there should enhance relationships between top management and middle management in the context of strategic plan development so it will improve top management commitment to successful strategic development.

The study also recommends that decision-making in the industry and investment office should be based on participation and which helps the institution not to detect problems rather help to gather information, and evaluating possible outcomes which used as resources for strategic development.

There is a need for managers to involve the required staff in consultations before selecting the firm's vision mission and values. Besides this, the need for change in the organization should be based on a well-intentioned reason advanced and junior staffs' involvement in the process of strategy formulation is paramount. Therefore, it is recommended that the Debre Birhan industry and investment office leaders should be equipped with both professional and leadership competencies. A leader's professional competency rests on the particular expertise of certain professional area that helps decision making, case analysis, problem-solving and Innovation skills. Leadership competency, which refers to how the leader understands different levels of leadership responsibility and kinds of leadership approach applied appropriately to the right level. The managers in the institution should initiate motivation schemes for their employees to encourage them to participate in strategic plan development in the industry and investment office.

Human resources are critical to achieving the strategic objectives of the institution. The study recommends that the institution should be better to launch continuous professional development and short-term training programs to upgrade the competencies of employees to solve a shortage of trained and certified manpower in the sector.

5.4.2   RECOMMENDATIONS FOR FURTHER STUDY

The study recommends further study on other factors that influence strategic plan development. The sample size of the study should also be increased to realize the most important factors at a more generalized level. The study should also be carried out in other areas especially at the Regional level as well as at the Federal level to compare the effects of organizational factors towards strategic plans development influence.

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APPENDIX ONE

QUESTIONNAIRE

St. Mary's university

School of graduate studies

Master of business administration (MBA)

Questionnaire to be Complete and fulfill by Employees of Debre Birhan town Industry and Investment office in Debre Birhan, Ethiopia

Dear respondents

This questionnaire will design and prepare to do research entitle the effect of organizational factors on strategy planning development: the case of Debre Birhan town Industry and Investment office in Debre Birhan, for the partial fulfillment of the requirement for the award of Master degree in Business Administration (MBA). This helps to improve their business profitably and sensibly to their stakeholders. Thus, you are

Kindly request to answer the questions honestly and you are convincing that your responses will be treat confidential and use for academic purposes only.

I thank you for your support in Advance!

General Instruction

- Do not write your name in any part of the questionnaire.
- Your frank response is vital and crucial for the success of the study.
- Put "X" for your choice in the box and table it's provides below.

Tesfaye Chalew

(Research student, MBA)

Cell phone, 0911921328

There are two (2) sections in this questionnaire. Please answer all questions in all sections. This questionnaire divides into two sections:

Section 1: Respondent demographic information

Section 2: The effect of an organizational factor on strategic plan development

Section 1: Demographic characteristics of the respondent in Debre Birhan town

1. Sex   Male---------   Female--------.

2. Age groups below 20 --------from 21--------30 from 31---------40 from 41---------50 above 50 years------

3. Marital status, Married-------- single---------.

4. Education-, TVT or Diploma--------- Degree------------ Master----------- Ph.D. -----------.

5. Year of experience in the organization

       1-5 years -----------

      6 -10 years ----------

      11-15 years ---------

      16-20 years ---------

     Above 20 years -------

6. Monthly income, below 2000-------- from 2001---------4000 from 4001----------6000 from 8001----------8001 from 10000--------------- above 10001------------.

7. Position of staff, Top-level Manager--------- Middle-level manger--------Lower level -------.

Section 2: The effect of organizational factors on strategic plan development

Instruction: for this section, please select and mark only one of the best numbers that reflects your opinion on the statement. Please indicate your level of agreement with each of the following statements response range as:

1-strongly disagree, 2-disagree, 3- neutral, 4-agree, and 5-strongly agree.

No.	Statements	1	2	3	4	5
1.	Institutionalization of strategy is a key for effective development of strategic plans.					
2.	Effective development of the strategic plan is mostly depending on setting up of proper organizational climate/environment.					
3.	Developing appropriate vision, mission, and policies is a major determinant for successful strategic plan development.					
4.	Monitoring and evaluation of plans at every step of development are important to effective strategy development.					
5.	Periodical strategic plan revision is very important to develop an effective strategic plan.					
No.	Statements	1	2	3	4	5
1.	The organization structure intends to match with the strategic plan development.					
2.	Radical shifts in organizational structure reflect, changes happening in the wider social, economic, and, Technological environment.					
3.	The new organizational structure helps to Emphasize flexibility, creativity, and participation.					
4.	When managers restructure strategic plan development, aim as a means of improving and bring organizational productivity.					
5.	Formal organization structure often conflicts with informal social groups.					

No.	Statements	1	2	3	4	5
1.	The forecast of the future of an organization shall be in line with the culture and path of the organization.					
2.	Organizational culture can influence strategy formulation by shaping the interpretative schemes and meanings.					
3.	Managements must have abilities and knowledge of how to change organizational culture to achieve the goal of an organization.					
4.	Shared values of organizational culture have a solid impact on the people in the organization.					
5.	Assumptions, values, norms, and symbols, determine how the members of an organization perceive and interpret the reality within and around their organization.					

No.	Statements	1	2	3	4	5
1.	Leadership is the baseline for strategic thinking and provides a vision for the organization and aligns its vision with the organization's goals and objectives.					
2.	The top managers shall give energy and willingness for strategic plan development.					
3.	The managers intend to allow active participation for all employees during strategic plan development. .					
4.	The vision, mission, and objective of the organization lead by any leader in the organization.					

| NO.	Statements	1	2	3	4	5
1.	Educating and having skilled employees are the most important for strategic resources and the secret of the growth of the organization.					
2.	Creating opportunities for employees to participate during strategy plan development is the basic challenge for managers.					
3.	The HR shall be involved at every step of the process of strategic plan development.					
4.	HRM training programs are integrated with the company's mission and values during strategy development.					
5.	Line managers have joint responsibility in all areas of people hiring and management activities in the organization.					

MULTIPLE REGRESSIONS ANALYSIS TEST

Multicollinearity Test

Coefficients

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	OS	.311	3.215
	OC	.355	2.818
	L	.297	3.370
	HRM	.916	1.092

a. Dependent Variable: ESPD

Normality Test

Histogram

Dependent Variable: ESPD

Mean = 6.08E-16
Std. Dev. = 0.971
N = 72
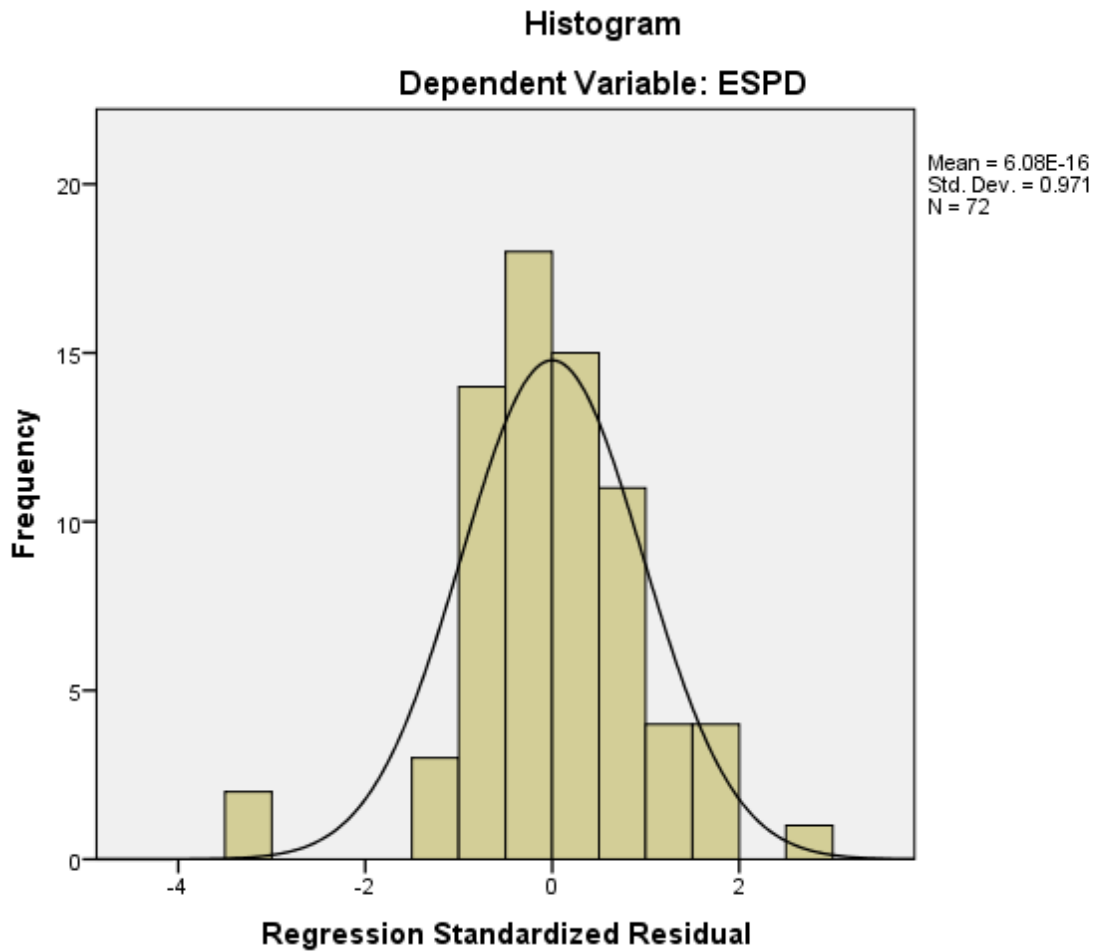
Heteroscedastic test

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: ESPD