ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDY

PROJECT MANAGEMENT DEPARTMENT

FACTORS AFFECTING STRATEGIC PLAN IMPLEMENTATION: IN CASE OF OROMIA BANK

BY

GUDETA BENDA BUSESO

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ADDIS ABABA, ETHIOPIA

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THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDY IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF ART IN PROJECT MANAGEMENT

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Declaration

I, Gudeta Benda Buseso, hereby declare that this thesis entitled “Factors affecting strategic plan implementation: In the case of Oromia Bank.’’ Submitted by me for the award of the Master of Arts in Project Management from St. Mary’s University, School of Graduate Study is my original work as well as all sources and materials used in the study have been duly acknowledged.

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Statement of Certification

This is to certify that Gudeta Benda Buseso has carried out this research work on the topic entitled "Factors Affecting Strategic Plan Implementation: In case study on Oromia Bank". This work is original and suitable for the submission for the award of Master of Project Management.

Advisor: - Busha Temesgen (PhD)

Signature__________________________Date___________________________

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Abstract

The general purpose of this study was to examine the factors affecting strategic plan implementation: In a case of Oromia Bank. In this study quantitative research approach and descriptive research design applied. The study adopts purposive and stratified random sampling techniques to select the desired sample size. To conduct the study, 225 sample sizes were selected, out of the distributed questionnaires, 211 questions collected and analysed by using SPSS version 20 software. The collected data were analysed by using descriptive and inferential statistics. The findings by descriptive analysis on all factors that affect the strategic plan implementation indicated that strategic plan implementation was affected by organization structure, organization policies and procedure, resource allocation, leadership, and external environment factors. All the considered variables have positive correlation with strategic plan implementation in Oromia Bank. The study revealed that independent variables (organization structure, organization policies and procedure, resource allocation, leadership, and external environment) have positive/direct relationship effect with strategic plan implementation. Model summary result revealed that, 67.5% company strategic plan implementation (dependent variable) affected by variation of the independent variables. The study recommended that Oromia Bank has to align the supportive organizational structure, sufficient financial and non-financial resources, engaged leadership system, initiative policies and procedures, immediate reaction to the external environment strategic plan implementation in operation by minimising the internal and external factors which affect the strategic plan implementation.

Key Words: *Strategic Plan Implementation, Organization Structure, Policies and Procedures, Resources Allocation, Leadership and External Environment.*

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Acronyms

OB: Oromia Bank

KIP: Key performance Indicators

SPSS: Statistical Package for Social Sciences

MBO: Management by Objective

MBR: Management by Result

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Many organizations are attempting to use the strategic plan as their strategy approach in terms of the competition in the market. McKay, E. G. (2001) explains strategic planning as the process by which leaders of an organization determine what it intends to be in the future and how it will get there. This implies that they develop a vision for the organization's future and determine the necessary priorities, procedures, and operations (strategies) to achieve vision by including measurable goals which are realistic and attainable.

The current stiff competition in marketing makes companies to implement appropriately the formulated strategic plan to survive and gain the required performance. According to Michael Porter as cited by Mekic, (2014) the industry structure within which an organization competes and how they position themselves against the structure will determine the performance of the individual firm. To survive in marketing in such rigid competition, all businesses try to develop strategy that make them strongest competitor by having comparative advantage to achieve their objective. Many businesses environment has been evolving requiring organizations to formulate and quickly implement their strategies to achieve their objectives (Kagumu, 2016).

Pitts et al (2003) explained that it is to ensure that an organization applies its strengths and distinctive competences in such a way that it gains a competitive advantage over its rivals in any given environment. Nowadays, adopting strategic planning implementation makes any companies to building sustainable comparative advantage, and without having comparative strategic plan management process, it is difficult to survive and surmount the competition. According to Rajasekar, (2015) to enable an organization to survive, remain relevant, competitive and grow implementation forms a core part of overall organization growth and success.

In any organization to achieve their objectivity strategic plan implementation is mandatory activity. To implement the strategic plan in one organization, commitment of the higher management plays a significant role as they are the front level responsible individuals for organization. The contribution of individual involvement in the strategic plan implementation facilitates the success of the strategic plan implementation.

Factors in the external environment affect strategic plan implementation (organization process directly, or (positively or negatively) (Tacheva, 2007), that indicates many organizations are surrounded with an environment that has many opportunities and threats that has influence on organizational performance. The external environment factors of the firm consist of all external influence that impacts firm's decision and performance (Grant, 2001) this means, macro-environment like; political, economic, social, ecology, technology and legal issue (PESTEL) elements which affecting the organization performance indirectly. The government may affect organizations performance through the level of political stability in the country, the legislative and regulatory framework for businesses, employment and trade tax regimes and fiscal policies as well as effect of the dominant political ideology (James et al. 2011).

Kobia & Mohamed (2006) postulate that many organizations face turbulent and rapid changing environment, delays in availability of resources, political interference and variations in the economic situations have been attributed to poor organizational performance at the period. In any operation successful strategy implementation depends on the strength and capacity of the internal stakeholders which can force to implement the strategic plan accordingly. During operation process and implementation of strategic plan, commitment to sustainable improvement of organization internal growth and responding for external environment according help the organization to increase its market shares in industry and achieve the target objectives. Implementing the strategic plan accordingly with main pillars make the organization opportunity for solving the existing and learn the new things for further growth in operation.

Effective strategic plan implementation has significant effect on the growth and performance of one organization, because it is the most important approach that can increase the performance of the organization. Strategic plan implementation can enhance operational efficiency by improving organization market share from industry and profitability in operation and can boost the sustainability of business in long term. Many studies indicate a positive relationship between strategic planning at all stages and the organizational performance (Arasa & K'Obonyo, 2012). Sarason and Tegarden, (2003) stated to the positive correlation between strategic planning and performance achievements as very beneficial for organizations.

Strategic plan implementation has great effect on performance of one organization in making business to have competitive advantage in market, providing information about organization to both internal and external stakeholders. The success of one organization performance measured by different ways starting from the financial and non-financial operations in industry by taking challenging of marketing opportunity and threat depending on initiation specific tactics that help organization in operation to identify what to be implemented and responsible person with other resources. Financial performance is the extent to which objectives of the firm and in this case financial goals will be met or have been meeting (Yahaya & Lamidi, 2015).

Oromia Bank is one of the financial institutions that is providing financial services to the country wide community. Starting from the establishment up to now bank worked by implementing/applying two consecutive strategic planning to reach the desired target. From the foregoing strategic plan implemented more or less the strategic plan bank implemented not make the bank the strongest bank in industry and the bank performance and other related factors(resources) that seen as the key performance indicator like, deposit, FCY, loan, revenue and profitability while market share of the bank deteriorated in industry (Annual Report, 2020). Hence, this study sought to identify major factors that affecting strategic plan implementation in Oromia Bank.

1.2 Statement of Problem

Many organizations make effort to achieve their objective by applying different strategic plan that energize them to compete in industry and for company success. Strategies frequently fail not because of inadequate strategy formulation, but because of insufficient implementation (Li, Guohui, and Eppler, 2010). The task of implementing a strategy is critical to the survival of an organization and enhancing its performance in a competitive industry (Atkinson, 2006). The priority of any profit oriented financial institution is introducing competitive strategic plan and executing it to improve the business operation performance. Unfortunately, most companies struggle with implementation and therefore fail in performance enhancement (Blahová & Knápková, 2010).

In strategic plan implementation different resources which are parts of the strategic plans are need in that organization as factors like financial resources, manpower, technology that enhance the system for operation. Mashhadi, Mohajeri, and Nayeri, (2008) propose that for an organization to implement the strategy successfully, adequate resources, decision-making processes, organization structure, culture, information and communication technology, reward and motivation systems, effective communication, education, capabilities and skills should be provided.

Many patricians revealed that, strategic plan implementation is critical steps in the process of strategic management in operation to achieve any business goal and objective for long term success and they concluded that organizational performance was significantly influenced by monitoring, control of strategies resource allocation and strategy communication (Donna, O. K. & Wanjira, J. 2018). The research done on the factors affecting strategy implementation in local municipality in Mpumalanga province, South Africa. Nkosi (2015) merely focused on managerial behaviour, resource allocation and institutional policies on strategy implementation. And Yambwa (2014) study the reasons for failing to implement strategic plans in the Ministry of Regional and Local Government, Housing and Rural Development, Namibia, focused on lack of commitment and teamwork, organizational structure that were not aligned to strategy, inadequate budgetary provision, inadequate leadership to direct strategy implementation, lack of appropriate technology to support the implementation were the major factors affecting the strategic plan implementation. One of the study conducted by (Mbaka and Mugambi, 2014) on the factors affecting successful strategy implementation in the Water Sector in Kenya by based on secondary data to identify the effect of factors affecting (which is internal factors) strategic plan implementation.

According to Lynch, (2012), Wanjiku & Ombui (2013), and George & Desmidt (2014) about 70% of strategies that planned have not success due to poor strategy implementation as results of absence of manager's commitment and indecisiveness. Nabwire (2014) conducted a study on factors affecting the implementation of strategy at Barclays Bank found that resource allocation and information systems were major factors affecting implementation of strategy. Boohene et al. (2013) explained that banking industry is experiencing intensified competition as it faces slow balance sheet growth, gradual increase of new entrants, great pressure including an uncertain economic outlook.

And also, different researches studies have been conducted in our country on factors affecting strategic plan implementation in different sectors by various ways, but it need more attention again. Gizaw Kifle Alemu (2020) study factors affecting strategy implementation in the public sector: a case study on ministry of urban development and construction. And also, Addisalem Tadesse, Belay Adamu and Fanta Tariku (2019), study on factors influencing strategy implementation: A Study on Oromia Bank, North West Showa (NWS) District, Ethiopia, they only focused on internal factors. Majority of the research done on the factors affecting strategic plan implementation in our country at different sectors including Bank merely focused on the internal elements that affecting strategic plan implementation from various ways. Currently strategic plan implementation challenged/influenced by different factors in various organizations including Oromia Bank.

Oromia Bank is profit oriented organization that is charge with provision of financial services to societies. Oromia Bank set goals and target that it envisions to achieve at the end of the strategic plan operation period to improve the target financial growth like deposit mobilization and foreign currency generation, enhance customer satisfaction, quality services to clients on the services, to improve the internal business on all direction and encouraging creativity and innovation on the uses of technology. But, majority of strategic plan in Oromia Bank not implemented (bank far from its target and objectives at the ended of the strategic plan period) (Annual Report, 2020).

Depending on the different factors affecting strategic plan implementation in many organizations, the study tried to reduce the gaps contextual and conceptual by focusing on major internal and external factors affecting strategic plan implementation in Oromia Bank as the issue need more attention. The main aim of this study was to identify factors affecting strategic plan implementation in Oromia Bank by focused on major factors both from internal and external side.

1.3 Research Question

1.3.1 The Main Research Question

The main research question was what is the factors affecting strategic plan implementation in Oromia Bank?

1.3.2 Sub Research Questions

The study required to answer the following research questions;

- What is the effect of organizational structure on the strategic plan implementation in OB?
- What is the effect of policy and procedure affecting strategic plan implementation in OB?
- What is the effect of resource allocation affecting strategic plan implementation in OB?
- What is the effect of leadership affecting strategic plan implementation in OB?
- What is the effect of external environment affecting strategic plan implementation in OB?

1.4 Object of the study

1.4.1 General Objective

The general objective of this study is to examine the factors affecting strategic plan implementation in Oromia Bank.

1.4.2 Specific Objectives

The specific objectives that researcher try to find in this research were;

- To identify the effect of organizational structures on the strategic plan implementation in OB.
- To analysis the effect of policy and procedures on the strategic plan implementation in OB.
- To examine the effect of resource allocation on the strategic plan implementation in OB.
- To examine the effect of leaderships on the strategic plan implementation in OB.
- To investigate the influence of external environment on the strategic plan implementation in OB.

1.5 Significance of the Study

The outcomes of the research are useful especially for Bank (new and existing Bank), policymaker, academicians, stakeholders and also it serves as an input for the decision-making body. The research serves as an input for policy maker both for organization and individual concerning effect of strategic plan implementation on performance. Furthermore, the study uses as stepping stone for academicians and practitioner who may be focusing on similar topics and related issues, particularly, on analysis of the effect of strategic plan implementation on Bank performance everywhere. Finally, the finding of the research is significant to stimulate the researcher interest in academics, and students to further investigating in the area of factors affecting strategic plan implementation in financial service organization.

1.6 Scope of the Study

The study was limited by geographically and methodologically. The study was tried to examine the factors affecting strategic plan implementation in Oromia Bank. By taking the research objective and questions in to considerations, quantitative research approach was used. The study was employed descriptive research design with explanatory. Purposive and stratified sampling techniques were used to do this study while primary and secondary data were used to conduct the research. To collect the data, self-administration questionnaire was used. Sample of the research was taken from 225 employees of OB. Data was analysed by using descriptive and inferential statistics.

1.7 limitation of the Study

In the process of the study, the study is limited to the merely views of internal stakeholders, it is difficult to generalise the finding to entire organizations. There was unwillingness of respondents to fill the questionnaire as required in analysis that affected the results of the research. And also, time was very tiny to include the views of all stakeholders in the Bank.

1.8 Organization of the Study

The research structured into five big chapters; Chapter One: This chapter deals with the introductory part including background of the study, statement of the problem, research questions, and objectives of the study, significance of the study and also scope of the study. Chapter Two: This chapter covers related literature like theoretical, empirical, and conceptual framework with regards to the topic of the study. Chapter Three: This chapter presents the methods used in the study to provide a solution for the research questions. It illustrates research approach, research design, the source of data, data collection method, data collection instrument, data analysis method, validity & reliability, and research ethics are included. Chapter Four: Data Presentation, Analysis and Interpretation: Under this chapter information on data presentation, analysis, interpretation, and discussion of the findings presented. Chapter Five: Summary, Conclusions and Recommendation: This chapter consists of summary, conclusions, and recommendations that were drawn from the findings of the study.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

In this chapter different related literature review included well as both theoretical and empirically related to the concept of the factors affecting strategic plan implementation while conceptual framework was presented.

2.2 Theoretical Review

2.2.1 Different Theories on Strategic Plan

There are several theories which explain the strategic plan from different angles. Profit maximising and competition theory which is based on the notion that a business organisation explained that the main objective is to minimise long term profit and developing sustainable competitive advantages over competitors in the industry/external marketing.

Contingency theory presents two simple core assumptions: First is that no one best way exists when organizing firms. Secondly is that any way of organizing is not equally effective. (Galbraith, 1983). Organization should develop as well as adapt to the environment by using the PESTEL analysis tool which identifies key external environment change drivers. The changes to drivers ‘entail political, economic, social, technological, legal and environmental factors. Political elements outline parameters in regards to legal and regulatory frameworks that firms ought to operate. Limitations are placed on organizations through, decisions on fair-trade, laws regarding antitrust, programs addressing taxes, legislations on minimum, Rules and policies on pollution and pricing. The aim of these actions or resolutions is to ensure protection of workers, clients as well as the environment. Laws and regulations are restrictive in nature and they reduce the firm’s productivity. Economic factors on the other hand focus on nature and also the direction of the economy (Pearce & Robinson, 1997).

Yabs (2010) argued that the economic environment covers all the economic activities in a country such as inflation rates, bank lending rates, balance of payments, level and growth of GDP, growth of population and factors affecting that growth. According to Hakala (2011) found that for a firm to maintain a better performance than the competitors it must incorporate complicated technologies that the competitor cannot be able to duplicate. Hakala further explained that the firm's technical skills, research and development as well as technological stand appears a bit critical when passing originality and better products in the market. This has led to an organization’s superior performance to be achieved. And also, a strong and positive relationship between performance and technology.

The Theory of Resources and Capacities also known as the Resource-Based View (RBV) postulates that resources owned by an organization are critical for a firm to sustain competitive advantage and superior performance (Barney 2002). King (2007) predicted that resources possessed and managed by organizations are able to create a competitive advantage resulting in premium performance.

An organization's capacity is the ability of combining resources, people and processes to transform inputs to outputs. This indicated that, without appropriate resource allocation business cannot become a strong competitive organization. Resources can influence both organization capacities to compete in the industry and the general performance of the business by making the comparative advantage in the market among the business. This theory postulates that the competitive advantage of a firm is determined by resource uniqueness (Carpela& Gordon, 2011). Hence, the starting point is to review the resources at the disposal of an organization.

Wang (2009) defines resources to mean both tangible and intangible assets that an organization uses to choose and implement its strategies. Tangible resources include financial, technological, physical and organizational resources while intangible resources include human, reputations and innovation (Carpela & Gordon, 2011). The theory focuses on the Value (V), rarity (R), imitability (I) and organizational (O) aspects of resources and capabilities leading to the VRIO framework.

Industrial Organization Theory, the focus of industrial organization theory is the market where a company operates in, rather than the company itself (Ramsey, 2001). The theory is replicated in the structure conduct performance model, which claims that there is "causal link between the structure of a market in which accompanies operates, the organizations conduct and in turn the organization's performance in terms of profitability" (Ramsey, 2001). The market structure determines its behaviour and thus its performance.

The Agency Theory put forth by Jensen and Meckling (1976) postulates that the agent acts on behalf of the principal and to advance the principal's objectives. It is a supposition that explains the relationship between principals and agents in organizations. The agents are typically leaders and managers of the organization at various levels. Once the agent accepts to embark on a task on behalf of the principal, they become answerable to the principal by whom they are engaged. Thus, the agents look after the principals' and their interests balancing them in order to achieve the objectives of the organization.

This theory explained how the organization can be connected internally with the working principle of the strategy and agency in performance management for one organisation. The contribution of this theory for the study are that, how the top leaders of the bank affect the strategic plan implementation and its performance. That is how the required performance is achieved when the bank leadership acting according to the principle of the bank by applying the interest initiating organ into implementing into the action can easily achieve the needed organizational targeting and objective. The connection of the both organs in the bank can force the business to go into continuous organizational performance.

The other theory is Institutional Theory which supports the strategic planning in organization as a guiding line. Simpson & Weiner (1989) defined institutional theory as an approach that explains the influence of an organization's environment on its structures. The complexity of reporting structures affects the manner in which information relevant for strategy implementation is passed and received. The policies and procedures, which are the set of formal rules that are developed, determine the way information flows and actions to be carried out during strategy implementation (Scott, 2001).

The institutional theory helps this study by explaining what strategic plans contain more to support the general organizational structure, ways of communications to determine the performance of the bank. To achieve the planned strategic plan, implementing how to communicate the target in organization to achieve the goal can affect the performance of the bank directly or indirectly. Structure in a bank also affects performance at different levels. Through different pre-defined structures to implement the provided activity and communication on working time and on how to use the provided resources to achieve the plan, organization can increase their performance gradually by minimising the pitfall in organization. Brandão and Bagattolli (2017) states that institutional change occurs through the three processes of coercive, normative and mimetic. Coercive process is concerned with how external pressures force an institution to change. Normative process relates to organization norms and how it encourages institution change such as innovation. Mimetic change occurs through uncertainty and with organization coping others or trying to copy others as a way to survive.

Wright and Snell (2015) argue that the application of strategic management practices depends on the firm context, business strategy and culture. The proponents of this theory further observe that strategic management practices are only effective to the extent that they are aligned to the business environment both within and outside of the business. The theory of strategic fit theory places significant emphasis on availability and relevancy of resources and elements in the strategic planning process.

2.3 The Concept of Strategic Planning

According to Mintzberg (2004), strategic plan implementation is the process that follows immediately after strategic plan formulation and entails the action point of the strategic management process. According to David (2003) the human element of strategic implementation plays a key role in successful implementation and involves both managers and employees of the organization. Both parties should directly participate in implementation decisions and communication that play a key role in ensuring that this occurs. In the broadest and general context strategy would be defined as a plan of action‖. McNamara (2008), identifies some of the major activities that are common to all strategic planning processes as conducting a strategic analysis; setting the strategic direction, executions, that is, carefully laying out how the strategic goals will be accomplished etc. “Strategic planning helps determine the direction and scope of an organisation over the long term, matching its resources to its changing environment and, in particular, its markets, customers and clients, so as to meet stakeholder expectations. “Johnson and Scholes (1993).

Porter (1996) strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value. Mintzberg has identified the 5 P’s of strategy: Strategy could be a plan, a pattern, a position, a ploy, or a perspective; plan, way “how do I get there”, is pattern, in consistent actions over time, position that it reflects the decision of the firm to offer particular products or services in particular markets, ploy, a maneuver intended to outwit a competitor and perspective that is, a vision and direction, a view of what the company or organization is to become.

The term ‘performance’ means carrying into execution or achievement; or accomplishment of specific activities, or the performance of an undertaking of a duty. ‘Bank performance’ may be defined as the reflection of the way in which the resources of a bank are used in a form which enables it to achieve its objectives. In the context of performance management, the term "performance" means continually achieving the preferred results in a manner that is as effective and efficient as possible.

According to Ilesanmi (2011), strategic planning refers to the formulation and implementation of plans and the carrying out of activities relating to the matters which are of vital, pervasive or continuing importance to the organization. According to Nickols (2012), Strategic planning is defined as a recognizable set of activities that have logical coherence. There are technical differences among the definitions of different scholars, but the substantive issues are essentially the same across authors.

2.3.1 Strategic Planning Model

Strategic plan implementation is the third strategic management processing step in the operation process in one organization following the strategic plan initiation, strategic plan formula in management processing. According to Thompson and Strickland Model (2003) implementation processes and activities or consumption sets up processes that can be used to gear an organization towards set objectives. According to this model, several steps that an organization should undertake in order to have a successful strategic plan implementation have been proposed. Each step has a special task that should be undertaken. According to the Thompson model, an organization should have structure that supports strategy implementation i.e. appropriate people to task in the organization, reinforcing relevant skills and capabilities in an organization through capacity building and training. It also goes further and states that an organization should provide adequate financial resources that will enable the strategy to be executed because for a strategy to be executed sufficient funds should be available. The other organizations should have inter-support units which promote development of policies and procedures that will enable the organization to run smoothly and focus their energy towards one direction.

Ricky Griffin's Model indicated the main factors that influence performance are: that organizational structures and leadership are the effective factors which influence implementation of strategies in organization. And also other factors include human resource, culture, technology and information systems Griffin's (2007), organization structures according to this model, are division of labour, decentralization of functions and setting up simple organization structures that will make decision making faster and technology. Proper use of technology, job designing can influence organization performance. Griffin identifies a control system, a proper control system which includes financial budgeting, information system, proper rules and procedures will influence organization performance as well as human resource also enhance organization performance.

Strategic plan implementation concerned with the process of putting the strategic plan activity into operation or translating the chosen strategy into a strategic action process to achieve or to solve the desired objectives. Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Grant, 2000). Different authors and scholars argued that strategy plan implementation is critical steps in strategic plan processing which need a combination of great effort and sufficient recourse to use it as the intermediate in the process of producing the desired target objective of the organization.

Management by objectives (MBO), also known as management by results (MBR), is a process of defining objectives within an organization so that management and employees agree to the objectives and understand what they need to do in the organization in order to achieve them, (Drucker, 2007). This models explained that, all managers to set specific objectives to be achieved in the future and encourages them to continually ask what more can be done, is offered as a partial answer to this question of organizational vitality and creativity. In any operation, MBO is a process or system designed for supervisory managers in which a manager and his/her subordinate sit down and jointly set specific objectives to be accomplished within a set time frame and for which the subordinate is then held directly responsible. At anywhere and anytime all organizations exist for a purpose and to achieve that purpose, top management sets goals, policies, procedures and objectives that are common to the whole organization in the operating system. This model contributes great information on policies and procedures to the performance of the organization in operation process.

2.4 Strategic Plan Implementation

Strategic plan implementation is where the real action takes place in the strategic management operation process, since this is where the tactics in the strategic plan can transform into actions to reach on the planned actual performance with participation of the entire organization stakeholders (starting from top management up to the lower staffs). In strategic plan implementation at anytime and anywhere to achieve the desired objective, organisations use the planned resources effectively to reach the target at the end of the plan period. Equally, for effective accomplishment of set goals, engagement of assets such as finances and personnel is considered during the strategy implementation phase (Ballentine, & Eckles, 2009).

Formulation of the strategies are mostly in the hands of the particular strategic management team, with the aid of senior management and key employees from the concerned department and division. The reality of strategy resides in its strategic actions rather than its strategic statements (Burgelman, Grove & Meza, 2006). Contracting strategy plan formulation, strategic implementation need a workforce that can execute the strategic plan, with top or senior management taking the lead and participating in all entire staffs at different levels. According to Steiner (2004), the implementation process envelops complete administrative activities including aspects like management appraisal, incentives, reward and control process. This may be because managers are coached more in strategy making than in strategic plan execution (Hrebiniak, 2006).

According to (Aladwani, 2003), strategy implementation means executing the results of planning through operationalization of the day to day activities so that an organization can achieve its competitiveness. Strategic plans implemented take place by applying/gating into action using the allocation of existing resources, giving more effort, communicating the planned activities and follow up the action to achieve the target plan in operations. Strategy implementation refers to putting the strategy into practice and to making sub organizational entities begin to implement their roles in the strategic plan successfully by building an organizational structure capable of implementing the plan, allocation of supporting budgets and programs to implement the strategy, and developing an information system and follow-up reports to monitor the progress of the implementation process, as well as creating an internal regulatory environment that is in line with the success of the strategy (Babafemi, 2015).

Strategy implementation is the sum total of the activities and choices required for the execution of a strategic plan. It is the process by which objectives, strategies, and policies are put in to action through the development of programs and tactics, budget and procedures. Although implementation is often considered only after strategy has been formulated, implementation is a key part of strategic management, strategy formulation and strategy implementation should thus be considered as two sides of the same coin (Wheelen & Hunger, 2015). According to Ochieng (2011) study on factors influencing strategy implementation at KCB, conclude that top leadership plays a key role in strategy implementation process, by focusing internal factors.

Rumelt (2011) a good strategy shall include a set of coherent actions. They are not implementation details; they are the punch in the strategy. A strategy that fails to define a variety of plausible and feasible immediate actions is missing a critical component.

One of the reasons why strategy implementation processes frequently result in difficult and complex problems or even fail at all is the vagueness of the assignment of responsibilities. In addition, these responsibilities are diffused through numerous organizational units resulting in unclear individual responsibilities in the process. Cross-functional relations are representative of an implementation effort. This is indeed a challenge because employees tend to think only in their “own” department structures. This may be worsened by over-bureaucracy and can thus end up in a disaster for the whole implementation. To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding detailed implementation activities. Responsibilities are clear and potential problems are therefore avoided (Rapa and Kauffman, 2015).

2.5 Empirical Review

According to the study on factors affecting NGOs while implementing their strategic plans, found that most of the factors that can influence the strategic plan implementation were internal to the organization, thus easy to identify but psychologically challenging to solve (Mutuvi, 2013). Nyakeriga (2014) conducted the study on factors that influenced implementation of strategic plans in newly established public universities in Kenya. The study revealed that the existing human resources management practices, organizational culture and organizational leadership, organizational structure and administrative systems, and effective communication and consensus influenced strategic plan implementation at newly established public universities in Kenya.

According to study on effects of strategic plan implementation on organizational performance, a case study of Nakuru Water and Sanitation Services Company (Nawassco), identified that concerning performance, various strategic objectives of the strategy implementation process such as leadership, structure, policies and procedures and resource allocation were included. All those factors were found to have positive effects on performance and improvements in them leads to better performance (Mukira Newman Gitonga, 2013). The three common pillars of effective strategy execution are direction (which provided a map for where to go), structure (a holistic approach on how the implementation will be conducted) and people (the resources for doing the work) (Getz & Lee, 2011). Many authors agree that internal (organization structure, information, policies and procedures, leadership system and resources allocation) are the main factors that can affect the strategy implementation which lead to low organization performance.

2.5.1 The Role of Organizational Structure in Strategic Plan Implementation

According to Moinkett Irene Siapei (2015) organizational structure and strategy implementation at a geothermal development company in Kenya. The structure was conducive to strategy implementation because it allowed; quick decision making, strategic response to environmental changes, sharing of knowledge, cross departmental coordination and empowerment of managers. In one organization, the structure of the organization must be comprehensible and in line with the ability and the accountability clear and highlighted in the order of the objectives of the organization (Cristian-Liviu 2013). Cater and Pucko (2010) demonstrated that managers mostly rely on planning and organizing activities when implementing strategies, while the biggest obstacle to strategic implementation and execution is poor leadership. Their results showed that adapting the organizational structure to serve the execution of strategic plan implementation has a positive influence on performance.

According to Okumu (2003) aligning the organizational structure to strategy has an impact on the shape, how labour is divided, responsibilities and tasks on the job, power distribution and procedures of making decisions within the organization. At anytime and anywhere, with the presence of the organization structure comparable tasks and activities are grouped together while different responsibilities and tasks are defined. An organizational structure that stands out increases operational efficiency while at the same time balancing specialization needs with integration. Poor organization structure presents grave hurdles in duty separation whereby the consequence may end up to be conflicts of interest and roles overlapping (Obara, 2006).

According to the research done on influence of strategy implementation on organizational effectiveness of non-governmental organizations in Kenya. The study shows that organizational structure positively and significantly influences the achievement of organizational effectiveness (Grace Mwai. 2017). As the research carried out by (Rajasekar, 2014) indicated, organizational structure can increase strategy implementation by connecting decision-making processes, role clarity and responsibilities, human resource allocation and organization flexibility. Gareth, (2011) argues that slow decision-making increases organizational costs, impedes performance and may result in organizational failure.

A study by Khayota (2014) revealed that organizational structure was a major contributor to the successful implementation of strategies in Lake Victoria South Water Services Board. The studies recommend a more refined study to understand the relationship between the organizational structure and strategic planning under different systems of management. As the result study done by Juma, D. S., & Wachira, J. N. (2013) revealed that the bureaucratic structure affects the process of decision making in implementation of the strategic plan which greatly derailed the implementation of strategic plan in terms of effectiveness and efficiency. Ikoro Emenike Innocent and Nwosu Ndubuisi Levi. (2017) identified that lack of accountability, lack of commitment and lack of understanding of the role in the execution process are challenges in the implementation of strategic planning.

Charles and Gareth, (2008) briefly explained how organizational structure specifies the firm’s formal reporting relationships, procedures, controls, and authority and decision-making processes. When a structure’s elements (e.g., reporting relationships, procedures, etc.) are properly aligned with one another, the structure facilitates effective use of the firm’s strategies. Thus, organizational structure is a critical component of effective strategy implementation processes.

According to Addisalem Tadesse, Belay Adamu and Fanta Tariku (2019), study on factors influencing strategy implementation: A Study on Oromia International Bank, North West Showa (NWS) District, Ethiopia, found that organizational culture, organizational structure, leadership and employee commitment were significant for strategy implementation at Oromia International Bank North West Showa District. According to Weihrich, Koontz and Cannice (2010) an organization is a formalised structure of roles and positions. This organization should not necessarily be inflexible but to a certain extent, it should provide for an optimal performance of individuals in achievement of organizational goals by allowing some flexibility, room for decision making, optimal utilisation and recognition of talents and capabilities.

2.5.2 The Role of Policy and Procedure in Strategic Plan Implementation

According to Hill (2001), well connected policies help enforce strategy implementation by channelling action, behaviour, decisions and practices which promote strategy accomplishment. The many challenges faced while implementing the strategy should be addressed regularly in order for the organization to attain its long-term objectives. The organizational structure, processes, organizational culture, in adequate resources, weak communication, leadership, the strategy itself, government policies, uncontrolled factors and resistance to change are the key challenges that are normally faced during strategy implementation (Onyari Richard Moturi, 2010).

The study by Walter P. Karungani and George Ochiri.2017) on the effect of policy and regulatory framework on organizational performance: A case of Nairobi County, Kenya. The findings of the study indicated that indeed, policy and regulatory framework within the procurement sector plays a very important role in improving organizational performance. The study also revealed that policy and regulatory framework led to improvement in organizational performance by creating a level of playing field for organizations engaged in the procurement field. Policy and regulatory framework also led to improvement in transparency, openness, improved ethical standards, impartiality as well as improving decision making. From this, organisational policies and procedures provide guidelines for decision making processes and the way that work in an organisation should be carried out. The result of having clear, well-written policies and procedures are increased transparency, accountability, uniformity and stability in organization which increase the organizations success. A set of policies are principles, rules, and guidelines formulated or adopted by an organization to reach its long-term goals and typically published in a booklet or other form that is widely accessible it shows organization decisions, measurement, benchmarking and documentation of organization procedures (Wolosz, 2007). Top management should review employee training policies, engage leaders with relevant knowledge and improve performance would be a challenging task (Betty Kariithi.2018).

According to Field and Chelliah (2012) policies and procedures in one organization help reduce risks such as pilferage, unauthorized transactions, and also help to ensure accountability. These and other changes have had a clear impact on banks because of their nature while increasing the volume of problems in the banking sector, which increased the need to pay attention to the quality of banking services to enhance the performance of banks. The process of putting the strategic plan in action is the role of management executives, and they have a significant role in motivating the employees, building core competencies and building a stable environment that will facilitate the achievement of excellent performance. Strategy monitoring and evaluation is an essential tool in ensuring an organization achieves its objectives about efficiency and profitability (Gabauer, 2011).

Strategic assessment is the process of obtaining information about strategic plans and performance and comparing the data with standards (Juma, 2015). He also describes strategic control as the process of changing the strategic plan in light of improved additional knowledge and or taking corrective action to bring activities into conformity with the plan. This final step of the strategic management process includes analysis of the effect of internal and external factors on present strategies, measuring performance, and taking remedial or corrective steps. It is a tool to ensure effective implementation of the process (Zafar, et.al. 2013). In one organization some time policies that companies use may either accelerate or slow down the implementation process depending on how the organization effectively guides the people to implementation.

2.5.3 The Role of Resource allocation in Strategic Plan Implementation

As strategic plan formulation requires many resources, strategic implementation also needs more effort, time and resources from different units and departments starting from the top management up to the lower staffs in the organization to achieve the company's objectives. It also goes further and states that an organization should provide adequate financial resources that will enable the strategy to be executed because for a strategy to be executed sufficient funds should be available (Thompson and Strickland Model, 2003). According to Ohja (2012) budgets and resources allocated within the functional areas of an organization will affect whether plans will be achieved or not and the time it will take to achieve these targets. And also, an organizational workplace will also affect how smooth the implementation process moves, this affects how the implementation process progresses.

Performance of any organization will be dependent on the resources employed both financial and non -financial without resources deficiency. Organizations have at least four types of resources that can be used to achieve desired objectives namely; financial resources, physical resources, human resources, and technological resources (David, 2003). Sterling (2003) viewed that some strategies fail because not enough resources were allocated to successfully implement them. The process of resource allocation and completion of tasks in strategic plan implementation affect strategic plan implementation (Juma, D. S., & Wachira, J. N. 2013). In the operation process resources possessed and managed by organizations are able to create a competitive advantage resulting in premium performance (King, 2007).

Resource availability and utilization had an effect on strategy implementation specifically due to shortage of competent human capital and technology (Gizaw Kifle Alemu.2020). A study done by Sesi (2009) on the challenges to the implementation of strategic plans in the Kenya Dairy Board stated that inadequate and underdeveloped components of human resources hinders the implementation of strategic plans, which lead organisations to under performance.

Abok (2015) investigated the factors affecting organizational performance with reference to resource allocation. The study indicated that strategic resource allocation measures were slowly being adopted by organizations, inhibiting optimum performance of these organizations. The study focused on the financial factors affecting effective implementation of strategies. The effect of non-financial factors on resource allocation during strategy implementation on organization performance was not highlighted in this study.

Fred, (2011) stated that all organizations have at least four types of resources that can be used to achieve desired objectives: financial resources, physical resources, human resources, and technological resources. Allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. He also noted that a number of factors commonly prohibit effective resource allocation, including an overprotection of resources, too great an emphasis on short-run financial criteria, organizational politics, vague strategy targets, a reluctance to take risks, and a lack of sufficient knowledge. Reinforcing relevant skills and capabilities in an organization through capacity building and training to hold the staff in organization as well as improve the strategic plan implementation.

Ouma and Kilonzo (2013) investigated how resource allocation planning influences performance in public financial institutions in Kenya. The study focused on the procurement departments of these institutions revealing that resource allocation significantly affects performance in the financial institutions. It did not show how the balance of overall resource allocation and allocation of funds to specific departments can improve the overall performance from low level to a corporate-wide unit

2.5.4 The Role of Leadership in Strategic Plan Implementation

For any organization in the business operation process organization's managers are the key responsible persons for implementing strategic plans. The initiation of the top management to implement the planned strategic plan plays a crucial role in one organization. Rajasekar (2014) indicates that leadership is by far the most important factor influencing successful implementation strategy in the service sector. And poor leadership can result in lack of focus, poor staff commitment, and lack of coordination as well as erratic allocation of resources.

Mintzberg (2010), recognizes that management and leadership are two different things which are both required for better strategy execution. He contended that managers combine human and other resources to achieve goals, while leaders solve problems creatively. A strong sense of purpose is normally the discretion of true leadership as such it plays an important role in harnessing the creative energies of all the people in the business (Schultz et al. 2013).

Schultz, et al. (2013) again state that the advantage and moral value of a benevolent approach to treating other employees especially the lower echelons as human beings and respecting human dignity in all its forms, research and observations show that well motivated employees are more productive and creative. Harrison (2013) shows that senior executive management has a significant impact on the strategies and performance of their organizations. Poor leadership can have a powerful negative influence and create dissonance amongst employees (Worleyand Doolen, 2006). Leadership influences value formation, conflict resolution and shared values that are seen throughout the organization.

Poorly communicating strategy to employees has a strong impact on strategy execution (Beer and Eisenstat, 2010) and they also stated that a well-conceived strategy communicated to the organization equals a well-executed strategy. Communication flow also affects the process of strategic plan implementation especially where vital information is delayed, or is not available at all (Juma, D. S., & Wachira, J. N. 2013).

One of the reasons why strategy implementation processes frequently lead to very challenging and complex problems or even fail, is the vagueness of the assignment of responsibilities (Raps, 2005). Wheelen and Hunger (2005) states that lack of direction in the organization makes people do their work according to their personal view of what tasks should be done, how, and in what order. This reflects, to reach the target in the planned period, any organization should be communicating the strategic plan before they get into operation directly or indirectly depending on the organization's approach. Leadership skills exhibited by managers is a central factor that should be prioritized for professional service to improve performance (Darius Oloo Otieno. 2019). Accordingly, strategic planning is a management function that focuses on the growth and future sustained wellbeing of an organization.

Some researchers said that companies that practiced strategic planning were largely more successful and better performers than the non-planners. In contrast, David (2003) argues that not all companies that used strategic planning are necessarily successful. Chege (2015) conducted research on the challenges of strategic implementation on the performance of Zetech University and found out that leaders do not engage employees in formulation of strategic plans leading to reluctant implementation resulting in poor performance. According to Odero, J, A., & Wanyama, E. W. (2020) depicted leadership role as measured through communication and commitment positively and significantly influenced implementation of strategic plans.

According to Gizaw Kifle Alemu (2020) which studies factors affecting strategy implementation in the public sector: a case study on ministry of urban development and construction, the effective strategy implementation is largely influenced by the leadership qualities.

2.5.5 The Role of External Environment in Strategic Plan Implementation

(Chan et al., 2006) found that environmental uncertainty as a formative construct was correlated positively with alignment. Understanding the environment that surrounds an organization is important to the executives in charge of the organizations. There are several reasons for this. First, the environment provides resources that an organization needs in order to create goods and services. Similarly, it is accurate to say that no organization is self-sufficient. Second, the environment is a source of opportunities and threats for an organization. Opportunities are events and trends that create chances to improve an organization's performance level. Threats are events and trends that may undermine an organization's performance. Executives must also realize that virtually any environmental trend or event is likely to create opportunities for some organizations and threats for others. Third, the environment shapes the various strategic decisions that executives make as they attempt to lead their organizations to success. The environment often places important constraints on an organization's goals, for example a firm that sets a goal of increasing annual sales struggle to achieve their goal during an economic recession or if several new competitors enter its business.

The study carried out on the effect of strategy implementation and external environment to commercial banks' performance in Kenya revealed that external environment significantly and positively affected the relationship between implementation of strategy and performance (Gladys Tegek. 2018). According to Pearce & Robinson, (2007) explained political factors define legal and regulatory measures within a firm's operating environment.

Political factors are concerned with how conduct of business is affected by the policies and actions of the government. Legislation may restrict or protect commercial operations of organizations in a number of ways. Some of the political factors are; level of political stability, legislative and regulatory framework for business, employment and trade, tax regime and fiscal policy, forthcoming legislation programs and political ideology in dominance (Robert et al., 2013).

The stability of political factors is a major consideration when doing evaluation of the remote environment (Pearce & Robinson 2007). Hence political changes that could affect the business, especially the banking sector. Zeuli and Cropp, (2016) forward ideas on economic factors such as a country's gross domestic product, current interest rates, employment rates, and general economic conditions affect how organizations implement their business strategies.

As (Birchall, 2013), economic factors concern the nature and direction of the economy in which the firm operates; organizations must therefore determine a strategy implementation process within a given economic situation. Economic factors concern the nature and direction of the economy that the organisation operates in both the national and international level management must consider the availability of credit, the level of disposable income, the propensity of people to spend, interest rates, inflation rates, and trends in the growth of the gross national product among other economic factors (Pearce and Robinson, 2003).

Economic factors are concerned with overall prospects for the economy. The key measures include: GDP/GNP, inflation rates, interests' rate, exchange rates, unemployment figures, wage and price controls, fiscal and monetary policy. The raw materials availability and energy resources, the condition of infrastructure, distribution networks and the changing nature of global competition are also some of the issues to be factored (Robert et.al, 2013).

Clay et al., (2005) studied how the changes in interest rates in Germany affects world currency markets and found that when interest rates change in the country the value of the dollar on world currency markets changes, which affects the price, and subsequently sales of American exports and imports.

The social-cultural environment consists of all elements, conditions and influences which shape the personality of an individual and potentially affect their attitude, disposition, behaviour, decisions and activities. These elements include the following: beliefs, values, attitudes, habits, forms of behaviour and life styles of persons as developed from cultural, religions, educational and social conditioning (Adeleke et.al, 2003).

Organizations should be ready always for the changes that are happening in the technological approaches in the world in-order to continue their adaptation with the external environment or at least stay in the market competing with other organizations as a sign of adapting themselves with the changes (Zalengera, Blanchard, 2014). (Mintzberg et al., 2003) study indicated that technology is a key factor in almost any conceivable strategy process today. This shows technology affects how the business operates and its overall competitiveness in the market. The study done on the effect of technology on performance of mobile telephone industry in Kenya and found that technology is an important resource in influencing companies' performance (Njoroge et.al. 2016). Technological progress creates new avenues of opportunity and also poses a threat for individual firms (Manyara, 2013). According to the (Birchall, 2013) indicated technology has helped banks to measure the performance of their products and services resulting in customer satisfaction.

Organizations can obtain information about the consumer ‘s age, gender, income, education, family characteristics, occupation, and many other items to come up and implement strategies (Wahu, 2016), this means identifying customers according to their geographical location led organization to achieve the desired objective/target. Rajasekar, (2015) argued demographics aid organizations in identifying and targeting potential customers in certain geographic locations. Nabwire, (2014) explained banks that target certain specific demographic characteristics should make sure that those characteristics exist in enough abundance to justify locations in new countries or regions. Strategies are meant to help as a meaningful check against external influence and competitors by adequately managing and utilizing the superior organizational resources to fulfil customers‟ and other stakeholders‟ expectations (Olanipekun, 2015).

Legal factors involve the legislation in the areas of business, labour laws, industrial laws, employment, trading policies, regulatory laws, regulatory body’s health and safety laws, future changes in legislation, and others lead to ease or restriction in doing business. The external environment factors of the firm consist of all external influences that impacts firm’s decision and performance (Grant, 2001) this means, macro-environment like; political, economic, social, ecology, technology and legal issue (PESTEL) elements which affect the organization performance indirectly.

2.6 Research Gaps

The success of one organization's strategic plan implementation depends on the different various factors in the operation process. According to Gizaw Kifle Alemu (2020), to implement one strategic plan, continuous flow of resources (the required quantity/amount at the right time) and efficient utilization of the available resource had great effect on the strategy plan implementation. And also, strategic plan implementation affected by leadership qualities and organizational structure in operation time. In this research many internal elements/factors that hinder the strategy implementation were considered/included, but the external factors that are out of the organization which have great effect on the operation period are not included. Hence, this is the gap that the researcher proposed to study.

The achievement/successfulness of strategic plan implementation highly depends on adequate resource allocations, capable leadership system and capability of the employees starting from the strategic plan formulation and up to implementation process (Doris Kimbui Shisia, 2018). This seems the factors that hinder the strategic plan implementation affected merely by internal factors which are not. By understanding this gap, this study included the effect of the external environment on the strategic plan implementation. And also, Addisalem Tadesse, Belay Adamu and Fanta Tariku (2019), study on factors influencing strategy implementation. They considered only internal factors from different views on various sectors.

As literature reviews indicate, strategic plan implementation can be affected by many factors like leadership system, organization structure, policy and procedure and resource allocation in different organisations. Many of the researchers focused on internal factors by excluding external factors which can hinder the organization not to apply/implement the planned activity as required. This indicates that there is a gap, as the external environment also has a great effect on the strategic plan implementation in various ways.

2.6 Conceptual Framework

In many organizations strategic plan implementation can challenged by different factors at many times in operation period. This conceptual framework proposed depending on the theoretical and empirical tested variables study on strategic plan implementation. From the aforementioned conceptual framework, major factors affecting strategic plan implementation measured by organization structure, organization policies and procedures, resource allocation within Bank, leadership system and external environments. Strategic plan implementation achieved/succussed when; organization structure is well-structured at all level, best policy and procedures that can support the operation, encourage leadership system on administration/decision-making from different direction during strategic plan implementation, adequate resource allocation as planned and stable external environment plays crucial role in one organization. This framework emphasizes on the relationship among the factors affecting strategic plan implementation and strategic plan implementation in Oromia Bank. In the model, organization structure, policies and procedures, resource allocation, leadership and external environment are independent variables and strategic plan implementation is dependent variable.

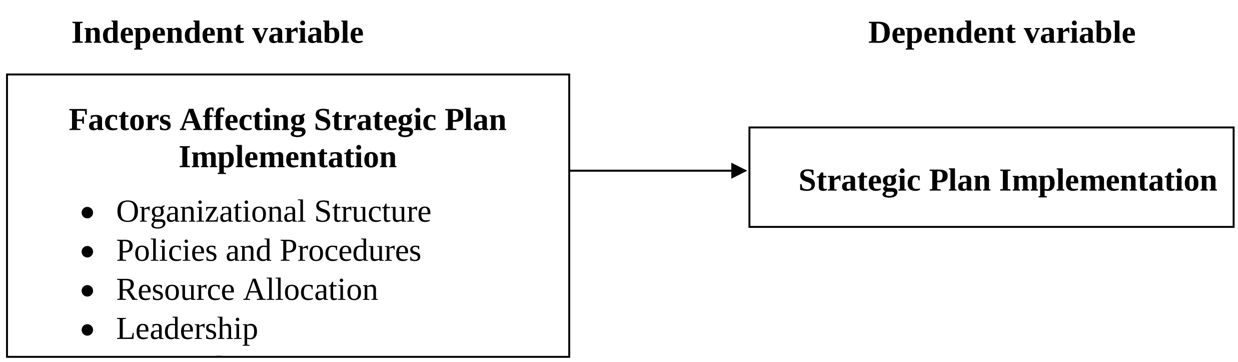


Figure 1: Conceptual Framework

Source: Author, 2021

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research methodology that suitable to achieved the research objective. It describes research approach, research design, target population, sample frame, Sample size, sample techniques, data sources and type, data collection instrument, data analysis methods, validity and reliability and research ethics to be followed.

3.2 Research Approach

There are three common research approaches to conduct research in business areas such as; quantitative, qualitative and mixed research approaches to attain the objective of the study and answer the research questions (Creswell 2009). Quantitative research is a means for testing objective theories by examining the relationship among variables. Hence, quantitative research design with descriptive and explanatory type was applied to conduct this study. This quantitative research approach used to identify the factors affecting strategic plan implementation and to examine the extent of the factors affecting strategic plan implementation.

3.3 Research Design

Descriptive research design characterizes a subject, frequently by making a profile of a gathering of issues, individuals or occasions through accumulation of information and classification of frequencies on investigate factors or their collaboration (Cooper and Schindler, 2013). The study was conducted by using descriptive and explanatory design. Descriptive design used to analyse numerical data and explanatory design used to identify the relationship among the variables and strategic plan implementation.

3.4 Target population

According to (Leedy & Ormrod, 2012) population is a complete set of individuals, cases or objects with some common observable characteristics. The target population that was used for the research was all Oromia Bank Head Office staff. The researcher selected Head Office staff due to their understanding of strategy plan implementation more than other location staff.

3.5 Sample Frame

Sampling frame provides names of all target population components from which a researcher selects a sample (Saunders et al., 2016). The sample frame of this research was drawn from a list of Oromia Bank Head Office 515 employees.

3.6 Sample Size

According to Saunders et al., (2016) the sample size calculation aims at determining an adequate sample size, which can estimate results for the whole population with a good precision, to enable the researcher to draw inference or to generalize about the population from the sample data. Hence, this study generalized findings in Oromia Bank by taking the selected sample size. The sample of this research was calculated by using Yamane (1973) formula (as cited in Glenn, 1992), to obtain sample size that represents the population for the study hereunder.

$$n = \frac{N}{1+N(e)2}$$

Where: n represents sample size, N represents total number of population size, and e represents sampling error/level precision (0.05).

According to the information obtained from Oromia Bank (Annual Report, 2019/20), there was 515 total employees at the Head Office.

$$n = \frac{515}{1+515(0.05)2} = 225 \text{ Staffs}$$

Hence, based on the formula aforementioned the researcher selected 225 sample sizes.

3.7 Sampling techniques

Sampling technique guarantees that the sample includes specific characteristics that the researcher wants included in the sample (Creswell, 2012). This research adopted stratify and purposive random sampling technique. Stratified sampling technique was adopted because the population consisted of managerial and non-managerial groups of employees. In addition to stratified sampling technique, purposive sampling technique was used to select the respondents based on the researcher judgement by considering their closeness to the operation about the strategic plan implementation in Oromia Bank.

3.8 Data Sources and types

As explained by Kothari & Garg, (2014) data can be collected from primary sources, for the research problem at hand, and secondary sources that had been collected over time and exist in archives, which could be either electronic or bound. This study used primary and secondary sources of data. Primary data was collected by questionnaires from Oromia Bank staff and secondary data from different published materials (past researches, books, articles and different Journals) to support the primary data.

3.9 Data Collecting and Instrument

Questionnaire was prepared in line with the objectives of the study to get general information/demography, factors affecting strategic plan implementation. The close-ended type questions were structured and the responses to the questionnaire were also measured by likert scale of strongly agree, agree, neutral, disagree and strongly disagree with five ratings.

3.10 Data Validity and Reliability

As defined by Hair, et al., (2010), reliability and validity, jointly called the "psychometric properties" of measurement scales, are the yardsticks against which the adequacy and accuracy of the measurement procedures are evaluated in scientific research. To conduct this study, the validity and reliability was tested as the following.

3.10.1 Validity

As it argued by Saunders, Lewis and Thornhill, (2009) one type of validity which is content validity refers to the extent to which a questionnaire offers sufficient coverage of the examined questions. The content validity is the assessment of the correspondence between the individual items and concept. According to Bhattacherjee, (2012) explained validity, often called construct validity, refers to the degree in which the test is truly measuring what it is supposed to measure. In order to assure the validity of the study instrument, different relevant literature is amended by discussion with advisor and other professionals for clarity of the research.

3.10.2 Reliability

Cronbach‟s alpha has the highest utility for questions on an interval scale providing a unique, quantitative estimate of the internal consistency of a scale (Cooper & Schindler, 2014). According to Sekaran (2003), the closer the reliability coefficient gets to 1.0, the better it is, and those values over 0.8 are considered as good. Those values in the 0.7 are considered as acceptable and that reliability value less than 0.6 is considered being poor.

3.11 Data Analysis Methods

Data collection has taken place and the data has been transformed into useful information then comes the next step which is data analysis (Bryman and Bell, 2011). The primary data collected through self-administered questionnaires were analysed using both descriptive statistics and inferential statistical analysis. The analysis of the collected data was computed by Statistical Package for Social Sciences (SPSS) software version 20.

Descriptive statistics was used mainly to organize and summarize the demographic and general data that collected from Banks' respondents and it employed percentage, frequency, mean, and standard deviation. This method was selected because it provides a pictorial explanation to the presentation.

Inferential statistics was used regression models to test research objectives. Different types of inferential statistics like, multiple regression analysis was used to measure the magnitude effect of strategic plan implementation on Bank's performance and Pearson correlation was used to identify relationship among each factor and performance variables. All the tests were carried out at an alpha level of significance of 0.05.

3.12 Ethical Consideration

In the context of research, ethics is defined as the appropriateness of the researcher's behaviour in relation to the rights of the participants or subjects of the research work (Saunders, Lewis, & Thornhill, 2009). To conduct this research, the general procedure that one researcher has to do such as work starting from time of selecting the area and up to ways of requesting the respondents to answer the questions were being considered. During collecting the data, informing respondents the reasons behind the research was informed. The researcher was confident in the information from the respondents during collecting information and when that data was processed.

CHAPTER 4

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

In this chapter, the data collected from the respondents for the purpose to study the factors affecting strategic plan implementation in the Bank depending on the proposed variables results presented, analysed and interpreted. The first part of the section deals with questionnaire, respondent rate and reliability of the research instrument. On the second part descriptive and inferential analysis of variables and at the end the discussion of the results presented.

4.2 Questionnaire Respondent Rate

Out of the total target sample 225 questionnaires that were distributed to the selected Oromia Bank's head office employees planned for the study, 211 questionnaires were collected and used in research, but merely 14 questionnaires were not returned because respondents did not give the answer on time. Hence the return rate of the collected questionnaires 94%. According to Rubin & Babbie (2010), any response rate of 70% is very good/ for further analysis. Thus, 94% respondent's rate for this study was acceptable.

Table 4: 1 Questionnaires Response Rate

Category	Frequency	Percentage
Collected	211	94%
Uncollected	14	6%
Total	225	100%

4.3 Reliability

The reliability refers to a measurement that supplies consistent results with equal values (Blumberg et al., 2005). In the reliability test, Cronbash's alpha was used to measure internal consistency of items in the research instruments. According to the Cronbrash's alpha rule of thumb results, if $\alpha \geq 0.9$ it means excellent correlate, if $0.9 > \alpha \geq 0.8$ good internal consistency, if $0.8 > \alpha \geq 0.7$ is acceptable, $0.7 > \alpha \geq 0.6$ questionable, $0.6 > \alpha \geq 0.5$ indicate the poor (low reliability).

Table 4: 2 Reliability Test Results

Reliability Statistics Results		
Variables	Cronbach's Alpha	Number of Items
Organization Structure	0.905	6.0
Policies and Procedures	0.886	6.0
Resource Allocation	0.921	7.0

Leadership System	0.885	7.0
External Environmental	0.886	6.0
Strategic plan implementation	0.887	6.0
Overall Reliability	0.912	38.0

The results in the table 4:2 illustrated that the total value of Cronbach's alpha of the entire items were 0. 912.The specific items values range from 0.885 to 0.905, this indicated that the items were strongly reliable as they have relatively high internal consistency. According to the above result, the reliability 0.912 indicated if the questionnaires were provided to similar respondents, the chance of getting the same result for the study was 91.2% which was reliable.

4.4 Descriptive Analysis

4.4.1 Demographic Characteristics of the Respondents

The general demographic Characteristics of the respondents included in this study to assess who provided the required information on the study. The demographic data such as; gender, age, education and working experience presented hereunder.

Table 4: 3 General Demographic Information of the Respondents

Demographic and General Information on Respondents			
Variables	**Respondents Categories**	**Respondents Results**	
		Frequency	**Percentage**
Gender	Male	139	65.9
	Female	72	34.1
	Total	**211**	**100.0**
Age	under 20 years	0	0.0
	21-30 years	92	43.6
	31-40 years	95	45.0
	41-50 years	24	11.4
	Over 50 years	0	0.0
	Total	**211**	**100.0**
Level of Education	Less than secondary school	0	0.0
	Diploma	0	0.0
	1st Degree	150	71.1
	2nd Degree and Above	61	28.9
	Total	**211**	**100.0**
Experience	less than or equal to 5 years	54	25.6
	6-10 years	111	52.6
	11-15 years	46	21.8
	over 15 years	0	0.0
	Total	**211**	**100**
Position	Managerial	61	28.9
	Non-Managerial	150	71.1

	Total	211	100.0

Source: Researcher 2021

Table 4.3 indicates that from the participants that reacted to the study, the majority of them 65.9% were male and 34.1. % were female. This shows that in the organization the working area is occupied by the male workers.

Concerning the age of the respondents, many (45%) of them were between 31-40 years, 43.6% 21-30 years, 11.4% 41-50 years and no participant above 50 years. The result indicates that; the company was led by energetic human resources.

The result of respondent's education indicated that 71.1% followed the first degree education, 28.9% second degree and above. This implies that the workers in the organization were more educated professionals who forward the bank to achieve the expected position.

As the working experience increased, the ability to understand one task and ways of solving the existing problems improved in the working area. As the result of working experience indicated in the Oromia Bank, greater than half of the respondents had between 6-10 years which 52.6%, less than or equal to 5 years 25.6%,11-15 years 21.8% experience. This shows, most of the respondents in Oromia Bank who were at head office had more experience on the issue of questions that were raised related to effects of strategic plan implementation on organization performance.

The results in table 4.3 indicated that, majority of respondents 71.1% were non-managerial and 28.1% managerial positions. This implies that, majority of the respondents worked in a Bank as a no-managerial position and few of them as managerial. From this, the non-managerial position who performed the daily activity in strategy plan implementation responded to the questionnaires.

4.4.2 Descriptive Analysis of Variables

There are numerous factors that can hinder the business not to achieve their objective in the operation period. In order to measure the factors affecting strategic plan implementation on the organization performance six factors used. To examine these factors, the respondents asked to identify the factors depending on the provided likert scale (strongly disagree, disagree, neutral agree and strongly agree). Under this, six sub-sections of organization structure, police and procedure, resources, leadership and external environment factors additionally strategic plan implementation were included. The results of combined; organization structure, policies and procedures, resources allocation, leadership system and external environment descriptive analysis variables presented in the following table.

Table 4: 4 Effect of Factors Affecting Strategic Plan Implementation

Descriptive Statistics

Questions	N	Min.	Max.	Mean	SD	Variance
To what extent does organization structure, policies and procedures, resources allocation, leadership system and external environment affect strategic plan implementation in OB?	211	3	5	4.29	.722	.521
Valid N (listwise)	211					

The table above 4.4 exhibits the respondent's reflection on the average/combination of extent of factors affecting strategic plan implementation and indicated positive effect on the strategic plan implementation. The respondents agreed to a high extent to the effect of those factors on the Bank performance with mean of 4.29 and standard deviation 0.722. This depicted that organization structure, policies and procedures, resources allocation, leadership system and external environment had a positive effect on the performance of the banks.

4.4.2.1 Influence of Organizational Structure on Strategic Plan Implementation

Among the objectives of the study, organizational structure is one of the objectives used in this study to examine how organizational structure affects strategic plan implementation. The respondents were asked to indicate their level of agreement on the provided five indicators by using likert scale (strongly disagree, disagree, neutral agree and strongly agree). The respondent's results presented in the table 4: 5 below.

Table 4: 5 Effect of Organizational Structure on Strategic Plan Implementation

S/NO	Descriptive Statistics						
	Questions	N	Min.	Max.	Mean	SD	Variance
1	There is a decision-making process and structure that supports decisions being implemented.	211	1	5	2.63	.785	.616
2	There are effective formal and informal communication systems which encourage support, trust, and cooperation among groups and individuals.	211	2	5	3.01	.182	.033
3	There is a strong commitment among all employees to working effectively as a team. Team spirit within and among departments is encouraged and supported, and there are effective coordinated services among departments.	211	1	5	2.51	.917	.842

4	All OB's units coordinate well with their Branches to achieve the objectives of the organization.	211	1	5	2.79	1.141	1.302
5	Roles and responsibilities of each employee at all level clearly presented in strategic plan implementation.	211	1	5	2.47	.847	.717
6	OB effectively balances division of tasks and responsibilities among the employees.	211	1	5	2.62	1.046	1.095
	Average Cumulative organization Structure items	211	2	4	2.73	.590	.348
	Valid N (listwise)	211					

As the result of descriptive statistics shows in table 4:5, the organizational structure ranges from the highest 3.01 to 2.47 which reflects the organization structure has a great effect on performance of the bank. Except for the first question which respondent's neutral, on others they disagree. From this, the majority of respondents disagreed on the issue provided for them how organization structure support to implement the strategic plan to achieve organization performance. Hence, organizational structure is generally regarded as a fundamental part of effective strategy implementation, because new strategies create administrative problems and economic inefficiencies. Therefore, structural changes are needed to address issues and to increase performance (Siddique, 2015). This indicated that the organizational structure plays a significant role for their strategic plan implementation and for banks success in the operational period.

The standard deviation on the organization results were 0.182 to 1.141 which indicated that there was low deviation from the respondents on how organization structure can affect performance of the Bank. The combined organization structure results of mean and standard deviation were 2.73 and.590.This implies that many respondent's neutrals on the question provided to them about the current structure bank used. The respondent's response shows there is a lack of the organization structure system in the Bank that hindered the success of strategic plan implementation. Hence, OB's performance was affected by organization structure systems.

4.4.2.3 Effect of Policies and Procedures on Strategic Plan Implementation

To examine the effect of policies and procedures on strategic plan implementation in OB, the respondents asked five statements which described how to measure policies and procedures in their Bank by likert scale (strongly disagree, disagree, neutral agree and strongly agree). The respondent's results presented hereunder in table 4:6

Table 4: 6 Effect of Policies and Procedures on Strategic Plan Implementation

S/NO	Descriptive Statistics						
	Questions	**N**	**Min.**	**Max.**	**Mean**	**SD**	**Variance**
1	OB set clear policies and procedure on how decisions are made.	211	1	5	2.74	1.047	1.096
2	The monitoring and control mechanism employed in bank can promoted organizational success.	211	1	5	2.78	1.046	1.095
3	OB has set well policies and procedures that can measures organization performance.	211	1	5	2.75	.843	.710
4	OB has well laid policies on how they intend to benchmark themselves with other bank services providers in market.	211	1	5	2.52	.885	.784
5	There is a written annual operational plan that includes timelines and identification of who is responsible for which outcomes or activities.	211	1	5	2.50	.886	.785
6	OB has well documented procedures on how employees are supposed to operate.	211	1	5	2.49	.824	.680
	Average Policies and procedures items	211	1	5	2.67	.720	.518
	Valid N (listwise)	211					

Regarding the effects of policies and procedures on strategic plan implementation described that, both mean and standard deviation had shown 2.49 to 2.78 and 0.843 to 1.047 respectively. As the result predicted the respondent's neutrality with policies and procedures that the bank followed in the past to implement a strategic plan. And also, the respondent's opinion on the policies and procedures were the same and they think policies and procedures affect strategic plan implementation.

The average cumulative results of policies and procedures had 2.67 and 0.720 standard deviations respectively with the majority of the items with low variation which satisfy the respondent's views on the response they neutral reflected. Participants on questions had different views on items; set clear policies and procedures on how decisions are made and the monitoring and control mechanism employed in banks can promote organizational success. Therefore, the policies and procedures in the bank affect the strategic plan implementation.

4.2.2 Effect of Resource Allocation on Strategic Plan Implementation

Resource allocation is one of the white blood cells that can determine the life cycle for the future in any business operation. The second objective of the study was to identify how resource allocation affects strategic plan implementation in OB. As stated by Helde and Johannessen (2002) organizations have financial resources, physical resources, human resources and technological resources. To realize the assumed objective, respondents asked five statements that describe resource allocation in their Bank by using likert scale (strongly disagree, disagree, neutral agree and strongly agree). The respondent's results presented hereunder in table 4:7.

Table 4: 7 Effect of Resources Allocation on Strategic Plan Implementation

S/NO	Descriptive Statistics						
	Questions	**N**	**Min.**	**Max.**	**Mean**	**SD**	**Variance**
1	The resources allocated are utilized as per the set goals.	211	1	4	2.54	.751	.564
2	OB has allocated and avail the necessary resources on time for strategic plan implementation.	211	1	5	2.46	.906	.821
3	The organization has adapted information technology in its day-to-day operation.	211	1	4	2.46	.812	.659
4	OB has allocated sufficient financial resources to implement the strategic plan.	211	1	5	2.49	.824	.680
5	OB has people in all functional areas with requisite skills and experience to carry out the tasks.	211	1	5	2.52	.901	.813
6	OB prepare budgets for utilization of resources required for realization of action plans.	211	1	5	2.53	.891	.793
7	OB has clear resource planning, allocation and utilization system.	211	1	5	2.40	.983	.966
	Average Cumulative Resource allocation items	211	2	3	2.51	.501	.251
	Valid N (listwise)	211					

The result in the table 4:6 illustrates the ways that OB uses the resource to implement strategic plan has great effect on strategic plan implementation of the Bank by indicating they disagree on major items used to measure resource allocation with mean of 2.40 to 2.54 and 0.751 to 0.983 standard deviation. This implies that the Bank did not understand how the strategic plan implementation affected the resources and the resources were not allocated and used as expected. According to Abok (2015)'s findings organizations whose performance is outdone by competitors had operations that were slow in adopting strategic resource allocation measures in core functions that led to inhibited optimum performance.

The average cumulative resources allocation items had mean 2.51 with standard deviation of 0.501. This shows there was low variation of the respondents from the mean response. Hence, the average cumulative of respondents have the same idea on the issue of resources allocation and the way of bank providing the resources to enhancing to implementation of strategic plan was low that had significant effect at the end of period on performance of bank.

4.4.2.4 Effect of Leadership on Strategic Plan Implementation

Leadership is a process where an individual influences a group or individuals to achieve a common goal (Lussier & Achua, 2013). To examine the effect of leadership on strategic plan implementation of OB, the respondents asked five statements which described how to measure policies and procedures in their Bank by likert scale (strongly disagree, disagree, neutral agree and strongly agree). The respondent's results presented hereunder in table 4:8.

Table 4: 8 Effect of Leadership on Strategic Plan Implementation

S/NO	Descriptive Statistics						
	Questions	**N**	**Min.**	**Max.**	**Mean**	**SD**	**Variance**
1	The bank's management is a model for effective leadership including inspiring and leading by example.	211	1	5	2.49	.938	.880
2	The management inspires and empowers employees to achieve organizational goals.	211	1	5	2.51	.858	.737
3	The corporate strategic plan has been effectively communicating to concerned units on time.	211	1	5	2.55	.947	.896
4	Individuals and groups have developed effective ways to be creative, innovative, and solve problems together.	211	1	5	2.46	.957	.917
5	OB's managements establish a team leader who can encourage the team and address problems that arise from internal and external stakeholder during strategic plan implementation.	211	1	5	2.55	.921	.849
6	In OB, problems requiring top management involvement is communicating early.	211	1	5	2.50	.853	.727
7	OB gives adequate information, encourages employees feedback and participation before implementing strategic plan.	211	1	5	2.59	.881	.777
	Average Cumulative Leadership items	211	1	5	2.54	.678	.459

	Valid N (listwise)	211						

The results in the table 4:8 indicated that leadership systems had numerous effects on strategic plan implementation with the range of mean 2.46 to 2.59 and standard deviation of 0.881 to 0.957. This indicated that the respondents did not believe the leadership system in the bank was affecting the strategic plan implementation of the bank. The question provided to respondents to measure whether leadership system has an effect on strategic plan implementation or not got low mean, which reflects strategic plan implementation of banks affected by leadership system with low deviation of standard deviation. This indicated that, leadership system in OB has significant effects on the strategic plan implementation. This finding, supported by Uka (2014) who found that constant and clear communication of the strategies to all employees of an organization, improved the overall achievement of the set goals.

The Average cumulative leadership system had mean 2.54 and standard deviation 0.678. Accordingly, the respondent's neutral on the leadership system that the Bank used to achieve the expected outcome which indicated the strategic plan implementation affected the leadership system. The idea on the extent how the current leadership system in the bank affects the strategic plan implementation was similar among the respondents with mean. This implies there are problems with the leadership system which do not enhance the strategic plan implementation of the bank in operation systems.

4.4.2.5 Effect of External Environment on Strategic Plan Implementation

The respondent asked the influence of the external environment on strategic plan implementation in OB. Depending on their responses the results presented in the below table.

The below table 4:9 presents the finding on the external environment factors that affect the strategic plan implementation in OB. From the existing external environment that was used in this study, political factors had the highest effect on the strategic plan implementation with means of 2.71 and 2.50 with standard deviation of 1.059 and 809 respectively followed by economic factors, technology factors, ecology factors and social factors.

Table 4: 9 Effect of External Environment Factors on Strategic Plan Implementation

S/NO	Descriptive Statistics						
	Items	**N**	**Min.**	**Max.**	**Mean**	**SD**	**Variance**
1	Political factors	211	1	5	2.64	1.026	1.052
2	Economic factors	211	1	5	2.55	.921	.848
3	Social factors	211	1	5	2.50	.891	.794
4	Technology factors	211	1	5	2.51	1.007	1.013
5	Ecology factors	211	1	5	2.51	.917	.842

6	Legal factors	211	1	5	2.71	1.059	1.121
	Average Cumulative External Environmental items	211	1	5	2.63	.809	.654
	Valid N (listwise)	211					

As the results indicated in the above table 4.9, the total external environment has significant effect on the strategic plan implementation and bank performance which it's mean 2.63 and standard deviation of 0.809. Except for three elements of the external environment which respondents had high variation, on the remaining they had low variation. This indicated that the bank was confused with the external environment that was affecting the strategic plan implementation which led to low organization performance.

4.4.2.7 Strategic Plan Implementation

Strategic plan implementation was a dependent variable that was measured from activity, process and results to achieve this objective, the respondents were asked six performance measured statements by using likert scale (strongly disagree, disagree, neutral agree and strongly agree). The results summarized in the following table.

Table 4: 10 Strategic Plan Implementation

S/NO	Descriptive Statistics						
	Items	**N**	**Min.**	**Max.**	**Mean**	**SD**	**Variance**
1	In OB the main pillar of the strategic plan implemented as the time frame.	211	1	5	2.75	1.031	1.063
2	Strategic plan implementation ensures organizational cooperation towards a common goal.	211	1	5	2.54	.982	.964
3	In OB the role of top management as strategic makers has more influence on implementation strategic plan.	211	1	5	2.55	.911	.830
4	In OB due to strategic plan implementation the organizational goals and objectives can be achieved.	211	1	5	2.51	.896	.804
5	Strategic plan implementation can lead to improve financial performance.	211	1	5	2.58	.860	.740

6	Strategic plan implementation can lead to an improve customer satisfaction in terms of service provide.	211	1	5	2.40	.841	.707
	Average Cumulative Strategic plan implementation	211	1	4	2.65	.662	.438
	Valid N (listwise)	211					

The findings in table 4:10 revealed that the total combination of the items that used to measure the strategic plan implementation of the bank had mean of 2.65 with standard deviation of 0. 662.This indicated that the majority of the respondent's neutral with the past implemented strategic plan that affected the performance of the bank and the strategic plan did not bring the expected results. Except on the items that used to measure the strategic plan implementation can lead to an improved customer satisfaction in terms of service provided with mean 2.45 which respondents disagree on strategic plan implementation, they were neutral on others. This shows that customer satisfaction was not achieved as required when the strategic plan was implemented due to the effects from organizational structure, policies and procedures, low resources allocations and minimal external environment factors.

The results of the average combined organization performance items standard deviation were 0.662 it indicated that the respondents had low variation on responses. All the items had minimal variation responses.

4.5 Inferential Statistics

Inferential statistics is one method of data analysis instrument that is used to explain about the total population by standing from the sample selected. In this study different inferential statistics tools like; correlation and regression analysis were used to investigate research objectives. This study comprised five main predictor variables such as organizational structure, resource allocation, policies and procedures, leadership and external environment.

4.5.1 Correlation Analyse

Correlation analysis determines the relationship of independent and dependent variables as well as significance and degree among the variables. This method can also be used to analyse the relationship between two variables. In order to establish a relationship between independent and dependent variables Pearson Correlation coefficient used. The correlation presented in table 4:11 shows the relationship between strategic plan implementation (independent variables) and organizational performance (dependent variables).

Table 4: 11 Summary of Correlation Analysis

Correlations							
		Structure	Policy	Resource	Leadership	External Environmental	Strategic plan implementation
Structure	Pearson Correlation	1	.621**	.462**	.607**	.609**	.626**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	211	211	211	211	211	211
Policy	Pearson Correlation	.621**	1	.566**	.717**	.759**	.724**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	211	211	211	211	211	211
Resource	Pearson Correlation	.462**	.566**	1	.465**	.440**	.515**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	211	211	211	211	211	211
Leadership	Pearson Correlation	.607**	.717**	.465**	1	.836**	.749**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	211	211	211	211	211	211
External Environmental	Pearson Correlation	.609**	.759**	.440**	.836**	1	.758**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	211	211	211	211	211	211
Strategic plan implementation	Pearson Correlation	.626**	.724**	.515**	.749**	.758**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	211	211	211	211	211	211
**. Correlation is significant at the 0.01 level (2-tailed).							

As Bhattacherjee, (2012) suggested, the strength relationship between variables could be interpreted by guideline on the correlation coefficient (R). This guideline values on correlation coefficient interpretation of between 0.1-0.29 has weak relationship, between 0.3-0.49 moderate relationship and greater than 0.5 as strong relationship among the considered variables.

As the table 4:11 summary of correlation analysis indicates that, all independent variables such as organizational structure, resource allocation, policies and procedures, leadership and external environment variables strongly correlated with dependent variables (strategic plan implementation). From the entire variables which included in this study, external environmental has the strongest correlation coefficient of r=0.758), P<0.05 followed by leadership r=0.749), P<0.05, policies and procedure r=0.724), P<0.05, organization structure r=0.626), P<0.05, resource allocation r=0.515), P<0.05 and lastly by strategic plan implementation r=0.239), P<0.05. Hence, the increases or decreases of those variables significantly relate to increases or decreases in the second variable. These means, the result from descriptive analysis and the inferential (correlation) indicated there was strong/positive correlation among the independent and dependent variables.

4.5.2 Regression Analysis

Regression analysis is one of the statistical methods used to investigate the relationship among dependent variables and one or more independent variables. Regression analysis used to examine the strength of relationship between the variables. In order to make clear information about the variables in the study the researcher tried to test assumptions before running regression analysis.

4.5.2.1 Test of Regression Assumption

Test of regression analysis assumption in statistics took certain characteristics depending on the parametric. Therefore, violation of rule thumb of these assumptions can have changed research interpretation and conclusion at the end. Hair et al., (2006) meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represents the sample in order to get the best results. To reach model integrity and accurate interpretation, the study adhered to the following tests.

1. Test for Normality

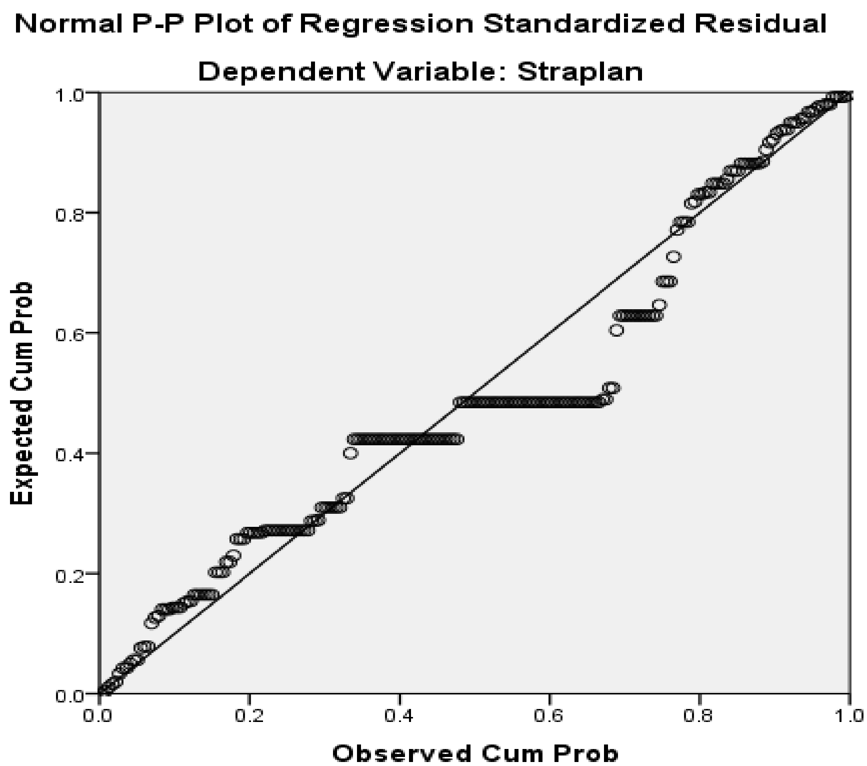
In this research, the normality of parametricity was tested by using the Shapiro-Wilk test. The distribution of Shapiro-Wilk's statistic ranges from zero to one and in case the calculated probability (p-value) is below 0.05, the data notably deviates from normal (Razali and Wah, 2011). As it depicted in table 4:12, the P-value of Shapiro-Wilk test results for all variables were zero. Hence, the data used in the research was normally distributed.

Table 4: 12 Test for Normality

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Organization Structure	.332	211	.000	.749	211	.000
Policies and procedures	.269	211	.000	.818	211	.000
Resource Allocation	.347	211	.000	.636	211	.000
Leadership system	.273	211	.000	.813	211	.000
External Environmental	.240	211	.000	.867	211	.000
Strategic plan Implementation	.285	211	.000	.805	211	.000
a. Lilliefors Significance Correction						

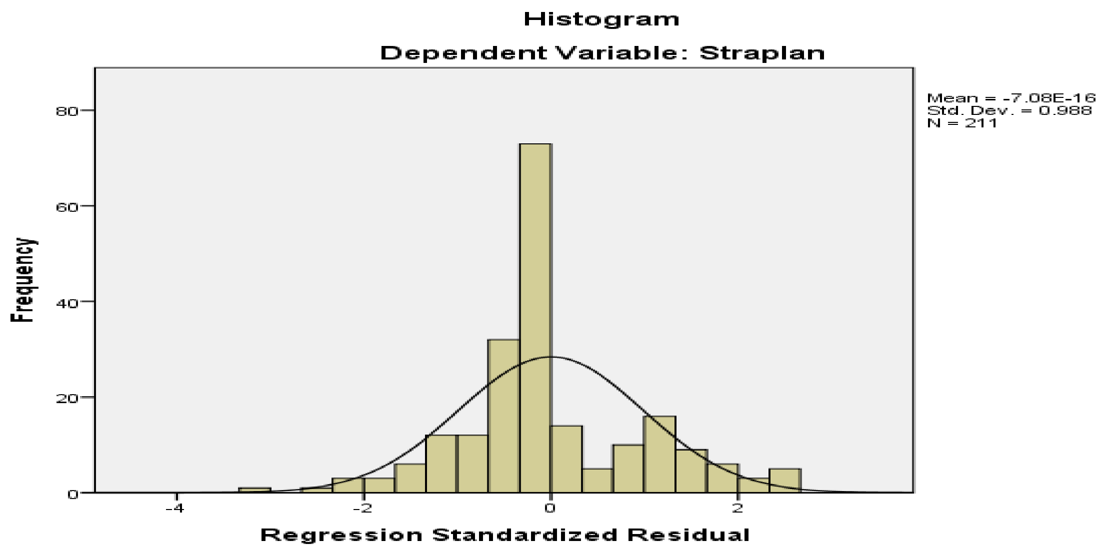
P-P plot (probability-probability) is another method of testing the normality of the data in the study. As it indicated by Hair et al. (1998), the plots data are different from residual plots in that the standardized residuals are compared with the normal distribution. On the other hand, the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal. Hair et al. (1998) also explained if a distribution is normal, the residual line will closely follow the diagonal part. From this, the following graph indicated as data were distributed normally.

Figure 2: Test for Normality by quantile-quantile Plot



Histogram is another method to use for comparing the observed data values with a distribution approximating the normal distribution and also histogram of the research variables supports the expectation for the normal shape distribution of data (Hair et al., 2006). As it indicated on the following histogram figure 3, the distribution of the test normally distributed by bell-shaped histogram. Therefore, the results showed that the data fulfil the test of normality assumption.

Figure 3 : Test for Normality by histogram

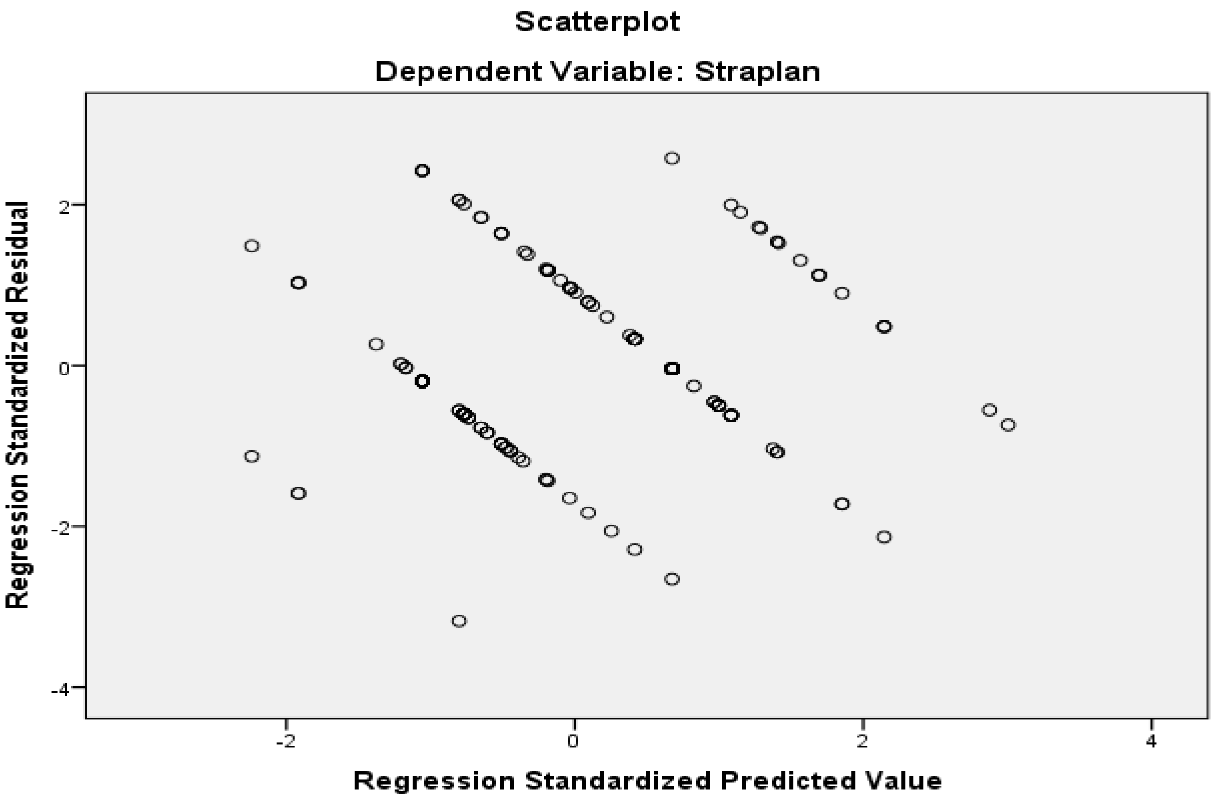


2. Test for Homoscedasticity

Homoscedasticity test showed the error among the independent variables and dependent variable as well as between all dependent variables. According to Zikmund et.al, (2013) homogeneity of variance test examined if the error variance is constant, and independence that the errors associated with one change in variable are not correlated with the error changes in another variable.

As explained by Hair et al. (2006) homoscedasticity relates to the assumptions that dependent variable explaining equal levels of variance across the range of independent variables, and also homoscedasticity is required because the variance of the dependent variable being explained in the dependence relationship could not be focused in simply a limited range of the independent values. Depending on these facts, to test the homoscedasticity assumption in this study, the researcher used a scatterplot for all variables. As the result put in the below scatterplot figure 4, as the independent increase the result of the dependent variables also improved. However, this assumption also supports the test of linearity assumption. This also implied that the test of homoscedasticity assumption was not violated.

Figure 4: Test of Homogeneity of Variances



3. Test for Multicollinearity

Multicollinearity is the condition in which two or more independent variables are highly correlated with one another. Assumption of multicollinearity test was measured by correlation matrix and with tolerance and variance Inflation Factor (VIF). In a test of multicollinearity two general procedures for assessing collinearity, including tolerance and variance inflation factor (VIF) (Pallant, 2007). A VIF measures the extent to which multicollinearity has increased the variance of an estimated coefficient. It looks at the extent to which an explanatory variable can be explained by all the other explanatory variables in the equation. When VIF is greater than 10 results indicate that there is multicollinearity while tolerance value less than 0.1.

From the table 4:13 below, the collinearity analysis assumption result indicated that all VIF values were not greater than 10 while tolerance values were less than 0.1. As generally, the result of correlation coefficient of among the independent variables were below 10. Therefore, there was significant multicollinearity between the independent and dependent variables.

Table 4: 13 Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Organization Structure	.540	1.850
	Policies and procedures	.333	3.004
	Resource Allocation	.654	1.529
	Leadership system	.274	3.647
	External Environmental	.244	4.098
a. Dependent Variable: Straplan			

4. Test for Autocorrelation

Autocorrelation is a tool that measures the degree of independence of the same variables between two consecutive time intervals. According to Field (2005) test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated. If the Durbin-Watson statistic is close to two, the residuals are considered less autocorrelated. The results in the above table 4:15 indicated that the Durbin-Watson was 2.000 which was approximately close to 2 that satisfied the Durbin-Watson general rules. Hence, the test for autocorrelation result shows there was no autocorrelation between the residuals.

5. Test for Linearity

Linearity predicts the degree of predictor variables value in the regression by having a straight line relationship with dependent variable value. Linearity measures the accuracy of the overall methods in the study. In order to make one research reliable, all the assumptions of the regression test had met. According to Hoekstra et al., (2014) explained the linearity assumption can easily be checked using scatterplots or residual plots: plots of the residuals vs. either the predicted values of the dependent variable or against (one of) the independent variable/s. As it indicated from figure 4 linearity test assumptions that used in this research for the test of regression analysis met the criteria.

4.5.2.2 Multiple Linear Regression Analysis

Multiple regression analysis classification depends on the variables that the researcher uses in study. Cooper & Schindler, (2014) classified regression analysis as simple when one independent variables exists and multiple when two or more independent in one study. Multiple regression model in this study used to explore the effect of independent variables (organization structure, policies and procedures, leadership and external environment) that explained in the research on the implementation strategic plan of OB. By using regression model, the researcher examined the strength of the relationship between the several outcomes (dependent variable) and independent variables like organizational structure, policies and procedures, resource allocation, leadership system and external environment factors. And also, the regression model explained how outcomes are affected by changes of the predictors' variables. To determine the effect of the predictors' variables on strategic plan implementation of the Bank, the significance level of the 0.05 with 95% confidence interval was employed. Razali and Wah (2011) estimated that probability values were greater than 0.05 and therefore at 95% confidence level and so the sample has a normal distribution. The extent at which strategic plan implementation affected by factors affecting strategic plan implementation in OB presented in the below table 4:14.

Table 4:14 Model Summary

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.821[a]	.675	.667	.382	2.000
a. Predictors: (Constant), External Environmental, Resource, Structure, Policy, Leadership					
b. Dependent Variable: Strategic plan implementation					

As the model summarized in table 4:14 factors affecting strategic plan implementation which explained the result of dependent variable (strategic plan implementation in OB) presented by standardized beta (β) coefficient. To measure the percentage variance of dependent variables by change of predictors variables, the researcher used R-squared.

The finding in the table 4:14 model summary of R=.821a revealed that there was linearity of the independent variables and strategic plan implementation. The R-squared value of .675 illustrated 67.5% company strategic plan implementation (dependent variable) affected by variation of the independent variables. The remaining 32.5% of OB's strategic plan implementation was affected by the unknown variable/s that were not considered in this study. Hence, OB's strategic plan implementation affected 67.5% by indicators that the researcher used as independent variables, but 32.5% other factors that affect strategic plan implementation in banks are not mentioned.

ANOVA Test

In the regression model variance analysis (ANOVA) provides information about the regression variability. In this study ANOVA test used to determine the effects of independent variables show on the strategic plan implementation (dependent variable). The results of AVOVA test illustrated in the table 4:15 below.

Table 4: 144 ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	62.107	5	12.421	85.049	.000[b]
	Residual	29.940	205	.146		
	Total	92.047	210			
a. Dependent Variable: Strategic plan implementation						
b. Predictors: (Constant), External Environmental, Resource, Structure, Policy, Leadership						

In the regression analysis F statistic test determines the significance of whether the model fits in the regression model. In the table 4:15 ANOVA test results show the F ratio was 85.049% with P-values 0.000 which its significance is suitable with the F statistic test rule to explain the relation between independent factors and dependent variables. From the result of the ANOVA test, the researcher concluded all the entire predictor variables were connected with dependent variables.

Regression Coefficient

The regression coefficient analysis explained how the change of one or more independent variables influenced the outcome (dependent variable) presented by the standardized Beta coefficient. The highest beta coefficient of the predictors' variables predicted output greatly.

According to the result of the regression coefficient explained in table 4:16, all factors/independent variables that used in the study were significant at 5% level of significance and 95% level of confidence which indicated independent variables had positive effect on Strategic plan implementation.

Table 4: 15 Regression Coefficient

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.192	.153		1.257	.210		
	Organization Structure	.158	.061	.141	2.605	.010	.540	1.850
	Policies and procedures	.175	.064	.190	2.756	.006	.333	3.004
	Resource Allocation	.140	.065	.106	2.156	.032	.654	1.529
	Leadership system	.245	.074	.251	3.297	.001	.274	3.647
	External Environmental	.222	.066	.272	3.368	.001	.244	4.098
a. Dependent Variable: Strategic plan implementation								

From the independent variables that illustrated in the aforementioned table 4:16, external environment had the highest regression coefficient with $\beta=0.272$, $p<0.05$ followed by leadership of $\beta=0.251$, $p<0.05$, policies and procedures $\beta=0.190$, $p<0.05$, organization structure $\beta=0.141$, $p<0.05$ and lastly resource allocation $\beta=0.106$, $p<0.05$. This shows that all independent variables which listed in this study had an important relationship with strategic plan implementation in the Bank. In the coefficient test $\beta0=0.192$, $\beta1=0.141$, $\beta2=0.190$, $\beta3=0.106$, $\beta4=0.251$, $\beta5=0.272$

Depending on the results that illustrated in the regression coefficient test, the linear regression equation indicated strategic plan implementation with organization structure, policies and procedure, resource allocation, leadership and external environment were arranged as the following:

$P= \beta0+ \beta1X1+ \beta2X2+ \beta3X3 +\beta4X4 + \beta5X5+ e$

$P=0.192+0.141X1+ 0.190X2+ 0.106X3 +0.251X4 + 0.272X5+ e$

WHERE P=dependent variable (strategic plan implementation)

$\beta0$= intercept

$\beta1$, $\beta2$, $\beta3$, $\beta4$ and $\beta5$ = coefficient of

X1= Organization Structure

X2=Policies and Procedures

X3= Resource allocation

X4=Leadership system

X5=External Environment factors

e =error term

From the established regression model that explained how to examine factors affecting strategic plan implementation in a Bank, the constant part which indicates the outcome of Bank strategic plan implementation when all factors remain constant was 0.192. Specifically, the change in one of independent factors affected strategic plan implementation in the OB. As the results revealed, the unit change in organizational structure improved the strategic plan implementation upward by 0.141 from the existing position. Again, the improvement of policies and procedures by one amount strengthened the target by 0.190, allocated the required resources which supported and motivated the Bank for strategic plan implementation and enhanced the expected output/ target on both financial and non-financial surged up by 0.106. As any organization required, the dynamic and systematic management in the competitive market started from top up to the team leader which accelerated the implementation of strategic activities changed by one unit forwarded the strategic plan implementation by 0.251.

When the all-external environment factors (PESTEL) changed one unit the strategic plan implementation improved by 0.272 that means PESTEL had a significant effect on strategic plan implementation in the operation process in the bank. As the above findings indicated, all independent variables had significant (positive) effect on strategic plan implementation in the Bank. According to the above regression coefficient, all variables were significant with p-value less than 0.05 and they were a direct relationship and positive correlation with strategic plan implementation.

4.6 Discussion of the Results

Based on the descriptive and inferential results presented in chapter four, the findings are discussed by aligning with the research objective separately for all research questionnaires. Based on the respondent's results analysis the highlight of the Beta coefficient (regression coefficient analysis) indicated there was statistically strong relationship among independent and strategic plan implementation in the OB. The details of the findings presented separately as the following.

4.6.1 Effect of Organizational Structures on Strategic Plan Implementation

In the first objective the researcher tried to investigate the influence of organization structure on strategic plan implementation. The results of the coefficient of $\beta=0.141$ with P-value 0.010 which is significant and has a direct relationship with the performance. Coefficient of $\beta=0.141$ indicated that, if organizational structure improved by small change, the variation of strategic plan implementation improved by 14.1 percent from the existing position. But 85.9 percent of the strategic plan implementation in the Bank, by other force/s that are not included in the organization structure.

The results also supported by Yambwa (2014) who study the reasons for failing to implement strategic plans in the Ministry of Regional and Local Government, Housing and Rural Development, Namibia, found that lack of commitment and teamwork, organizational structure that were not aligned to strategy, inadequate budgetary provision, inadequate leadership to direct strategy implementation, lack of appropriate technology to support the implementation were the major factors affecting the strategic plan implementation. The finding is similar to Gizaw Kifle Alemu (2020) who found that organization structure had a great influence on the strategy implementation in organization. Addisalem Tadesse, Belay Adamu and Fanta Tariku (2019), also found that organizational structure and employee commitment were significant for strategy implementation.

The results link with Khayota (2014) who revealed that organizational structure was a major contributor to the successful implementation of strategies in Lake Victoria South Water Services Board. The finding supported by Adan Ibrahim Noor (2018) who found strategy implementation fails on the vagueness of the employee job assignment or responsibilities. Employee skills represent a valuable intangible asset in strategy implementation. While the finding similar to finding of Rajasekar (2014) who asserted that strategy implementation requires collaboration of all stakeholders both internal and external and simultaneously across in all directions. Abok (2016) who conduct study on factors affecting effective implementation of strategic plans in non-government organisation note that knowledge resources, material wealth and capacity for coordination are essential to effective strategy implementation. The study found a link with Abuga, R. M. & Deya, J. (2019). Effect of organizational structure on strategy implementation: A case study of Safaricom Kenya Ltd, detected that organizational structure has significant effect on strategy implementation.

4.6.2 Effect of Policy and Procedures on Strategic Plan Implementation

Policies and procedures are the second factors that are considered to examine the effect of policies and procedures on strategic plan implementation in OB. The study findings depicted those policies and procedures had a great positive effect on strategic plan implementation. The items that were used to measure the effects of policies and procedures on strategic plan implementation indicated, there were high relationship policies and procedures that the Bank used in order to achieve the desired long- and short-term objectivity/target and strategic plan implementation in the Bank. The finding of regression coefficient of β =0.190 predicted with P-value of 0.005). This tell us improving of policies and procedures on the items; setting clear policies and procedure on how decisions are made in operation process, having monitoring and control mechanism, setting policies and procedures that can measures organization performance, well laid policies on how they intend to benchmark themselves with other bank services providers in market, having operational plan that includes timelines and identification of who is responsible for which outcomes and well documented procedures on how employees are supposed to operate shifted strategic plan implementation up by 19 percent from the existing place.

This result consistent with the previous find by Mukira Newman Gitonga. (2013) study on effects of strategic plan implementation on organizational performance: A Case Study of Nakuru Water and Sanitation Services Company, found that Policies and Procedures are important for the company since they are likely to lead to standardized performance and incorporating of best practice in business processes and certain policies and procedures may thwart initiative and creativity. These findings are against Nyamwanza (2014) who depicted that polices do not help in decision making in SMEs. The study consistent with Darius Oloo Otieno (2019) study on effect of strategic planning on the financial performance of professional service small and medium size enterprises in Kenya revealed that strategy evaluation and control have significant and positive effect on the financial performance of SMEs. That implies that periodically analysing their strategies and having in place control measures are more likely to experience better performance. That performance measurement emerged as the most important factors in strategy evaluation and control among SMEs.

4.6.3 Effect of Resources Allocation on Strategic Plan Implementation

The finding exhibited that resource allocation is one of the factors that affect strategic plan implementation. As a result, the regression coefficient β=0.106 and P-value of 0.032 revealed that there was a strong relationship among the resources allocation to strategic plan implementation. If the resource allocation to desired activity by small amounts, the Bank strategic plan implementation improved by 10.6 percent from the existing. Depending on desired resources, either financial or non-financial resources allocated for the implementation of the strategic plan increased on time, and sufficient amounts in the Bank lead the strategic plan implementation of the Bank into the highest position.

This results consistent with finding of Omondi, P., Ombui, K.,and Mungatu, J.(2013) who done research on non-governmental organisations, found that the superior strategies did not produce the best performance when not successfully implemented, due to policy regulations, managerial competencies and resource allocation which were summed up as the most critical factors that affect the effective strategy implementation. As Doris Kimbui Shisia (2018) found that resource allocation plays a critical role in ensuring a strategy is implemented and adequate resources were availed to ensure that employees implemented the strategic plan. As Zaidiet al. (2018) the factors that support successful strategy implementation include availability of adequate number of the right people in the organization to implement the strategy, availability of adequate resources both financial and non-financial, a well-defined chain of command, systems that facilitate strategy implementation.

According to Nkosi (2015) finding on factors affecting strategy implementation in South Africa, revealed that weak professional development policies, weak organizational structure and lack of adequate financial resources hinder attainment of strategic plan implementation.

Many former studies by Obeidat, Al-Hadidi and Tarhini, (2017) and Gizaw Kifle Alemu (2020) findings concluded that the resource availability and utilization had an effect on the success of any strategy implementation. A study done by Sesi (2009) on the challenges to the implementation of strategic plans in the Kenya Dairy Board stated that inadequate and underdeveloped components of human resources hinders the implementation of strategic plans, which lead organization to underperformance. This implied that there was a positive relationship between resource allocation and strategic plan implementation. Obeidat, Al-Hadidi, Tarhini, and Masa'deh (2017) argued that resources that should be available to help for successful strategy implementation are the allocated time for implementation; sufficient financial resources, sufficient human resources, sufficient administrative resources, sufficient technological resources and sufficient physical resources.

4.6.4 Effect of Leaderships on Strategic Plan Implementation

Leadership is the independent variables that are considered in this with a regression coefficient of β=0.251 and P-value of 0.001. From the figure results, as effectiveness of the leadership on the provided items to measure the leadership improved by quality, the performance of the Bank forewarned by 25.1 percent. From this outcome leadership and strategic plan implementation in the bank had direct proportional effect. During the strategic plan implementation process, the main pillar of the strategic plan implemented as the time frame, the cooperation towards a common goal and the role of top management as strategic makers has more influence on strategic plan implementation in OB. This study consistent with study of Addisalem Tadesse, Belay Adamu and Fanta Tariku (2019) that studied factors influencing strategy implementation in Oromia International Bank, North West Showa (NWS) District found that leadership was significant for strategy implementation.

This result is consistent with Rajasekar (2014) who illustrated that leadership is by far the most important factor influencing successful implementation strategy in the service sector. The finding, supported by Ochieng (2011) who studies on factors influencing strategy implementation at KCB, found that top leadership plays a key role in the strategy implementation process. Again, the study finding similar on leadership with (Gizaw Kifle Alemu.2020) which study on factors affecting strategy implementation in the public sector: a case study on ministry of urban development and construction, found that effective strategy implementation is largely influenced by the leadership qualities, and he identified that leadership is considered to be one of the most important elements affecting organizational performance. Additionally, Harrison (2013) shows that senior executive management has a significant impact on the strategies and performance of their organizations. The finding supported by finding of Doris Kimbui Shisia (2018) on factors influencing effective strategic plan implementation at Kenyatta prime care centre, revealed that there was a positive relationship between leadership and strategic plan implementation and also leader motivate their employees to implement the organization's strategic plan and take formal responsibility and communicate to stakeholders regularly about strategic plan implementation.

4.6.5 Effect of External environment on Strategic Plan Implementation

The finding on the external environment factors regression coefficient of β=0.272 with P-value 0.001 had positive and strong relationship with strategic plan implementation in OB. If the elements of the external environment which the Bank working in indicated suitable/appropriate as opportunities by estimate of numeric amount, the performance of the Bank improved by 27.2 percent from the existing position. This depicted that the external environment of the organization had great effects on the performance of the OB.

This finding consistent with Gladys Tegek (2018) study that focused on effect of strategy implementation and external environment on performance of Commercial Banks in Kenya detected that change in the external environment factors was statistically significance thus having an effect on firm performance during the implementation of the strategies while the findings of the study reflected that the external environment had impact on the implementation of strategy. As detected by Wachera, Jane, and Benard (2017) financial resource constraints, and information technology significantly affect implementation of strategic plans. The finding, supported with Adan Ibrahim Noor (2018) study on factors influencing strategy implementation in Commercial Banks in Kenya, revealed that political climate can affect the implementation of organization strategy. And also, optimal use of ICT helps organization to create products and deliver services efficiently and effectively thereby helping in improving organizational competitiveness, increasing productivity, and enhancing firm performance through the implementation of appropriate strategies. This was also supported by Rajasekar (2014) who indicated that technological advancement enables speedy processes and procedures as well as designs for successful implementation of the strategies. As stated by Grant (2001) external environment factors of the firm consists of all external influence that impacts firm's decision and performance; this means, macro-environment like; political, economic, social, ecology, technology and legal issue (PESTEL) elements affecting the organization performance indirectly.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSSION AND RECOMMENDATION

In this chapter summary of the finding, regarding the factors affecting strategic plan implementation in OB, conclusion depending on the study findings and also recommendations presented. The first part of the chapter provides a short summary of the research, second part conclusion and lastly recommendations for further research on the area of factors affecting strategic plan implementation in the Bank.

5.1 Summary of findings

The main objective of this research was to examine factors affecting strategic plan implementation at OB. In order to achieve the desired objectives, five specific objectives such as; the effect of organization structure, policies and procedures, resources allocation, leadership and external environment variables on strategic plan implementation were developed and analysed. Out of the distributed questionnaires, 94% of questionnaires collected were used for analysis. The study used descriptive research design presented in the form of chart, graph, percentage and frequency, mean, standard deviation, coefficient of variation. For the study 225 sample sizes were taken from the OB Head Office. The inferential statistics presented by using correlation and regression analysis to address the relationship among independent and dependent variables that were considered.

The demographic results of the study revealed that, the gender ratio in the Bank 65.9% male and 34.1% female. Majority of the ages of the employees 45% found in between 31-40 years, 43.6% in between 21-30 years and 11.4% in between 41-50 years. Employee's education status indicated that in the Bank 71.1% and 28.9% staff had first degree and second degree and above respectively. Regarding the experience of the stay in the Bank, the majority of respondents 52.6% served the bank for 6-10 years, 25.6% for ≤ 5 years, merely 21.8% worked in OB for 11-15 years. While the majority of the participants were non managerial and the remainder were managerial positions which was 71.1% and 28.9% respectively.

Majority of the respondents agreed on the effect of factor on strategic plan implementation with mean of 4.29 and standard deviation 0.722. This depicted that organization structure, policies and procedures, resources allocation, leadership system and external environment had a positive effect on strategic plan implementation in the banks.

Findings on organizational structure results from descriptive analysis reflected that, organizational structure has direct proportional effect on the OBs' strategic plan implementation. Which was the mean score M=2.73 with standard deviation of SD=0.590 this reflected that organization structure had a positive effect on the strategic plan implementation. Correlation result of r=0.626 with P=0.000 exhibited strong positive correlation among organizational structure and strategic plan implementation. A regression coefficient of β=0.141 with highest P-value 0.010 pointed there was significant to the Bank strategic plan implementation.

The effect of policies and procedures on strategic plan implementation results demonstrated that with mean score M=2.67 with standard deviation of SD=.720 this indicated that policies and procedures had direct effect on the strategic plan implementation. Correlation results of r=0.724 with P=0.000 exhibited there were positive correlations among policies and procedures, and strategic plan implementation. Additionally, the regression coefficient of β=0.190 with P-value 0.000 reflected there were direct relationships among policies and procedures and strategic plan implementation.

The results from the resources allocation indicated that mean score M=2.51 with standard deviation of SD=.501 this depicted that resources allocation had a significant effect on the strategic plan implementation. Correlation results of r=0.515 with P=0.000 exhibited there was strong positive correlation among resources allocation and strategic plan implementation. And also, the regression coefficient of β=0.106 with P-value 0.032 reflected positive (direct) relationships among resources allocation and strategic plan implementation.

Data analysed and results discovered from mean score M=2.54 with standard deviation of SD=0.678 this show that leadership had a positive effect on the strategic plan implementation process. Correlation result of r=0.749 with P=0.000 explained there was strong positive correlation between leadership and strategic plan implementation. While the regression coefficient of β=0.251 with P-value 0.001 portrayed there was a positive relationship between leadership with Bank strategic plan implementation.

The result from external environment factors indicated by mean score M=2.63 with standard deviation of SD=0.809 this shows that external environment had a positive effect on the strategic plan implementation. Correlation result of r=0.758 with P=0.000 explained there was strong positive correlation between external environment factors and strategic plan implementation. And also, its regression coefficient results of β=0.272 with P-value 0.001 described strategic plan implementation of a bank influenced by external environment factors.

5.2 Conclusions

To examine factors affecting strategic plan implementation in Oromia Bank, five independent factors such as organizational structure, resources allocation, policies and procedures, leadership and external environment variables were considered.

The findings conclude that organization structure has a significant and great effect on strategic plan implementation to achieve the required objectives/target in the operation process. The appropriate decision-making process and structure that supports decision implementation, effective communication system, team spirit, coordination among the unit and Branches as well as clear role and responsibility in organization can make the Bank achieve the anticipated financial and non-financial objectives in the market.

From the second predictor the researcher concluded that, resources allocation is the most and the largest element that affects the Bank during implementing strategic plan. In the Banking services implementing a strategic plan without allocating the required financial and non-financial to the operating units can limit expected targets at end of period. Study concluded that, in the organization during implementing strategic plan; utilized resources allocated are as per the set goals, availing the necessary resources on time, adapting technology that can support the operations, allocating sufficient financial resources, staff that have skills and experience to carry out the tasks can lead the bank to success position by financial growth, customers services, creativity and innovation on existing and new products/services and profit and also increase market share from industry.

The results on organization policies and procedures analysed indicated that, policies and procedures factor had a positive effect on implementation strategic plan in operation. The study concluded, improving the policies and procedures on; clear policies and procedure on how decisions are made in operation, monitoring and control mechanism employed in bank, relevant policies and procedures that can measures organization performance, benchmark themselves with other bank services providers in market, operational plan that includes timelines and identification of who is responsible for which outcomes or activities and well documented procedures on how employees are supposed to operate enhance Banks' strategic plan implementation from different direction. And also the researcher concluded that appropriate policies and procedures in the Bank encourage/support the strategic plan implementation of the bank to go forward.

The study concluded leadership had a positive relationship with implementing strategic plans in the Bank as the effectiveness of leadership in one organization increased the general successfulness of the company strategic plan implementation. The study depicted that to improve the strategic plan implementing of the Oromia Bank, leadership have to; inspiring and empowering employees to achieve organizational goals, effectively communicate to concerned units on time, become creative, innovative, and solve problems, establish a team leader who can encourage the team and to address problems that arise from internal and external stakeholder during strategic plan implementation, and communicating early (becoming proactive).

Based on the findings presented from the external environment analysis, the researcher concluded the external environment was the main factor that affects strategic plan implementation from external sources which can hinder organizational performance. All the external factors that included in this study PESTEL direct effect on the strategic plan implementation as well as Bank performance.

The researcher conclude that implementing strategic plan in Bank affected when there is not well structured organizational structure that can facilitate daily operation, unavailable adequate resource on time, not appropriate policies and procedures that can support task in operation, inactively managements on the decision making and communication timely about implementing strategic plan as well as reacting passive or not proactive to external environment circumstance to keep up continuous in implementing strategic plan.

5.3 Recommendations

Based on the research findings and conclusions presented, the following general recommendations were presented;

- To reach the target objectives internal stakeholders of the Bank should develop strong commitment and cooperation culture within the organization starting from top management up to lower employees to support operation effectively by minimizing the problems on organizational structure which is/are hinder strategic plan implementation.
- As resources allocation is the backbone to the organization to survive in marketing (at everywhere and every time). The study recommends allocation of financial and non-financial resources by considering long term and short-term rewards/outcomes or outputs that mean availing the adequate resources to bring/achieve the expected results from the strategic plan implementation.
- The study recommends improving appropriate policies and procedures on how to make immediate decision making on activities and implementing achievable action plans which can be used as remedial action that can enhance business operation.

- OB leadership should develop the culture of inspiring and motivating employees at all levels to improve efficiency and to achieve the target goals of the Bank in operation. The leadership of the bank should be an example to lower management and employees by cooperating on initiating creativity and innovation for new or to/on solving the existing problems of products/services by implementing the strategic plan appropriately to improve the organization performance.
- As the external environment is uncertain to any business operation at time of strategic plan implementation. The study recommends that the Bank should be proactive in reacting to the situation and make more effort by taking corrective action to lead the Bank to success when implementing the strategic plan.

Recommendations for further Research

This study recommends the following points for the further research in the future;

The study concerned the area of factors affecting strategic plan implementation in the Bank by taking a few factors that affect the strategic plan implementation. The study recommends a similar study to identify effect of different factors affecting strategic plan implementation in Bank by increasing number of independent variables, dependent variables (organization strategic plan implementation measure items) and number of intervening variables was well as adding the interview, observation and other data collection methods beside questionnaire to more elaborating the finding.

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APPENDIX: QUESTIONNAIRE

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

PROJECT MANAGEMENT

Dear Respected Respondents,

Saying thanks in advance. My name is Gudeta Benda. I am a St. Mary's University student in Project Management. I would like to ask you to assist by completing these questionnaires which support me on my project/thesis. The purpose of this research is to study 'Factors Affecting Strategic Plan Implementation in Case of Oromia Bank. Therefore, your genuine and honest response is very important for the success of the research and the researcher would like to thank you for your cooperation in advance again.

Kindly be assured that all information that you provide was kept strictly anytime and everywhere confidential and used for academic purposes. If you require any further information, want feedback on the study or unclear situation please contact me by the following address;

email address: gudetab9@gmail.com

Cell phone: +251 916 90 83 24

Thank you in advance for your Time and Cooperation!

General Instruction:

- ☞ No need to write your name.
- ☞ Instruction for each part of the questionnaire is given at the beginning of the questions.

Part I: General Information Questions

Please put the tick **"√"** mark under the choice at appropriate place.

1. Gender**:** Male ▢ Female ▢
2. Age**:** under 20 years ▢ 21-30 years ▢ 31-40 years ▢ 41-50 years ▢ Over 50 years ▢
3. Educational status**:** Less than secondary school▢ Diploma ▢ 1st Degree ▢
   2nd Degree and Above ▢ If others, please specify____________________
4. Your Experience in the OB**:** ≤ 5 years ▢ 6-10 years ▢ 11-15 years over 15 ▢
5. Please specify your position: Managerial Staff: ▢ Non-Managerial Staff: ▢
6. To what extent does organization structure, policies and procedures, resources allocation, leadership system and external environment factors affect performance of OB?
   Very low extent ▢ Low extent ▢ Moderate extent ▢ High extent ▢ Very high extent ▢

Part II: Factors Affecting Strategic Plan Implementation

Please indicate your level of agreement on the following statements by tick (√) number that best represents your opinion. **1** indicates strongly disagree (SDA), **2** indicates disagree (DA), **3** indicates neutral (N), **4** indicates agree (A), and **5** indicates strongly agree (SA).

S/No	Factors Affecting Strategic Plan Implementation	1 SDA	2 DA	3 N	4 A	5 SA
1	**Organizational Structure**					
1.1	There is a decision-making process and structure that supports decisions being implemented.					
1.2	There are effective formal and informal communication systems which encourage support, trust, and cooperation among groups and individuals.					
1.3	There is a strong commitment among all employees to working effectively as a team and team spirit within and among departments is encouraged and supported, and there are effective coordinated services among departments.					
1.4	All OB's units coordinate well with their Branches to achieve the objectives of the organization.					
1.5	Roles and responsibilities of each employee at all level clearly presented in strategic plan implementation.					
1.6	OB effectively balances division of tasks and responsibilities among the employees.					
2	**Policy and Procedure**					
2.1	OB set clear policies and procedure on how decisions are made.					
2.2	The monitoring and control mechanism employed in bank can promoted organizational success.					
2.3	OB has set well policies and procedures that can measures organization performance.					
2.4	OB has well laid policies on how they intend to benchmark themselves with other bank services providers in market.					
2.5	There is a written annual operational plan that includes timelines and identification of who is responsible for which outcomes or activities.					
2.6	OB has well documented procedures on how employees are supposed to operate.					

3	**Resource Allocation**					
3.1	The resources allocated are utilized as per the set goals.					
3.2	OB has allocate and avail the necessary resources on time for strategic plan implementation.					
3.3	The organization has adapted information technology in its day to day operation.					
3.4	OB has allocate sufficient financial resources to implement the strategic plan.					
3.5	OB has people in all functional areas with requisite skills and experience to carry out the tasks.					
3.6	OB prepare budgets for utilization of resources required for realization of action plans.					
3.7	OB has clear resource planning, allocation and utilization system.					
4	**Leadership System**					
4.1	The bank's management is a model for effective leadership including inspiring and leading by example.					
4.2	The management inspires and empowers employees to achieve organizational goals.					
4.3	The corporate strategic plan has been effectively communicate to concerned units on time.					
4.4	Individuals and groups have developed effective ways to be creative, innovative, and solve problems together.					
4.5	OB's managements establish a team leader who can encourage the team and address problems that arise from internal and external stakeholder during strategic plan implementation.					
4.6	In OB, problems requiring top management involvement is communicating early.					
4.7	OB gives adequate information, encourages employees feedback and participation before implementing strategic plan.					

5. To what extent the following external environment factors affect OB's performance during strategic plan implementation?

1. Very low extent (VLE), **2**. Low extent (LE), **3**. Moderate extent (ME), **4**. High extent (HE) and **5**. Very high extent (VHE)

S/No	External environment factors	1 VLE	2 LE	3 ME	4 HE	5 VHE
1	Political factors					
2	Economic factors					
3	Social factors					
4	Technology factors					
5	Ecology factors					
6	Legal factors					

Part III: Strategic Plan Implementation

S/No	Strategic Plan Implementation	1 SDA	2 DA	3 N	4 A	5 SA
1	In OB the main pillar of the strategic plan implemented as the time frame.					
2	Strategic plan implementation ensures organizational cooperation towards a common goal.					
3	In OB the role of top management as strategic makers has more influence on implementation strategic plan.					
4	In OB due to strategic plan implementation the organizational goals and objectives can be achieved.					
5	Strategic plan implementation can lead to improve financial performance.					
6	Strategic plan implementation can led to an improve customer satisfaction in terms of service provide.					

Thank You for Your Assisting and Cooperation!