ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARETMENT OF MARKETING MANAGEMENT

EFFECTS OF STRATEGIC MANAGEMENT PRACTICES ON THE PUBLIC SERVICE PERFORMANCE: THE CASE OF LIDETA SUB-CITY ADMINISTRATION
BY
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Acronyms and Abbreviations

BG test – Breusch Godfrey test

CLRM – Classical Linear Regression Model

DCT- Dynamic Capabilities Theory

DW test – Dubrin and Watson test

GQ test – Goldfeld Quandt test

GTP – Government Transparency Performance

KPI – Key Performance Indicator

LSA – Lideta Sub-city Administration

OLS – Ordinary Least Square

PMT- Performance Management Theory

RBV- Resource Based View

R&D – Research and Development

SD – Standard Deviation

SWOT – Strength, Weakness, Opportunity and Threat

ABSTRACT

Strategic management has been considered as the most important practice which distinguishes one organization from its competitors. Strategic management is one of the prominent processes impacting organizational performance. Besides the dynamism, strategic management can help public organizations or other entities achieve important goals and create public value. The purpose of this study was to determine the effects of strategic management practices on the public service performance of Lideta sub-city administration. The study is employed both descriptive and causal research design. A closed-ended questionnaire was utilized as the data source, and 205 respondents were chosen using stratified sampling method. Eviews software was used to process survey data. Statistical tools like mean, standard deviation and regression analysis were used to analyze data using questionnaires. The study's findings show a positive and significant relationship between public service performance and all the strategic management practices, including environmental scanning, strategy formulation, strategic implementation and strategic evaluation and control. In the section pertaining to data analysis and interpretation, the four stages of the administration's strategic management process are evaluated according to the literature review under chapter two. The findings show that the strategic management practices, caused a statistically significant positive effect on the performance of the administration's public services. Based on the findings of the study recommendations are also forwarded. By demonstrating the connection between the four stages of the strategic management process, future research may encompass a deeper and more comprehensive examination of the major factors affecting public service performance in Lideta sub-city administration.

Key words: *Public service performance, strategic management, strategy formulation, strategy implementation, strategy monitoring and evaluation.*

CHAPTER ONE - INTRODUCTION

1.1. Background of the Study

Organizations utilize strategic management, which is a comprehensive set of continuous activities and procedures, to systematically coordinate and align actions and resources with purpose, vision, and strategy across the whole business. The static plan is transformed through strategic management activities into a system that allows the plan to grow and alter as requirements and other conditions change and gives strategic performance feedback to decision making (BSC Certificate Team, 2007).

Since the working conditions of public organizations are always changing, their management is always in need of some adjustments or reforms. However, the private sector has been able to embrace strategic management far earlier than its public sector counterpart, and it has also been able to make several modifications to meet impending changes within its working environment. This is because the public sector faces less urgency, but there are facts that threaten their development or survival. However, strategic management is more effective in addressing these realities and the variables of the workplace, and it is crucial to the organization's future (Hunger & Whaleen, 2015). This management system predicts the future of every firm by utilizing present patterns. However, organizational prerequisites or appropriate changes serve as the foundation for strategic management in the public sector.

The needs to satisfy the citizen expectation with the changing political and economic environment call for policy makers' attention. Particularly making the public service delivery process efficient and effective is a timely demand to cope with the ever-changing political and administrative dynamics. The increasing pressure as a product of globalization is forcing the country to take serious reform measures to overhaul the service delivery process in a bid to fight poverty and achieve greater overall development.

In accordance with many previous studies, organizational performance is influenced by strategic management practices. (Njideka Phina, 2020 , Amelework, 2015 and Adonias, 2006). Moreover, Esayas (2020) stated that, strategic management is one of the influencial variable to public organization performance in the public sector. However, the actual impact of strategic management practices on the public service performance was not well assessed issue. Thus, it has been found vital to determine how strategic management practices affect the performance of public sector, by choosing a sample subcity administration within the city of Addis Ababa.

Addis Ababa city administration recently has eleven sub-city administration. Lideta sub-city administration is one of this eleven administrations. The district is located in the central-western area of the city, nearby the center. It borders with the districts of Addis Ketema, Arada, Kirkos, Nifas Silk-Lafto and Kolfe Keranio. As of 2011 report of national statistics agency, its population was of 214,769 covering 9.18 km2 (3.54 sq mi) area of the city. The sub-city is subdivided into 10 administrational divisions known as Woreda. And it has 32 offices with distinct strategic plan implemented in their public service delivery.

As a part of the public sector, the Lideta sub-city administration is applying strategic management to its public service. A firsthand observation on the administrations 10-years strategy plan suggested that the implementation is being delayed. Additionally, the administration has not followed through on its plan to manipulate its offices. Furthermore, clients are not systematically identified, nor are customer relationships properly maintained and managed.

The main aim of this study is therefore to determine the effect of strategic management practices on public service performance of Lideta sub-city administration. The study co these practices with the widely accepted theoretical concepts in the field and intends to investigate to what extent strategic management is being adopted along with the aim of identifying the gaps between the theory and the practice. This study finds that generally, all strategies management practices positively and significantly affect the public performance of the administration. Furthermore, the research strives to find out the major problems or challenges for strategic management practices of the administration.

1.2. Statement of the problem

The performance of organizations has been the focus of intensive research efforts in recent times. Managers in both private and public organizations are increasingly aware that a critical source of competitive advantage often comes from indigenous products and services, best public relation strategy, state of the art technology and having an appropriate system of attracting and managing the organization's human resources. (Onyekwelu, 2020)

As stated by Amal Gulaid, (2024), Strategic management practices namely, environmental scanning, strategy formulation, strategy implementation and strategic evaluation and control have significant impact on organizational performance.

Further studies support the finding that organizational performance influenced by the variables of strategic management. (Adonias, 2014 and Amelework, 2009). However, the studies leave a gap on how specifically strategic management practices affect the public service performance.

Building on this study, the researcher wished to bridge the gaps identified from literatures by putting more emphasis and focus on how strategic management practices affect the employees' performance at public service organizations particularly. There is limited research on how the performance of employees in public service organizations is affected by strategic management practices. Therefore, this study aimed to determine the effects of strategic management practices on public service performance in Lideta sub-city administration and suggesting possible recommendations to the public sector.

1.3. Objectives of the Study

1.3.1 General Objective

The general objective of this research was to determine the effects of strategic management practice on the public service performance of Lideta sub-city administration.

1.3.2 Specific Objectives

The specific objectives of this research were:

1. To assess the effect of environmental scanning on the public service performance of Lideta sub-city administration.
2. To assess the effect of the administration's strategy formulation on the performance of the administration.
3. To determine the extent to which strategic implementation affect the public service performance of the administration.
4. To assess the effect evaluation and control of the strategy of the administration on public performance.

1.4. Research Questions

The research questions of this research are:

1. To what extent does the environmental scanning affect the public service performance of the administration?
2. What relationship has between the administration's strategy formulation and effective performance in the public service?
3. How much the strategic implementation applied by the administration affect the public service performance?
4. How the administration evaluation and control of the strategic plan affect the public service performance?

1.5. Significance of the Study

This research has significance in providing information for other researchers on the effects of strategic management practice on public service performance of Lideta sub-city administration. Since the survival of organizations mainly depends on their strategic management, the findings of this research are quite interesting and useful for the administration. Furthermore, the findings of this research may further help in adding further vital input to policy makers inside or out of the organization as concerned to strategically aggravate the performance of such firms to effectiveness.

The findings of this research may add to the knowledge of the subject of strategic management by deepening readers' understanding of the subject of strategic management from the perspective of insurance companies. Besides contributing to the existing pool of knowledge, it would also contribute to the academia by jump starting future researches

1.6. Scope of the Study

The conceptual scope of his research focuses on the effects of the strategic management components namely, environmental scanning, strategic formulation, strategy implementation and strategic evaluation and control on public service performance of Lideta sub-city administration. Under this study, titled 'Effects of Strategic Management Practices on the Public Service Performance', the linkage that existed between the strategic management practices and public service performance of the administration's strategy is also assessed

The Lideta sub-city administration is one of the eleven sub-cities in Addis Ababa city administration located in the inner part of the city. The sub-city administration building is geographically located in the heart of the sub-city. The author of this study encompassed this geographical area to conduct the research.

The study employed descriptive and explanatory research design by analyzing the data collected from 205 respondents, using descriptive analysis and inferential analysis (particularly regression analysis).

1.7. Limitations of the Study

During the process of primary data gathering, conducting interview with all the top level managers of the administration who were selected in the sample was impossible since they were not willing to cooperate and . As a result, the data gathered through interview will reflect only the point view of the corporate planning department's manager. This affects the quality of the analysis since the integrated interview is based on a single individual's perspective.

1.8. Operational Definition of Terms

Strategic management: is a set of managerial decisions and actions that determines the long run performance of a corporation. It includes environmental scanning (both external and internal), strategy formulation (strategic or long-range planning), strategy implementation, and evaluation and control, (Thomas L. Wheelen J. David Hunger, 2012).

Environmental scanning: Environmental scanning (analysis) is the process by which strategists monitor the environmental sectors (economic, political/legal, social/cultural, technological or ecological) to determine opportunities for and threats to the organization (Pearce and Robinson, 2009).

Strategy formulation: Strategy formulation is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses (SWOT). It includes defining the corporate mission, specifying achievable objectives, developing strategies, and setting policy guidelines (Thomas L. Wheelen J. David Hunger, 2012).

Strategy implementation: Strategy formulation is the process of developing long term plans to deal effectively with environmental opportunities and threats. It starts when a leader tries to change the thinking of people (Azhar, et al., 2013). Evaluation and control: Alkhafaji (2003), defines evaluation and control as the step succeeding implementation and entails monitoring the organization's performance to ensure that the chosen strategy achieves the desired objectives.

Public service Performance: According to Yamin (1999), firm performance refers to how well a firm achieves its market-oriented goals as well as its financial goals. Financial performance measurements are the accounting-based measurements such as ROI, percentage in market share, rapid turnover of inventories, and return on asset.

1.9. Organization of the Study

The study contains five chapters. The first chapter is an introductory part which is the proposal contains; background of the study, statement of the problem, objectives of the study, research questions, significance of the study, scope and limitations of the study, operational definition of terms and organization of the Study. The second chapter deals with review of related literature. Chapter three of this research deals with sampling design, data collection and analysis and interpretation. The fourth chapter presents the results of the employed instruments or tolls including questionnaires, interviews, observation, focus group discussion and document analysis etc. The results are presented systematically to address the research problem, objectives and answer the research questions. Finally, chapter four presents summary, conclusions and recommendations. Finally, Conclusions are discussed based on researcher insights gained and Sets of recommendations are presented in the last chapter.

CHAPTER TWO – LITRATURE REVIEW

Introduction

This chapter reviews related literature on the study so as to have an insight in to the research topic and briefly expose the reader to some of the major areas the subject matter under consideration. The chapter is presented in four sections. The first is conceptual review of different previous studies on strategic management. The second part is theoretical literature review of different theories related with subject matter. The third section empirically review different research findings. And the last part discusses the conceptual framework of the study and proposes hypothesis.

2.1 Conceptual Review

2.1.1 Strategic Management Concepts

Strategic management is defined in different ways by different authors. According to David (2011), strategic management is the art and science of developing, carrying out, and assessing cross-functional decisions that help a company accomplish its goal. Alkhafaji's (2003) argument on strategic management, on the other hand, is distinct; it is a notion that deals with decision-making and corrective action-taking in order to accomplish an organization's long-term objectives. Strategic management has been hailed as one of the most successful management techniques for enhancing organizational performance through sound decision-making and the methodical development and application of strategic plans, according to Smith (1994).

The idea of strategic management is about making choices and correcting course in order to help a business reach its long-term objectives. In order to accomplish organizational goals and objectives, management must deal with events that come up on a daily basis. This is known as strategic management (Alkhafaji, 2003). In order for an organization to accomplish its goals, cross-functional decision-making is both an art and a science (AbuBakar, Tufail & Yusof, 2011 and Kaplan & Norton, 1996). The set of choices made by management to identify the organization's long-term goals and how to get there are referred to as strategic management decisions. In essence, it addresses the intricacy that results from unclear and unusual circumstances involving the entire business. It entails managing strategy in action, recognizing an organization's strategic position,

and making strategic decisions for the future (Johnson, et.al. 2008: 12 & 2007: 16). The definition of an organization's purpose, vision, and objectives; the creation of plans and policies for projects and programs; and the allocation of resources for the implementation of the plans, projects, and programs are all part of strategic management. Following the end of World War II, strategic management began to emerge in the corporate sector (Zafar, Babar & Abbas, 2013).

According to Roney (2010), the goal of strategic management is to identify the characteristics and origins of competitive advantage. According to Teecei, Pisan & Shuen (1997) as well as Njagi & Kombo (2014), how businesses create and maintain competitive advantage is the central question in the subject of strategic management. The claim by It gives the business general direction (Kayale, 2012). According to Zafar et al. (2013), failing business organizations have effectively employed this instrument to enhance their long-term performance and get ready for future problems.

Strategy is the most important component of strategic management. Higgins (2005) asserts that strategies are developed in order to fulfill the objectives of an organization. A strategy is a thorough, long-term plan that outlines how an organization will carry out its goals and missions (Alkhafaji, 2003:8 & Kayale, 2012). According to Johnson et al. (2008), an organization's long-term strategy and scope determine its ability to meet stakeholder expectations, meet market demands, and achieve an advantage through resource configuration in a demanding environment. Strategy influences the general well-being of the organization by providing direction, concentrating effort, encouraging activity coordination, and more (Ahlstrand and Lampel, 1998).

2.1.2 Strategic Management Components

According to Robbins and Coulter (2002), strategic management is the process that includes strategic planning, execution, and assessment. Conversely, Thompson and Strickland (1989) delineated five processes that comprise the strategic management process: formulating a strategic vision and mission, establishing goals, devising a plan, executing the plan and assessing its effectiveness, and initiating remedial measures.

A strategic management model comprising strategic analysis, planning, choosing, and strategy implementation was created by Johnson and Scholes (2009). According to Alkhafaji (2003) and Wheelen and Hunger (2008), there are four fundamental components of strategic management, which falls under the purview of top-level management. These include environmental scanning, strategy creation, strategy implementation, and monitoring and control. Strategies go through four stages, according to Ahlstrand and Lampel (1998) and Zafar et al. (2013). These stages include environmental scanning, strategy formulation, implementation of the strategy, and strategy evaluation or monitoring. A successful business requires all four of these elements (Baroto, Arvand, & Ahmad, 2014).

Alkhafaji (2003) and Wheelen and Hunger (2008) also stated that, there are four fundamental components of strategic management, which falls under the purview of top-level management. These include environmental scanning, strategy formulation, strategy implementation, and monitoring and control.
Likewise, strategies go through four steps, according to Ahlstrand and Lampel (1998) and Zafar et al. (2013): environmental scanning, strategy formulation, strategy implementation, and evaluation or controling. A successful business depends on each of these four elements (Baroto, Arvand & Ahmad, 2014).

2.1.2.1   Environmental Scanning

According to Pearce, Richard, and Robinson (2004), the organizational environment is made up of both internal and external components. The process of tracking, assessing, and sharing information with strategists inside a company about the external and internal environment is known as environmental scanning. To ascertain the evolution and projections of the elements that will impact the success of a company, the environment must be surveyed. Having and using knowledge about events, patterns, trends, and relationships in an organization's internal and external environments is known as environmental scanning. The managers can use it to make decisions on the organization's future course. Identification of environmental dangers and opportunities is a requirement for scanning. An organization must maximize possibilities and avoid threats while formulating a strategy. One organization's threat could present an opportunity for

another. Organizations identify the primary challenges affecting them through environmental scanning, also known as environmental analysis, which is the first phase in the strategic planning process (Johnson, et.al., 2007: 19).

According to Ruocco and Proctor (1994), conducting an environmental analysis is an essential part of the planning process that needs to be done in order to compile all the data required to create strategies that are suitable. In a nutshell, it's the process of examining both internal and external elements that have an impact on the organization and its capacity to follow a particular path of action.

Understanding organizational resources and skills, as well as how each plays a role in creating organizational strengths and, ultimately, a competitive advantage, is essential for effective strategic management (Duncan, Gintei & Swayne, 1998). According to Alkhafaji (2003), a strategy's ability to succeed hinges on how well it fits the environment of the business. Scanning of the environment is used for this. The first step in the entire strategic process is environment scanning or situational analysis (Azhar et al., 2013). Another name for it is environmental assessment, and it entails forecasting and analysis of the important markets, industrial structure, and economy for the firm (Roney, 2010). The process of gathering and using data on relationships, trends, and occurrences in an organization's surroundings is known as environmental scanning. This data can help management plan future actions. By assisting in the detection of SWOT, it is essential in determining the primary problems impacting enterprises.

According to Johnson et al. (2007), a SWOT analysis condenses the major problems from the business environment and an organization's strategic capabilities that are most likely to have an impact on the creation of a strategy. According to Ayub et al. (2013), SWOT analysis aids in determining an organization's key capabilities, or prospective strengths and how to use them to seize opportunities, fend off threats, and pinpoint weaknesses so that they can be lessened. According to Asghar (2011), the purpose of a SWOT analysis is to develop a well-thought-out strategy that aligns with the external and internal environment of the firm. The goal of the SWOT technique is to determine what needs to be done to preserve the positive aspects and address the negative aspects by making sure that opportunities are taken advantage of and threats are avoided

(Hussey, 1998). It can be challenging to distinguish between strengths and weaknesses since traits that seem to be strengths or weaknesses may, upon closer inspection, have little to no bearing on a company's competitive advantage or disadvantage (Duncan et al., 1998). It necessitates reflection, self-evaluation, and a more methodical approach (Duncan, et al., 1998).

Environmental scanning also includes industry analysis. According to Hussey (2006), it serves as a kind of stopgap between SWOT analysis and strategy formulation. Hussey (2006) goes on to say that it's an additional means of gauging the organization's internal components in relation to external events and a means of examining the relative strength of each player. The development of strategies is directly impacted by environmental research (Zafar et al., 2013). Since the environment affects organizational decision making, effective environmental scanning must be done in order to handle external forces. Roney (2010) supports Drucker's (1969) claim that, in an era of discontinuity, long-term success necessitates ongoing assessments of possible and current business environments as well as re-planning.

2.1.2.2   Strategy Formulation

Strategy formulation is designed to guide executives in defining the business their company is in, the aim it seeks, and the means it will use to accomplish these aims. Strategy formulation involves an improved approach to traditional long range planning. Strategy formulation combines a future oriented perspective with concern for a firms internal and external environments in developing its competitive plan of action. The process of strategy formulation began with definition of the company's mission (Pearce, Richard and Robinson, 2004)

The process of creating long-term plans to successfully address environmental opportunities and risks is known as strategy formulation. It begins when a leader attempts to influence others' perspectives (Azhar, et al., 2013). It entails stating a goal, choosing a strategy, and outlining a set of long-term goals to be accomplished within the stated goal (Kibicho, 2014 and Baroto, et al., 2014). A structured, methodical approach to formulating a strategy is called strategic planning (Grant, 2003). Strategic planning, according to Scarf (1991) and Alkhafaji (2003), is a

management tool used to look ahead and identify possibilities or difficulties that may arise in order to establish a competitive position.

Strategic planning, according to Haycock, Cheadle, and Bluestone (2012), is the methodical and logical process of identifying strategies. According to Liedtka (2006), strategic planning is an analytical procedure that results in a strategic plan and is intended to program previously established strategies. Employee involvement, according to Salih & Doll (2013), fosters a sense of strategy ownership and advances organizational capacities. For companies in all industries, mission and vision statements are widely acknowledged as essential components of the strategic management process (Phanuel and Darbi, 2012). The organization's purpose and the ideals it upholds as it moves toward its intended future state are explained by the mission, vision, and core values. In order to accomplish the mission, preserve its core values, and realize the vision, an organization also sets goals.

A mission statement is a broad statement of an organization's overarching goals, which should ideally align with the expectations and values of the main stakeholders and address the organization's boundaries and scope (Johnson, et.al., 2007). A company's mission can be defined as its purpose for existing, or its raison d'être (Niven, 2006: 73). According to Alkhafaji (2003), a mission statement should provide a concise overview of the organization's operations, including its overall strategy and strengths. The organization's mission statement explains to the outside world what the company does, who it is, and why (Neluheni, Pretoriu & Ukpere, 2014). It outlines the goals of the organization, its size, its area of work, its identity, its product, its market, and its specific approach or technology of emphasis.

An organization's vision is a statement that outlines its future goals and is developed in accordance with its mission and core values (Niven, 2006). According to Azhar et al. (2013:34), the vision serves as both the organization's center and the foundation of the strategic management process. It is a statement of the organization's beliefs and long-term goals that demonstrates the goals the company is attempting to accomplish (Hussey, 2006: 278). The organization's vision is the audacious and admirable course it is about to take (Neluheni, et al., 2014). At some time in the

future, it provides a compelling and unambiguous account of the organization in the course of fulfilling its goal (Adams, 2005: 26). In vision, a rather distant future is depicted.

A vision statement should be clear and easy to comprehend for all parties involved (Nutt, 2006); it should be demanding but doable enough to motivate staff (Phanuel and Darbi, 2012); and it should be motivating enough to keep individuals awake at night when they consider it.
(Hussey, 1998) & (Mintzberg and Quinn, 1996), include core values and ideologies that set one organization apart from another, (Neluheni, et al., 2014), be value-centered, taking into account the interests of key stakeholders, contain a concrete picture of the desired state, serve as the foundation for developing strategies and objectives, appeal to all stakeholders, demonstrate the desired scope of business activities, be concise, be verifiable, and be feasible, be purpose-driven and future-focused so that staff members feel a feeling of loyalty to the company.

Values are the enduring principles that embody the organization sincerely held convictions and are shown by each person in their daily actions (Niven, 2006). BSC can be a method for sharing your values and reviewing them periodically with everyone in the company, from the top to the bottom (Niven, 2006). Core values are designed to assist influence attitudes, beliefs, and eventually the organizational culture. They establish the guiding ideas or tenets by which a firm would like to operate (Adams, 2005).

2.1.2.3   Strategy Implementation

Strategy implementation is the collection of decisions and actions necessary to carry out a strategic plan. It is the process via which plans and policies are implemented by creating budgets, schedules, and protocols. Implementation is an essential component of strategic management, even though it is typically thought of after strategy has been developed. The first three questions that implementation strategists need to think about are as follows: Wheelener, L.T., and D.J. Hunger (2004). Making plans and goals come to pass in real life is the goal of strategic implementation, also known as strategy implementation. (Johnson, et.al., 2008).

The process of putting the selected strategies into practice, along with the tools and methods needed to carry them out, is called implementation. Strategy implementation is defined by Krassnig, James, and Ribière (2011) as all actions, procedures, and activities aimed at incorporating a recently created strategy into an already-existing company organization. For them, the process of putting a strategy into action is essential to making it a reality. As part of implementation, duties and responsibilities are assigned to people or groups inside the organization (Alkhafaji, 2003). It entails putting the organization's adopted processes and techniques to use in carrying out management's chosen plan into practice. Strategy implementation, according to Zafar et al. (2013), is the process of putting the selected strategy into practice or ensuring that it operates as intended. It entails creating the decision-making process, allocating resources, managing human resources, and building the organizational structure. In order to implement the strategy, it is necessary to motivate individuals and organizational units to completely commit to carrying out their respective roles in the strategic plan (Nedelea & Paun, 2009). According to Azhar et al. (2013), implementation is the process of turning deliberate strategies into practical actions.

The entire set of actions involved in implementing strategic goals is known as strategy implementation, and it is a vital component and ally in creating a capable company (Smith, 2011). No business plan can be successful if it is not implemented well (Andersen & Lie, 2013). Sterling (2003) asserts, in line with this idea, that good execution of a mediocre plan consistently outperforms poor execution of a fantastic approach 38. According to Njagi & Kombo (2014), achieving strategic goals requires meticulous planning and execution; otherwise, success is unlikely. The efficacy of developed techniques is contingent upon their efficient implementation, as noted by Azhar et al. (2013).

According to Kaplan and Norton (1996), strategy implementation, also known as the action stage of strategic management, calls for a company to set yearly goals, cultivate a culture that supports the strategy, establish an efficient organizational structure, create budgets that support the strategy, develop and use information systems, create policies that direct decision-making, inspire staff, and allot resources so that developed strategies can be carried out.

According to Alkhafaji (2003), organizational structure includes power and responsibility relationships, work flow, and communication mechanisms. According to Kayale (2012), an organization's structure is made up of all the individuals, roles, policies, practices, culture, technology, and associated components that make up the organization as well as how they all function together.

Translation of the vision, communication and linkage, corporate strategy, feedback and learning, and leadership are all necessary for the effective execution of a strategy. The human capital components of budget, rewards, and accountability as well as competences and capabilities are essential to the success of any plan (Neluheni et al., 2014). As active participants in the implementation process, lower-level managers are required to ascertain the necessary conditions for accomplishing successful strategy implementation and to steer the process within their respective purviews. Without an executable plan, execution cannot be successful (Kibicho, 2014: 8). This can be accomplished by breaking down long-term company goals into operational, short-term goals, creating departmental, unit, or functional-specific strategies, and creating action plans to help reach the goals.

According to Musyoka (2011), implementing a strategy successfully requires organizing, inspiring, fostering a culture of cooperation, and forging strong alignments between the organization's processes and its goals. Managers are responsible for ascertaining the internal prerequisites for the successful implementation of the strategy plan (Njagi & Kombo, 2014). It encompasses delicate and sensitive matters such the mobilization of resources, restructuring, changes in culture, technology, processes, policies, and leadership (Lihalo, 2013).According to Mbaka et al. (2014) and Niven (2006), middle management and the majority of employees' support and commitment are essential for strategy implementation to be successful. To effectively implement the initiatives, everyone must see the need for change and make a contribution (Azhar, et.al., 2013). Effective decision-making is essential to the execution of a strategy (Azhar et al., 2013).

2.1.2.4 Strategic Evaluation and Control

Pearce and Robinson (2003) state that strategic control gives an organization the ability to monitor how its plan is being carried out, identify any deviations, areas of concern, or modifications to its fundamental assumptions, and take the appropriate corrective action. Pearce and Robinson (2003) went on to say that monitoring progress against predetermined benchmarks and making sure that the causes of deviations and the required corrective actions in response to them are given careful, in-depth consideration are crucial components of strategic control. In my opinion, feedback regarding deviations from actual performance is crucial for organizational members to adapt to change, even though this approach is a typical strategic choice approach to strategic control that was criticized in this document.

Performance information and activity reports make up evaluation and control information. If improper application of the strategic management approach leads to undesirable performance outcomes. It must be known to operational supervisors so that they can address the employee's behavior. Senior management does not have to be present. However, senior management and operational managers need to be aware of any undesirable performance resulting from the process itself in order to create new implementation programs or procedures. Hunger & Wheelen, 2017)

In order to properly position and steer a company in an environment that is frequently changing quickly, a strategy is chosen and put into practice over time. According to Pearce, Richrd, and Robinson (2004), strategies are forward-looking, intended to be completed several years in the future, and predicated on management's projections of a number of unrealized occurrences.

It is a crucial component in determining if a strategy is successful or unsuccessful. The endeavor is carried out with the intention of guaranteeing the accomplishment of organizational goals. The process of evaluation involves assessing performance in relation to the strategic strategy. The goal is to ascertain whether the chosen tactics are successfully applied, resources are utilized, and the stated goals are met. The internal management process of monitoring involves gathering and analyzing systematic data about the execution of plans in order to identify their strengths and weaknesses and create workable proposals for addressing issues or building on achievements in order to achieve the desired outcomes (IIEP, 2010: 17).

Various control methods exist, including financial, management, operational, strategic, and performance-based approaches. One of the most popular tools for managing the execution of a plan is the budget. It describes the procedure for locating, compiling, analyzing, and disseminating both financial and nonfinancial data regarding the organization's upcoming undertakings. It gives managers the chance to closely match the organization's goals with the resources required to achieve those goals. In these situations, the standards and actual performance will be contrasted.

Another way to do it is to do a comparison between the actual and budgeted amounts of money spent (Alkhafaji, 2003). The Balanced Scorecard is a popular performance monitoring system that was created by Kaplan and Norton in 1997 (Krassnig et al., 2011). It is imperative for management to establish appropriate mechanisms to oversee the execution of strategies and establish unambiguous benchmarks for assessing performance.

2.1.3 Public Service Performance

Most of previous studies on public organization performance spans multiple dimensions, including performance measurement, strategic management, accountability, organizational culture, and employee motivation. The literature highlights the importance of comprehensive performance management systems, effective leadership, and the need to balance efficiency with broader public service values. Despite challenges, continuous efforts to refine and implement performance management practices are crucial for enhancing public sector performance.

Strategic management in the public sector entails setting long-term goals, formulating and implementing strategies to achieve them, and adapting to changes in the environment. Effective strategic management is linked to improved organizational performance, higher efficiency, and better public service delivery. (John M. Bryson, 2018)

Organizational culture and leadership significantly influence public sector performance. Effective leaders foster a culture of innovation, collaboration, and continuous improvement, which is essential for achieving high performance in public organizations. (Edgar H. Schein, 2010) Performance management systems integrate various tools and processes (e.g., performance

appraisals, audits, benchmarking) to systematically monitor, evaluate, and improve public sector performance. Effective systems align individual and organizational objectives with broader policy goals. (Van Dooren et.al, 2006)

2.1.4 Strategic tools in public sectors

The public service reform tools implemented in Ethiopia thus far can be summarized up as follows, based on the review of relevant documents.

Business Reengineering Processes (BPR)

One of the most well-known countries to use BPR as a fundamental strategy for public service reforms is Ethiopia. In order to accomplish a dramatic transformation in the delivery of public services, by the year 2005, the federal administration decided to implement BPR throughout all government institutions.

This decision was followed by a broad campaign to implement BPR throughout the public sector. Reengineering business processes is considered to be on the more "radical" end of reform programs; these countries are particularly interested in bringing techniques from the private sector into the public sector and blurring the lines between the two. Even with the wide range of applications around the world, the effectiveness of BPR reforms in Ethiopia's public sectors has not been thoroughly evaluated. (Esayas D., 2020)

Balanced scorecard

Following BPR, there was a stronger focus on aligning individual and organizational performance through the use of the BSC instrument for measuring public service performance. In 2008, the BSC was introduced by the federal government. In addition to being a vehicle for communication, planning, and change management, the BSC is seen as a chance to incorporate strategic management ideas into the strategic plan. The introduction of the "change army," which aims to bring the party, the state, and society together to carry out the "gross transformation plan," is another attempt by the government to achieve performance accountability and transparency (GTP).

In consideration of this, a Citizens Charter has been developed and its implementation is being pursued. It is a document that represents a methodical effort to focus on the commitment of public service providers to their users with respect to standards of service, information, and grievance redressal mechanisms (Adebaye 2008).Despite the fact that many Ethiopian organizations accepted and used BSC as a tool to match strategic planning to particular performance targets, no thorough evaluation of the program's efficacy was conducted after it was put into practice.

Kaizen: Enhancing services

Imai (1986) defined kaizen as the idea of continuous improvement including managers, employees, and upper management. The kaizen philosophy makes the assumption that all aspects of our lives—workplace, social, and domestic—should be continuously improved. With support from the Japanese government's old Ministry of Trade and Industry, kaizen was launched in Ethiopia. One management method chosen to strengthen and advance the managerial capacity to carry out the plan for growth and transformation is kaizen (Federal Republic of Ethiopia 2011). There have only been a few, largely unsatisfactory studies done on the application of kaizen in Ethiopia. The application of kaizen improved labor productivity by 50% on average, reduced time spent looking for tools, enhanced defect ratios by 50% to 70%, and reduced lead times by 16% to 90%, according to Seid's (2012) findings. Desta et al. (2014), on the other hand, found that although shop floor workers were typically not permitted to participate in collaboration, executive supervisors were not dedicated to kaizen teamwork and that employees lacked the capacity to adopt the kaizen management system. Therefore, more research is needed to fully understand how to apply kaizen as a reform instrument.

2.2 Theoretical Review

2.2.1   Dynamic Capabilities Theory

Dynamic capabilities theory (DCT) is a relatively recent framework that has been developed to help explain how organizations can adapt to changing environments and create sustained competitive advantages. DCT suggests that organizations need to be able to continually identify and exploit new opportunities and to renew their existing capabilities in order to achieve long-term success. In the context of banks and other financial institutions, understanding and developing dynamic capabilities can be critical for strategic management. Teece, D. J. et.al, (1997)

Dynamic capabilities foster adaptability, enabling public organizations to respond effectively to unexpected changes and crises. This is crucial for maintaining service continuity and meeting public needs in a rapidly evolving environment.

Dynamic capabilities promote innovation by encouraging public organizations to explore new ways of delivering services and addressing societal challenges. Innovation is essential for improving public service efficiency and effectiveness. Effective dynamic capabilities involve the strategic management of resources, ensuring that they are aligned with organizational goals and environmental demands. This includes human resources, financial resources, and technological assets.

In conclusion, dynamic capabilities theory provides a valuable framework for understanding and enhancing public organizational performance. By focusing on sensing opportunities and threats, seizing opportunities, and reconfiguring resources and capabilities, public organizations can improve their adaptability, innovation, and strategic resource management. Despite challenges, fostering dynamic capabilities can lead to more responsive, efficient, and effective public service delivery, ultimately benefiting society as a whole.

2.2.2 Resource Based Theory

Resource-Based View (RBV) suggests that sustainable competitive advantage comes from valuable, rare, inimitable, and non-substitutable resources. Public services must identify and leverage unique resources (such as human capital, information systems, or community partnerships) to enhance performance. For example, investing in training and development programs for public servants can improve their skills and effectiveness. Barney, J. (1991)

Moreover RBV provides a basis for benchmarking organizational performance against the strategic use of resources. This helps in setting performance standards and goals. Example: Measuring the impact of training programs on employee productivity and public service delivery. By continuously evaluating and improving the management of resources, public organizations can enhance their performance over time. Example: Regular audits and assessments of resource utilization in public projects to identify areas for improvement.

2.2.3 Institutional Theory

Institutional theory highlights the influence of institutional environments and norms on organizational behavior and decision-making. Strategic management ensures that public organizations align their goals and practices with prevailing institutional norms and values, which enhances their performance and acceptance. By adhering to institutional norms and engaging in strategic management, public organizations enhance their legitimacy, which is crucial for securing resources, support, and compliance from stakeholders. DiMaggio, P. J., & Powell, W. W. (1983).

Strategic management helps public organizations navigate and adapt to institutional pressures, such as regulatory requirements, societal expectations, and political directives, thereby improving their performance. Institutional isomorphism, driven by strategic management, ensures that public organizations adopt best practices and standards prevalent in their field, leading to improved performance through shared knowledge and efficiencies.

In addition, strategic management informed by institutional logics ensures that public organizations' decisions and actions are coherent with the broader belief systems and practices of their institutional environment, fostering better performance.

2.2.4   Performance Management Theory

Performance Management Theory (PMT) emphasizes the systematic process by which organizations involve their employees in improving organizational effectiveness in the accomplishment of the organization's mission and goals. In public service, PMT is crucial for ensuring accountability, transparency, and the achievement of desired outcomes. This essay explores how Performance Management Theory supports the idea that strategic management positively impacts public service performance by aligning goals, monitoring progress, fostering accountability, and enabling continuous improvement. Moore, M. H. (1995).

PMT ensures that the goals of individual employees and departments are aligned with the broader strategic objectives of the public organization. This alignment is critical for coherent and focused efforts toward achieving the organization's mission.

Performance Management Theory emphasizes the importance of measuring progress toward strategic goals using KPIs and other metrics. This ongoing measurement enables public organizations to track their performance, identify gaps, and make data-driven decisions. PMT supports strategic management by promoting a culture of continuous improvement. Performance data is used to identify strengths and weaknesses, leading to informed decisions about where to allocate resources and how to improve processes. Moore, M. H. (1995).

In conclusion, Public service performance can be enhanced through clear goal-setting, performance measurement frameworks (e.g., Balanced Scorecard), and continuous improvement processes. Emphasizing outcomes and results rather than just outputs is crucial in evaluating and improving public service effectiveness.

2.3 Empirical Review

The strategic planning and environmental scanning practices of the hotel chains that operate in Portugal are covered in a thesis by Costa (1997) titled "A study of strategic planning and environmental scanning in the multiunit Portuguese hotel sector." Based on a qualitative and inductive approach, the researcher used an exploratory and descriptive design. The results show that formal and informal planning chains do not conduct formal continuous environmental scanning, and there are many notable parallels between the case study organizations' sources and techniques of environmental scanning.

Mosiah (2008) focused on the health biochemistry sector while examining the strategic management techniques of small businesses in emerging economies. He contrasts these methods with the historical context of methods that have been recorded. Qualitative information from a non-probability sample of two businesses in the sector was used in the study. Data from the senior executives of these two companies was gathered through the use of case study methods and in-depth interviews. According to the research, formal strategic management techniques should be implemented in growing industries.

Addisie's (2015) evaluation of Action for Development's strategic management methods is part of the local research on strategic management. The aim of the study was to evaluate Action for Development's strategic plan design and implementation. For the research, data from primary and secondary sources were utilized. Using basic random selection, the researcher selected 46 employees as a sample from a total of 91 employees. Both open-ended and structured closed-ended questions were used to gather data. While narrative form was used to study the qualitative data, descriptive statistics were used to assess the quantitative data.

The findings showed that there are significant obstacles to action for development when it comes to informing interested parties about the strategy plan in an efficient manner. The researcher suggested that Action for Development look for sustainable sources of funding to support the implementation of strategies, focus on employee capacity building, and effectively communicate the strategic plan to interested parties to ensure that everyone is on the same page.

Assessment of Strategic Management Practices in the Case of Ethiopian Insurance Corporation is a research study published in 2015 by Amelework. This study's goal was to provide an overview of EIC's strategic management procedures. The study contrasts these methods with the generally acknowledged theories in the industry. Both qualitative and quantitative data were used in the study. Based on the questionnaires given to the management and staff, quantitative data was gathered. There was additional usage of secondary data sources, such as budget preparation standards and strategy plans. The results highlight both the strategic management process's strong points and weaknesses.

The strategy planning, formulation, and implementation, as well as the monitoring and evaluation practices of Nib International Bank, were outlined in a study conducted by Dinberu (2016). The collected data was examined using a descriptive statistical method. The study's conclusions showed that NIB's communication of the strategy plan was subpar and did not result in stakeholder participation. The bank was also found to be using the results of its SWOT analysis poorly, and its strategic plans were not properly linked to work units or individual tasks. Additionally, the strategic plan is unrelated to strategic management and does not include thorough performance metrics.

2.4 Conceptual Framework

A conceptual model demonstrates how the researcher theorizes the connections between various elements that have been determined to be significant to the research topics. In light of this, a conceptual model that discusses the links between the factors seen to be essential components of the strategic management process has been established based on evaluations of prior knowledge. Amelework (2015)

Strategic management practices
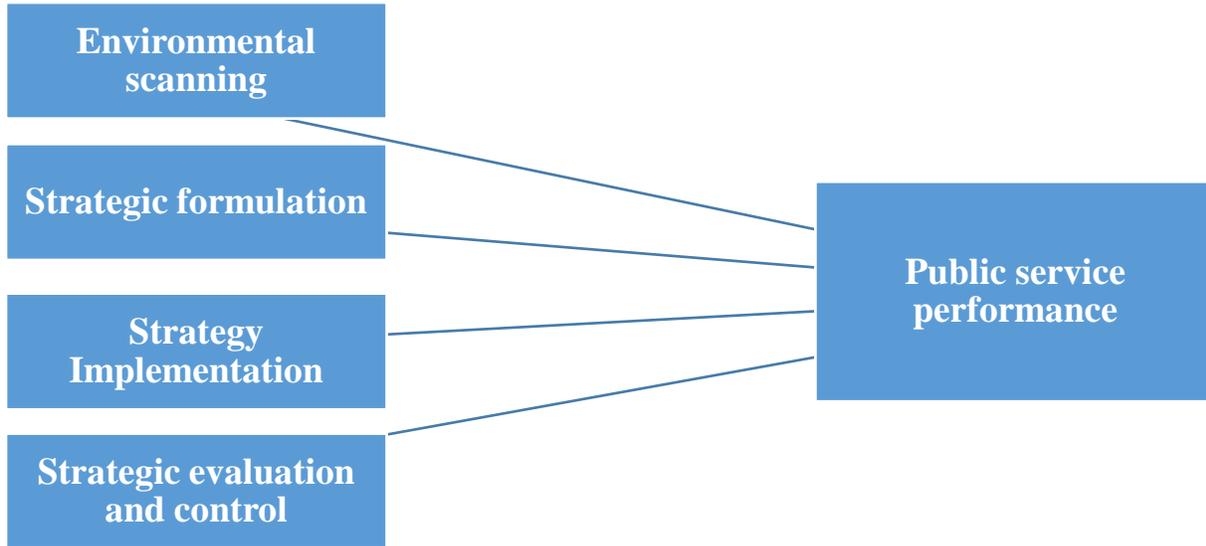
Chart 2.1: Conceptual framework of the study.

The proposed conceptual framework of this research composed of four independent variables belongs to strategic management practices; environmental scanning, strategy formulation, strategic implementation, and strategic evaluation. The four strategic management practices supposed to have influence on the service performance in public sector. Chart 2.1 shows the conceptual framework.

Environmental scanning refers to the process of collecting and analysing information about internal and external factors that may affect an organization. By monitoring and analysing these factors, organizations can anticipate opportunities and threats, and adjust their strategies accordingly (Kabeyi, 2019). There is evidence that strategic environmental scanning can have a significant impact on organizational performance (Palanisamy et al., 2022; Sirajuddin et al., 2017). Therefore, the following hypothesis is assumed.

H1: Environmental scanning has a significant positive influence on the public service performance.

Strategy formulation is the process of creating a plan of action for achieving a specific goal or set of goals. When done effectively, strategy formulation can have a significant positive influence on organizational performance (Steiss, 2019). One of the primary benefits of strategy formulation is that it helps organizations to align their resources and efforts with their overall mission and objectives. This can lead to increased efficiency and productivity, as well as greater success in achieving their goals. Additionally, strategy formulation can help organizations to anticipate and respond to changes in the external environment, such as shifts in consumer demand or changes in regulations. This can help organizations to remain competitive and adapt to new challenges (Chungyas & Trinidad, 2022; Henry, 2021; Sirajuddin et al., 2017).

There is evidence that strategy formulation can have a significant impact on organizational performance (Hanif et al., 2022; Palanisamy et al., 2022). Therefore, the following hypothesis is assumed.

H2: Strategy formulation has a significant positive influence on the public service performance.

Strategic implementation, also known as strategy execution, refers to the process of taking the plans and decisions that have been developed as part of the strategic planning process and putting them into action (Ginter et al., 2018). Effective strategic implementation can have a significant positive influence on organizational performance, by helping the organization to achieve its goals and objectives and to adapt to changes in the external environment. A well-executed strategy can help an organization to optimize its resources, improve its competitiveness, and increase its profitability (Bose, 2020; Irawati et al., 2019). Overall, effective strategic implementation is critical for an organization's success. There is evidence that strategic implementation can have a significant impact on organizational performance (Gunarathne et al., 2021; Hanif et al., 2022). Therefore, the following hypothesis is assumed.

H3: Strategic implementation has a significant positive influence on the public service performance.

Strategic evaluation is an important process for organizations to assess the effectiveness of their strategies and make any necessary adjustments. This can include assessing the performance of different departments or business units, evaluating the effectiveness of specific initiatives or programs, and measuring progress towards overall organizational goals (Bryson & George, 2020; Ginter et al., 2018). When done effectively, strategic evaluation can have a positive impact on organizational performance. Strategic evaluation can provide valuable feedback to key stakeholders, such as managers, employees, and shareholders. This can increase transparency and accountability within the organization, and promote a culture of continuous improvement (Bryson & George, 2020; Roghanian et al., 2012). In summary, strategic evaluation can play a significant role in organizational performance and competitiveness. There is evidence that strategic evaluation can have a significant impact on organizational performance (Clauss et al., 2019; Gunarathne et al., 2021). Therefore, the following hypothesis is assumed.

H4: Strategic evaluation has a significant positive influence on the public service performance.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter discusses the processes and techniques used in carrying out the study. The chapter also discusses the sampling techniques and sample size with a description of the study area and the target population. It also provides an outline of research design and the instruments for data collection. Furthermore, it discusses the methods adopted in the administration of the research instrument, data collection procedure, data analysis and measures used to ensure validity of the instrument used.

3.1. Description of the Study Area

Lideta sub-city administration is one of the eleven sub-cities in Addis Ababa city administration. The sub-city is located in the central part of the City occupying 1500.8km^2 area with 350,000 population number. The sub-city administration has the vision to see rapid and sustainable development where the economic and social benefits of the citizens are guaranteed and safe by the year 2028. The administration operates its functions through the 32 offices under its administration. (Own survey, 2024)

Figure 3.1. The Geographical location Lideta sub-city (Source; Lideta sub-city administration website)

3.2. Research Design

The study employed both descriptive and Causal research design, so as to find out the relationships between the variables of strategic management practices and the public service performance. The descriptive part was employed to describe the respondents' characteristics and responses, which generates quantitative information. On the other hand, the concept of causality is grounded in the logic of hypothesis testing, which, in turn, produces inductive conclusions though such conclusions are probabilistic and thus can never be demonstrated with certainty (Cooper, R. D. & Schindler, S. P. 2014). Kaliyadan and Kulkarni (2019) argues that descriptive statistics give a summary about the sample being studied without drawing any inferences based on probability theory. The inferential questions or hypotheses relate variables or compare groups in terms of variables so that inferences can be drawn from the sample to a population plus it provide a rationale for the choice of statistical test and mention the assumptions associated with the statistic (Creswell, 2014).

3.3 Research philosophy

This study would likely involve a combination of positivism and interpretivism. Positivism would be valuable in this context as it seeks to uncover observable patterns and causal relationships within the realm of strategic management practices and their impact on public service performance. This aligns with the quantitative aspects of the research, such as measuring the public service performance and identifying correlations between strategic practices and the performance. On the other hand, interpretivism would also be critical as it emphasizes understanding the subjective experiences and perceptions of individuals involved in public service and strategic decision-making. This philosophical stance would help grasp the contextual and qualitative aspects of strategic management within public services, shedding light on the motivations behind certain strategic choices, the organizational culture, and the impact on employee behavior and citizen satisfaction. (Wubishet, 2018). By combining these philosophies, the research can provide a comprehensive view of the effectiveness of strategic management in public service performance.

3.4 Research approach

The research approach is a plan and procedure that consists of the steps of broad assumptions to detailed methods of data collection, analysis, and interpretation. It is, therefore, based on the nature of the research problem being addressed. The research approach is essentially divided into two categories, namely the approach of data collection and the approach of data analysis or reasoning. The data collection approach encompasses qualitative, quantitative or mixed approach. Whereas, the approach to data analysis involves deductive and inductive ways to analyze given data. Creswell (2013).

This study employed predetermined and highly structured survey questions used in quantitative studies where a sample of the population is studied using survey questionnaires for data collection with the goal of generalizing from the sample to the population. Moreover, deductive approach was used as it enables the research to reason from generic to specific. In addition, it applied deduction from general perspectives leads the researcher to develop a theoretical framework (hypothesis) and test it thereby concluding a specific conclusion. Thus, the study employed quantitative approach for data collection and deductive approach for data analysis.

3.5 Sampling

The Lideta sub-city administration has offices under its governance. Within these offices there are 870 total employees working in different occupations. Among these, the office managers and team leaders are 420. The target population of this study will be these office managers and team leaders as they are responsible for the implementation of the strategies of the administration. For the purpose of this study among the total target population in the administration 205 are selected by stratified sampling method according to their strategic significance to the administration.

The stratified sampling method was applied in three different steps. The first step was to identify the key strata based on department type and geographical location. The three key stratas in the administration were four mentioned in table 3.4. The next step employed was to decide on the sample size for each stratum based on its proportion in the population. A deductive approach is popularly used as it enables the research to reason from generic to specific. In addition deduction from general perspectives leads the researcher to develop a theoretical framework (hypothesis) and

test it thereby concluding a specific conclusion. Then, the last step was to perform random sampling within each stratum to select the final sample. The whole sampling technique is summarized in table 3.1 below.

Table 3.1 Summary of the sampling method

Strata (Management Pools for the sub-city)	population	Proportion	sample
Lideta sub-city CEO pool	120	0.285	58
Lideta sub-city land management pool	110	0.261	54
Lideta sub-city head office	122	0.29	60
Lideta sub-city public service pool	68	0.164	33
Total	420	1	205

3.6 Sample Size

Sample size determination is a scientific task that should be performed with proper care, (Zikmund 2010). The following formula is used by the researcher to determine the sample size for a given population. A representative sample size with known confidence level which is 95% will be selected, based on the formula of (Yamane 2003). Therefore, considering the above given points the sample size for this study is calculated as follows:

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

Where:

n = the sample size/ required sample size

N = Population Size of AIC main Branch and head office

1 = designates the probability of the event occurring.

e= the level of precision (Sampling error that can be tolerated which is 5%).

Assumptions: A 95% confidence level, and e = ±5%

Therefore:

$$n = \underline{420}$$

$$1+420\ (0.05)^2$$

$$\mathbf{n} = \underline{\mathbf{205}}$$

So, a total of 205 respondents will be selected to gather relevant data to complete the research work.

3.7 Data Collection Tools / Instruments

A survey questionnaire is adopted (close ended questionnaire) to obtain primary data that enables the researcher to measure the relevant constructs in a quantitative manner through the use of statistical techniques to analyze the respondents' level of agreement or disagreement in the differences between the variables employed in the study and the questionnaire uses a five-point Likert scale to measure the variables employed to obtain quantitative data. The survey is conducted using close ended questionnaires to 205 respondents that are selected by stratified sampling method.

3.8. Methods of Data Analysis

First, descriptive statistics of the variable is calculated in line with (Malhotra 2007), which states that using descriptive statistics method helps the researcher in picturing the existing situation and allows relevant information. In the descriptive analysis percentage, mean and standard deviation is used on the study. Frequency tables used to summarize the respondents profile in the form of frequency and percentages whereas the descriptive statistics such as mean and standard deviations of employee' answers to strategic management practices and organizational performance scales calculated in order to assess the effectiveness of strategic management practices on public service performance. Inferential analysis, specifically regression analysis, is also used to understand the relationship between two or more variables and to make predictions about one variable based on the values of other variables. According to Aamir (2014:103), "inferential statistics involves making an inference for the general population based on the results from a sample of the study population" to analyze our data further.

Pearson Product Moment Correlation

(Stigler, 1989) states that the Pearson Product Moment The linear correlation between two variables, x and y, is measured as correlation. It has an inclusive value between +1 and -1, with 1 denoting total positive correlation, 0 denoting no correlation, and -1 denoting whole negative correlation. While the numerical portion of the coefficient reveals the correlation's magnitude, the sign of the coefficient tells us whether the link is positive or negative. The stronger the association between the variables, the closer the correlation coefficient is to 1 or -1.

The Pearson Product Moment Correlation Coefficient was used. Pearson Product Moment Correlation is used to determine the following relationships for the sample respondents.

- The relationship between environmental scanning and public service performance at Lideta sub-city administration.
- The relationship between strategic formulation and public service performance at Lideta sub-city administration.
- The relationship between strategic implementation and public service performance at Lideta sub-city administration.
- The relationship between strategic evaluation and control and public service performance at Lideta sub-city administration.

Multiple Regression Analysis

The purpose of multiple regressions is to learn more about the relationship between several independent or predictor variables and dependent variable. Multiple regressions analysis takes into account the inter-correlations among all variables involved. In multiple regressions analysis more than one predictor is jointly regressed against the dependent variable, (Cohen & Swerdlik, 2002). This method is used to investigate the effects of strategic management practices (environmental scanning, strategic formulation, strategic implementation, strategic evaluation and control) and organizational performance.

Regression Model Specification

The model of multiple regressions on this study are built around the dependent variable which is public service performance and the dimensions of the independent variables (environmental scanning, strategic formulation, strategic implementation, strategic evaluation and control). Therefore, the general formula used for the model is: $Y_i = \alpha + \beta x_i + e$ The left hand variable Y_i denote the dependent variable public service performance, α is the intercept term which gives the mean or average effect on Y of all the variables are excluded from the equation, although its interpretation is the average value of Y when the stated independent variables are set equal to zero; β is the coefficient of x variables(independent variables) which measures the change in the mean value of Y; per unit change in their respective independent variables, x_i is the different independent variables which are environmental scanning, strategic formulation, strategic implementation, strategic evaluation and control and e is the error term. Finally, the above general least square model is converted to incorporate all the variables to test the hypothesis of the study as follows: Public service Performance = f (environmental scanning, strategic formulation, strategic implementation, strategic evaluation and control)

$$PSP = \alpha + \beta_1 EM\ \beta_1 + SF\ \beta_2 + SI\beta_3 + SEC\ \beta_4 + e$$

Where

       PSP = Public Service Performance

       EM = Environmental scanning

       SF = Strategic formulation

       SI = Strategic implementation

       SEC = Strategic evaluation and control

       e = Error Term

3.9 Reliability and Validity

Verifying that the tool we create to measure a certain idea actually measures the variable as intended and that the concept we are trying to measure is being measured is crucial. As a result, the literature review and instrument adaptation from the earlier study addressed the content validity of this investigation (Hair 2007). Even though the study's instruments proved to be trustworthy, additional reliability testing will be conducted to validate each instrument's dependability and guarantee that the data accurately reflected internal consistency. According to Nunnaly (1978), another definition of dependability is the consistency of an observation, survey, test, or other measuring tool to verify the instruments' dependability. The Cronbach Alpha method was used to evaluate the measurement's reliability.

Table 3.1.: Rule of thumb Cronbach alpha

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Source: Cortina (1993).

Reliability Analysis

The scale's reliability indicates how error-free the data is from chance. As a result, using a trustworthy scale is usually advised. Internal consistency is one of the most widely used dependability scales. "The degree to which the items that make up the scales are all measuring the same underlying attributes (i.e., the extent to which the items "hang together")" is what is meant by internal consistency, according to Christopher (2015). To evaluate the reliability of the measuring scales utilized in the study, the Cronbach Alpha approach was employed.

Table 3.2: Cronbach alpha result

Variables	Cronbach's Alpha Result	Sources
Strategic formulation	.759	Amal, 2024 and Christopher, 2015.
Strategic implementation	.764	Amal, 2024 and Christopher, 2015.
Evaluations and control	.716	Amal, 2024 and Christopher, 2015.
Environmental scanning	.773	Amal, 2024 and Christopher, 2015.
Public service performance	.842	Amal, 2024 and Christopher, 2015.

As can be seen in table 2, the independent variables scored from good to acceptable alphas. Public service performance has a high reliability compared to other independent variables with $\alpha= .842$, and this shows that Cronbach Alpha lays where $\alpha \geq 0.8$, so has a good reliability. Environmental scanning also has a good reliability with $\alpha = 0.773$, followed by strategic implementation with $\alpha = 0.764$ indicating that strategic implementation has a good reliability, evaluations and control has a good reliability with $\alpha = 0.716$, strategic formulation has an acceptable reliability with Cronbach Alpha $\alpha = 0.759$. According to Cronbach (1951), a Cronbach Alpha of 0.70 is an acceptable level; this means that there is internal consistency in the items considered.

3.10 Ethical Consideration

The ethical issues is considered in the study: informed consent (by informing the respondents regarding that background of the study, including the importance of the data is going to be gathered from them) and issues of confidentiality (by ensuring that respondents that all of the information in this study is solely used for the academic purpose only). Moreover, I at my best level tried to abide by the rules and regulations of the University and conduct the study on the basis of objective judgment.

CHAPTER FOUR

4. Data Analysis and Interpretation

The fourth chapter deals about the presentation of data collected from respondents are analyzed and interpreted in the following sequence: first discuss the descriptive statistics. Correlation of each of the factors with effectiveness of strategic management practices are presented. Then regression analysis of each of the variables included in the study including an appropriate test.

Determining the effectiveness of strategic management practices on public service performance was the main goal of this study. As a result, the final results and the methodology used to get at them are covered in this chapter. Furthermore, background data on the respondents was provided. Finally, the statistical methods of analysis were discussed, which included a descriptive analysis, a correlation analysis, and a multiple regression analysis through Eviews8 software.

In order to archive the objective of the study and tackle the key research questions the researcher has tried to conduct a detailed and technical investigations related to the study matter. In doing so the researcher has collected relevant and reliable data from primary sources. And thus, the gathered data have been completed and analyzed meaningfully.

4.1. Descriptive Statistics

4.1.1. Response Rate

Table 4.1.: Response rate

Number of Questionnaire	Returned Target Number of Respondents	Response Rate (%)
205	205	100

Source: primary data, 2024

A total of two hundred five (205) questionnaires were distributed to the respondents of Lideta sub-city administration staffs and out of these questionnaires a total of 205 questionnaires were successfully completed and returned. The total response rate was 100%. As a result, the analysis of this research was based on the number of questionnaires collected accordingly.

4.1.2. Respondents' General Profile

In this section, respondents' general profile which includes age category, gender, educational background and service year in the factory is discussed and its relationship with the study is explained. Data is collected from respondent employees through questionnaire that is prepared in both English and Amharic. In addition to questionnaire, unstructured interview was undertaken with the administration's managers and officers to get additional insight about the study.

Table 4.2. Demographic characteristics of the respondents

Gender	*Managers*		*Team leaders*		*Officers*	
	Frequency	**Percent**	**Frequency**	**percent**	**Frequency**	**Percent**
Male	9	56.3%	43	52.4%	54	50.5%
Female	7	43.7%	39	47.5%	53	49.5%
Total	**16**	**100%**	**82**	**100%**	**107**	**100%**
Educational Background						
Below 12th grade	0	0%	0	0%	6	5.6%
Certificate	0	0%	0	0%	4	3.7%
Diploma	0	0%	7	8.5%	25	23.4%
Degree	8	50%	56	68%	72	67.3%
Master's and above	8	50%	19	23%	0	0%
Total	**16**	**100%**	**82**	**100%**	**107**	**100%**
Experince						
Below 3 years	0	0%	0	0%	14	13%

4-6 years	0	0%	8	10%	39	36.5%
7-10 years	0	0%	17	21%	38	35.5%
above 10 years	16	100%	57	69%	16	15%
Total	**16**	**100%**	**82**	**100%**	**107**	**100%**

Source: primary data (2024)

In the first section of the questionnaire respondents were asked to specify personal information that will be useful during data analysis. Demographic characteristics such as sex, age, qualification, position and years of experience of the respondents are presented above. Male (51.7%) respondents are slightly greater than the female respondents (48.3%). 97% of respondents are literals who have above diploma in the area. Finally, most of respondents (i.e. 93%) have more than 4 years working experience in the area.

4.2. Descriptive Statistics for the variables

'Common sample' use only the part of the sample that is available for all the series selected, whereas 'Individual sample' will use all available observations for each individual series. If the number of observations is the same for all series; similar to this study, the result would be identical for both options (Brooks, 2014 PP 88).

The distribution of data set for dependent and independent variables used in the study is explained by descriptive statistics. The central idea of descriptive statistics is for a given study is a measurement of location and variability. The central value of the variables denoted by location is measured mean whereas the spread of the data from mean denoted by variability is measured by standard deviation.

If the observations for a given set of data follow a normal distribution, then the mean and variance (standard deviation) are sufficient to entirely describe the series (Brooks, 2014 PP 66). But the researcher additionally discussed the minimum and maximum value of each variable as illustrated in table 5 below.

A mean score of 3 signify that a specific variable was found to be Neither Agreed nor Disagreed, or disagreed as it scores 4 and 5 while the one with a mean of score of 2 and 1 show that it was found to be agree or strongly agree to affect the public service performance in the administration. The findings as shown in the table 4.3 below shows that a mean score of all variables is ranged above 3.14 to 2.27.

Table 4.3: Descriptive statistics

	Mean	Median	Maximum	Minimum	Std. Dev.
P	3.13	3.20	5.00	1.00	0.51
ES	2.48	2.40	3.10	2.20	0.23
SI	3.14	3.00	3.60	2.30	0.34
SF	2.66	2.50	3.75	2.25	0.35
SEC	2.27	2.20	2.60	2.20	0.14

Source: own computation on EViews

Where: p: public service performance, **ES;** environmental scanning, **SI:** strategic implementation**; SF:** strategic formulation, **SEC:** Strategic evaluation and control,

As it is shown in the table above the average value of the dependent variable public service performance is 3.13. The minimum and the maximum value of this ratio were 5 and 1 recorded by respectively. Whereas the average standard deviation of 0.5 for this variable reveals that, there was very little dispersion towards the mean. In relation with independent variables; strategic implementation is the only variable with highest mean value and maximum results of 3.14, and 3.6 respectively. Whereas the deviation from the mean of this variables is 0.34. On the other hand; strategic evaluation and control and motivating factors for strategic management has lowest mean value with 2.27 & 2.37 respectively. Strategic evaluation and control has the lowest of all standard deviation from the mean with 0.14; whereas performance has the highest standard deviation 0.51 from the mean.

4.2.1 Strategic management dimensions on public service performance

This section presents the findings of descriptive statistics aimed at obtaining information about the main strategic management dimensions affecting the performance of the employees in the sub-city administration.

Chart 4.1. Overall strategic management practices
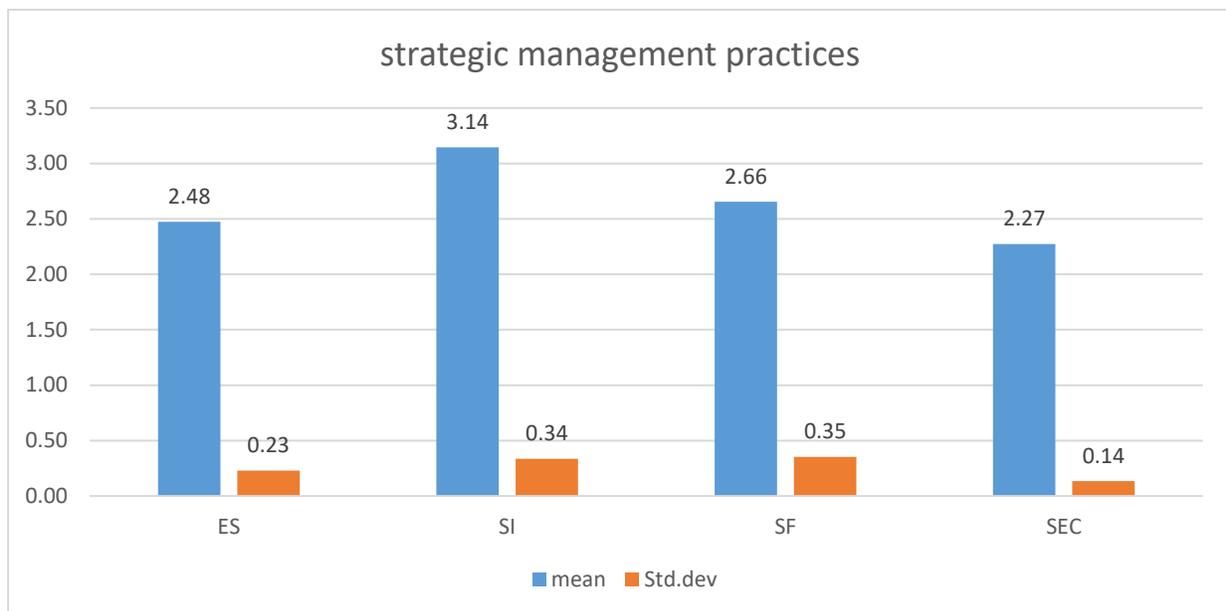
Among the most common and important strategic management components that affect the public service performance, as shown in chart 4.1 strategic evaluation and control is found more crucial component of the strategic management to the employees in the sub-city. On the other hand, strategic implementation is found to be the least impacting component.

4.2.2 Discussion of the result of independent variables

1. Enviromental scanning

Environmental scanning (mean =2.48) take the third rank from the stated factors. This shows that environmental scanning has a significant role in shaping the performance of the public service as a part of strategic management practice. Other studies have noted the importance of environmental scanning in strategic management. In agreement with the finding here, Adonias (2020) have found environmental analysis as a prominent part in his study of the effect of strategic management practices on organizational performance. Amelework (2015) also stated that environmental scanning, as per the strategic management team leader, is undertaken prior to strategy formulation.

Chart 4.2. Environmental scanning
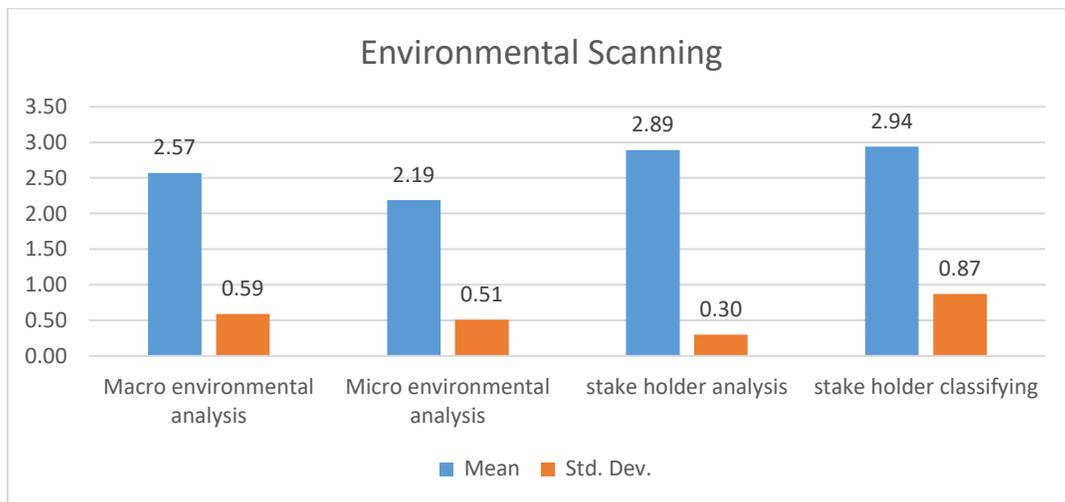
Source: Primary data (2024)

2. Strategy formulation

Strategic formulation was the fourth ranked factor with mean 2.66, which include the vision, mission, goals and objectives etc. highest mean scores signifying their importance in strategic management operations. According to the respondents' response, the administration's mission and attainable goals and objectives are ranked first by employees (mean 2.05 and St. Dev 0.23 both). The vision, goals and objectives are also important part of the strategic formulation operations (mean 2.53 and 2.1 respectively). Which is consistent with the study result; mission and vision are important for every day operations of a firm (Mullane, 2002). On the other hand the respondents prefer to stay neutral for the involvement of concerned stakeholders (Mean 2.94 and St. Dev 0.38).

Chart 4.3. Strategy formulation
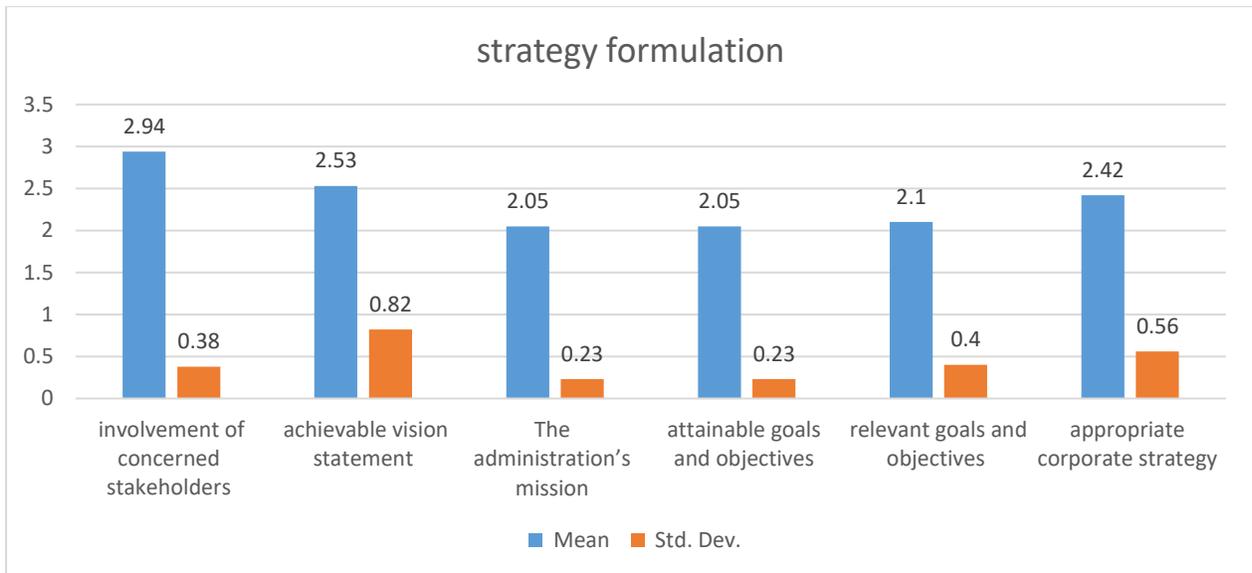
Source: Primary data (2024)

This shows that most respondents believe that strategy formulation operations are quite important part of effective strategic management. .

3. Strategy implementation

Chart 4.4. Strategy implementation
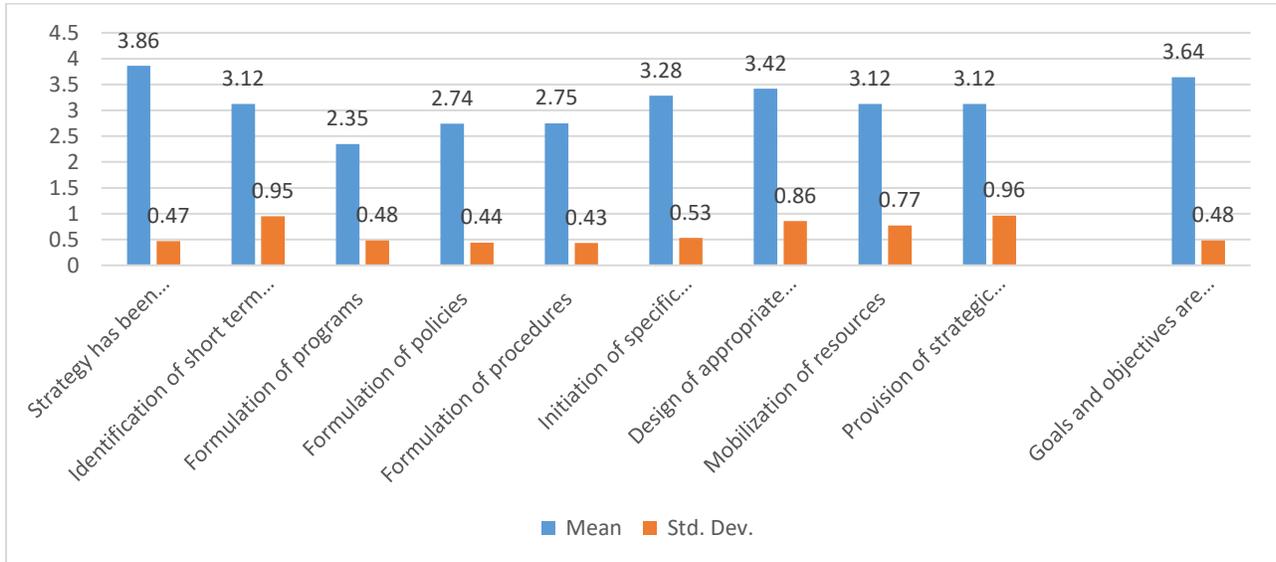
Source: primary data (2024)

On the chart 4.4 above, the mean scores 3.86, 3.12, 3.28, 3.42, 3.12, 3.12 and 3.64 shows that the respondents neutral to disagree on the ideas that Strategy has been effectively communicated, Identification of short-term objectives, Initiation of specific functional strategies, design of appropriate reward system, mobilization of resources, provision of strategic leadership, effectively communicated goals and objective and their respective SD. = 0.47, 0.95, 0.53, 0.86, 0.96, 0.488 are all less than 1 scale which is acceptable variance can be seen from their responses, their answers are close to each other as they agree. The mean score 2.35, 2.74, 2.75 shows that the respondents agree on the ideas of formulation of programs, formulation of policies, formulation of procedures, Goals and objectives are effectively communicated with SD. 0.48, 0.44, 0.43 respectively with less than 1 scale showing acceptable range of variance of answer. From the chart it can be concluded that the respondents agreed with constant response to the items except design of appropriate reward systems, provision of strategic leadership, goals and objectives are effectively communicated to be answered with neutral scale.

4. Strategic evaluation and control

On the chart 4.5 the mean scores 2.1, 2.14, 2.0, 2.0 shows that the respondents agree on the ideas that Determining and Measurement of Performance, Taking corrective action, tools for evaluation are standard and clear Consistent and effective evaluation on interval and their respective standard deviation values 0.3, 0.34, 0 and 0 respectively, are all less than 1 scale which is acceptable variance can be seen from their responses, their answers are close to each other as they agree. The mean score 3.13 shows that the respondents choose to be neutral on the identification of changes in planning premises with SD. 0.33 showing acceptable range of variance of answer. From the overall table we can see that, the respondents agree on most evaluation and control questions and most of the respondents have a neutral idea on the identification of changes in planning premises.

Chart 4.5. Strategic evaluation and control
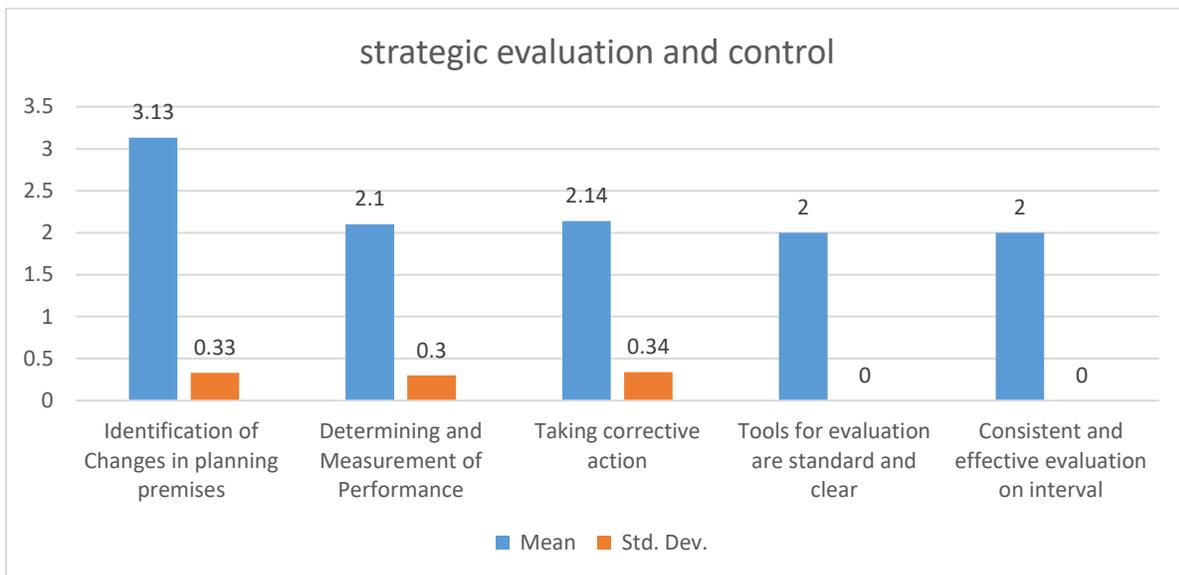
Source: Primary data (2024)

4.3. REGRESSION ANANLYSIS

This section discusses the result of the model that determines the position of strategic management on public service performance. As discussed in the previous chapters, different questionnaire were developed for both the dependent variable (public service performance) and independent variables (environmental scanning, strategy formulation, strategic implementation, strategic evaluation and control and motivational factors for adopting strategic management). Accordingly, the following model presents you the regression result of these dependent and independent variables from table 4.8 below.

$$PSP= α+ β1EM \ β1\text{-}SF \ β2+SIβ3+SEC \ β4 +e$$

Table 4.8 below shows the results of the regression analysis on the determinant of the dependent variable and the independent variables for the sample of 205 respondents. The coefficient of determination in this model is given by R-squared of 0.91 and Adjusted R-squared of 0.90, which means 90% of the variation of respondents can be explained variables included in the regression.

4.3.1 Five Assumptions of OLS

Before using the ordinary least square (OLS) estimator to test the significance of the slopes and analyzing the results; Carrying out relevant diagnostic testing for any violation of the underlining assumption of the classical linear regression model (CLRM) is very important. Five assumptions were made which ensures that the estimation technique, ordinary least squares (OLS), to have a number of desirable properties, and that hypothesis tests regarding the coefficient estimates could validly be conducted. These are; error terms have zero mean, variances of the errors are constant, co-variances between the error-terms are zero, explanatory variables are not correlated and the error terms are normally distributed.

Assumption 1: E (U_t) = 0

According to (Brooks, 2014)this assumption requires that the average value of the error is zero. In fact, if a constant term is included in the regression equation, this assumption will never be violated. Therefore, it will not be the problem for this study since it has a constant term (c).

Assumption 2: var (Ut) = σ2 < ∞ (Homoscedasticity)

The second OLS assumption is known as the assumption of homoscedasticity, meaning the variance of the errors is constant. If the errors do not have constant variance, they are said to be heteroscedastic (Brooks, 2014). Further, Brooks raises a question "How can one tell whether the errors are heteroscedastic or not?" Accordingly, there are a number of methods used to test this constant variance assumption: they are the graphical method, Goldfeld–Quandt (1965) and White's (1980). The first one is the graphical method; this method is done by estimating the regression, the residuals, have been calculated and then plotted against explanatory variables. Then looking at the graph one can say there is constant variance or not. But unfortunately, one rarely knows the cause or the form of the heteroscedasticity, so that a plot is likely to reveal nothing (Brooks, 2014).

The second simplest method is called Goldfeld–Quandt (1965); which is formal statistical tests for heteroskedasticity. GQ approach is based on splitting the total sample of length 'T' into two subsamples of length T1 and T2. The regression model is estimated on each sub-sample and the two residual variances are calculated. The null hypothesis is that the variances of the disturbances are equal against a two-sided alternative[1]. Generally, the GQ test is simple to construct but its conclusions may be contingent upon a particular, and probably arbitrary, choice of where to split the sample.

A third and most popular test is White's (1980) general test for heteroskedasticity. The test is particularly useful because it makes few assumptions about the likely form of the heteroskedasticity. Because of this; the researcher used White's (1980) general test for heteroskedasticity for this study.   The test first assumes that the regression model estimated is of

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[1]Or it is simply the ratio of the two residual variances where the larger of the two variances must be placed in the numerator. The test statistic is distributed as an F(T1 − k, T2 − k)

the standard linear form, obtain R^2 from the auxiliary regression and multiply it by the number of observations 'T' after running the auxiliary regression[2] . Finally, if the X^2-test statistic from is greater than the corresponding value from the statistical table then reject the null hypothesis that the errors are homoscedastic: the following table shows White's test of the study.

Table 4.4 White's test for heteroskedasticity

Heteroskedasticity Test: White			
F-statistic	1.388774	Prob. F(5,199)	0.2300
Obs*R-squared	6.912047	Prob. Chi-Square(5)	0.2273
Scaled explained SS	4.343696	Prob. Chi-Square(5)	0.5011

Source: own computation on EViews

The F- and X^2 ('LM') versions of the test statistic give the same conclusion that there is no evidence for the presence of heteroscedasticity since the p-values are considerably in excess of even 10%. Therefore; the errors in the regression have a constant variance or it is known as homoscedasticity.

Assumption 3: cov (ui, u j) = 0 for i _= j (Autocorrelation)

The third assumption states that the covariance between the error terms over time (or cross-sectional, for that type of data) is zero. According to (Brooks, 2014) "it is assumed that the errors are uncorrelated with one another. If the errors are not uncorrelated with one another, it would be stated that they are 'auto-correlated'. Therefore; a test of this assumption is required on the residuals; since population disturbances cannot be observed.

In order to test for auto correlation and to consider possible relationships between the current residual and immediately previous one period, via plotting the residual in the graph is the first step. But the graphical method is difficult to interpret in practice. But there are also other statistical methods that should be applied. One of these tests is Durbin and Watson (1951); it is a test for the first order auto correlation i.e. it tests only for a relationship between an error and its immediately previous value. (Brooks 2014) discusses that, DW test statistic is approximately equal to $2(1 - \hat{\rho})$.

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[2]The reason that the auxiliary regression takes this form is that it is desirable to investigate whether the variance of the residuals varies systematically with any known variables relevant to the model.

Since ρˆ is a correlation, it implies that $-1 \leq ρˆ \leq 1$. That is, ρˆ is bounded to lie between −1 and +1. Substituting in these limits for ρˆ to calculate DW from DW ≈ 2(1 − ρ) would give the corresponding limits for DW as $0 \leq DW \leq 4$. (Brooks, 2014) further explain the drawbacks of DW; that is not following standard statistical distribution such as at, F, or χ2. DW has 2 critical values: an upper critical value (dU) and a lower critical value (dL), and there is also an intermediate region where the null hypothesis of no auto correlation can neither be rejected nor not rejected! The rejection, non-rejection and inconclusive regions are shown on the number line in chart 4.5.

Accordingly, the DW test statistic value is 1.86. The relevant critical values for the test even based on 205 observations (T) and 6 explanatory variables (K'); Lower and upper 5% critical values for Durbin–Watson statistic were dL = 1.44, dU = 1.72, so 4 − dU = 2.28 and 4 − dL = 2.56 (Brooks, 2014 Pp 674) and (Gudjrati, 2009, Pp888). The test statistic is clearly presented between the upper critical value and four mines upper critical value; hence the null hypothesis of no auto correlation is not rejected.

Chart 4.7 Durbin–Watson statistic test of auto correlation

Reject H₀: positive autocorrelation	Inconclusive	Do not reject H₀: No evidence of autocorrelation	Inconclusive	Reject H₀: negative autocorrelation
0	d_L	d_u 2	$4-d_u$	$4-d_L$ 4
	1.44	1.72 **2.4**	2.28	2.56
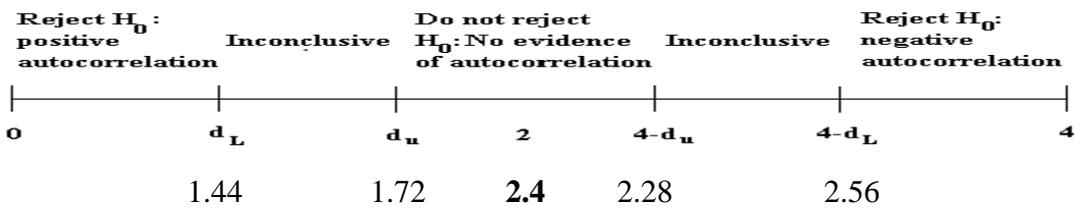
But the most serious problem with the DW test is the assumption that the regressors are non-stochastic, that is, applied most often if their values are fixed in repeated sampling. Unless, then the DW test is not valid either infinite, or small or large samples. And since this assumption is usually difficult to maintain in economic models involving time series data, one author contends that the Durbin–Watson statistic may not be useful in econometrics involving time series data (Gudjrati, 2009 Pp435).

Furthermore; there will also be many forms of residual auto correlation that DW cannot detect. Therefore, it is desirable to examine a joint test for auto correlation that will allow examination of the relationship between error terms and several of its lagged values at the same time.

Thus, even if there is no particular test has yet been judged to be unequivocally best [i.e., more powerful in the statistical sense]; to avoid some of the pitfalls of the Durbin–Watson test of auto

correlation, statisticians Breusch and Godfrey have developed a test of auto correlation that is more general test up to the rth order. So, this study uses BG test for the test of auto correlation.

Table 4.5 BG test for auto correlation

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	8.959815	Prob. F(2,197)	0.0887
Obs*R-squared	17.09255	Prob. Chi-Square(2)	0.0943

Source: own computation on EViews

The conclusion from both versions (X2 and F-statistics) of the test, in this case, is that the null hypothesis of no auto correlation should be not-rejected since the p-values are less than 0.1.and it is consistent with the DW test result.

Assumption 4: the Xt are non-stochastic

Multicollinearity is an assumption of a linear relationship between explanatory variables; on which it is possible to identify the existence of a correlation between regressors and to avoid the double effect of explanatory variables. According (Brook's 2014); If there is no relationship between the explanatory variables, they would be said to be orthogonal to one another. In practice, the correlation between explanatory variables will be a non-zero and relatively small degree of association between regressors is fine. However, a problem occurs if one or more of the explanatory variables are very highly correlated with each other, and this problem is known as multicollinearity. As a result of this, the OLS estimator will not even be consistent.

There are two classes of multicollinearity: perfect multicollinearity and near multicollinearity. The second one is much more likely to occur in practice and would arise when there was a non-negligible, but not perfect, relationship between two or more of the explanatory variables. Based on this the researcher tried to see near multicollinearity of explanatory variables. The simplest method to investigate the presence of near multicollinearity is looking at the matrix of correlations between individual variables; since it is difficult to test.

Table 4.6 correlation matrix between independent variables

	P	ES	SI	SF	SEC	MSM
P	1.000000					
ES	0.054887	1.000000				
SI	0.085368	-0.662568	1.000000			
SF	0.013106	0.666967	-0.563166	1.000000		
SEC	-0.195388	0.115306	-0.053171	0.108347	1.000000	
MSM	0.096847	0.033760	-0.045489	0.008743	0.173804	1.000000

Source: own computation on EViews

 The exact cut off point of near multicollinearity is steel controversial argument; some of them argue that correlation coefficient below 0.9 may not cause serious multicollinearity problems[3]; while (Malhotra, 2007) and (Kennedy, 2008) stated that the problem of multicollinearity between explanatory variables exists when the correlation coefficient among variables is greater than 0.78 and 0.72 respectively. As illustrated in the above figure; there is no near multicollinearity in all of the above argument; since relatively the largest value in this matrix is 0.66, which is between environmental scanning and strategy formulation, and environmental scanning and strategic implementation.

Assumption 5: (ut ~N (0, σ2)) the disturbances are normally distributed

Even if there are several tests for normality assumption, some of them are the histogram of residuals, normal probability plot (NPP), the most commonly applied one is (Bera –Jarque 1981). A normal distribution is not skewed and is defined to have a coefficient of kurtosis of 3. The null hypothesis of BJ (Bera –Jarque) tests whether the coefficient of skewness and coefficient of excess kurtosis are jointly zero. "If the residuals are normally distributed, the histogram should be bell-shaped and the Bera–Jarque statistic would not be significant. This means that the p-value given at the bottom of the normality test screen should be bigger than 0.05 to not reject the null of normality at the 5% level" (Brooks, 2014).

Table 4.7 BJ test for Histogram-Normality

	Series: Residuals
	Sample 1 205
	Observations 205
Mean	-4.68e-16
Median	0.096950
Maximum	1.724876
Minimum	-1.139821
Std. Dev.	0.431014
Skewness	-0.303855
Kurtosis	3.386835
Jarque-Bera	4.432717
Probability	0.109005
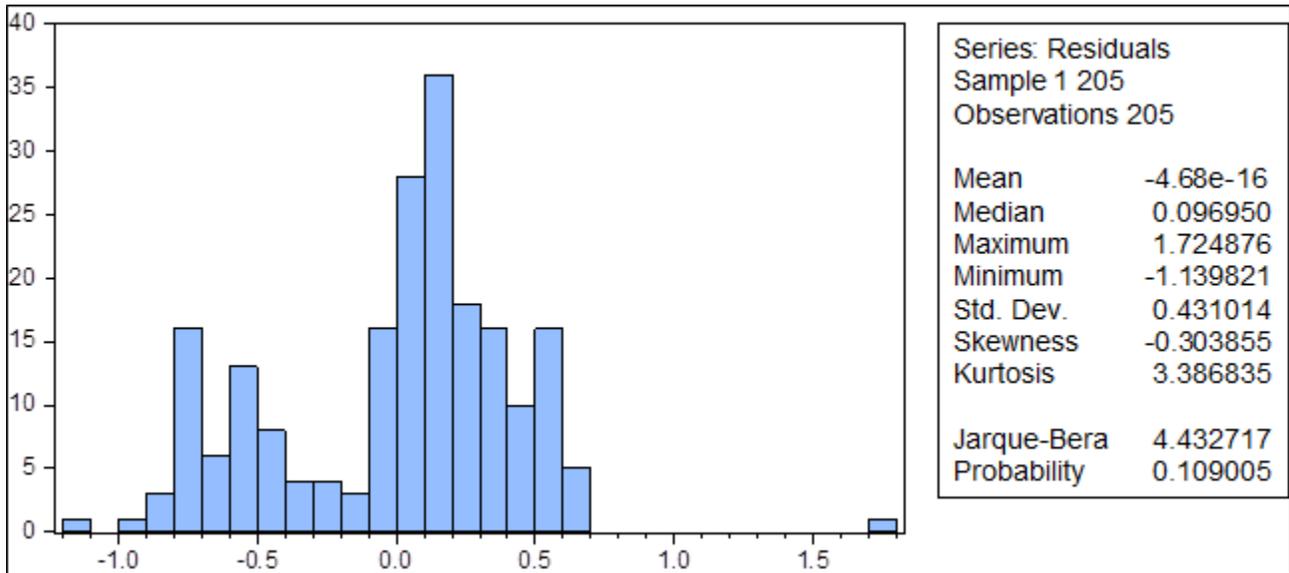
Source: own computation on EViews

As the figure above shows; the residuals from the z-score regression seem to be symmetrically distributed. Application of the Bera-Jarque test shows that the skewness is 0.14 and kurtosis is 3.66 and furthermore; the BJ statistic is about 3.81 and the probability of obtaining such a statistic under the normality assumption is about 14.8 percent. Therefore, we do not reject the hypothesis that the error terms are normally distributed even 10 percent.

Table 4.8 Regression result of the model

Dependent Variable: P
Method: Least Squares
Date: 07/03/24   Time: 02:54
Sample: 1 205
Included observations: 205

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ES	0.481910	0.227660	2.116795	0.0362
SF	0.285945	0.135206	0.211478	0.0245
SI	0.362050	0.141615	2.574593	0.0144
SEC	0.795462	0.258556	2.465337	0.0025
C	2.559335	1.010617	2.532448	0.0121

R-squared	0.193475	Mean dependent var	3.130244
Adjusted R-squared	0.054462	S.D. dependent var	0.510058
S.E. of regression	0.495974	Akaike info criterion	1.459502
Sum squared resid	49.19809	Schwarz criterion	1.540551
Log likelihood	-144.5990	Hannan-Quinn criter.	1.492285
F-statistic	3.937550	Durbin-Watson stat	2.528887
Prob(F-statistic)	0.004236		

Source: own computation on EViews

Specific variables of strategic management on public service performance

1. **Environmental scanning**: the result of regression model as presented in Table 4.9 indicates that questions asked about the environmental scanning related with (macro environmental factors, Micro and Internal environmental factors undertaken before the strategy formulation, Sectoral analysis undertake before the strategy formulation and stakeholder analysis undertaken and they are classified) has a positive relationship with public service performance by coefficient 0.48 and p-value 0.03. The result is parallel with the first hypothesis i.e. positive and significant relationship with the dependent variable public service performance. Based on the beta coefficient; holding other things constant; if one unit increase in environmental scanning result increase in public service performance by 0.48 units on average and the null hypothesis is rejected since the relationship is statistically significant at 1% significance level. As we can conclude that; those questionnaires asked to know the environmental scanning to have public service performance has positive effect is expected. Since, environmental scanning is vital component of strategic management that affect the performance of public organizations. This finding is consistent with previous piece of literature (Nyashadzashe et al., 2020),

2. **Strategy formulation**: the positive and significant sign of strategic formulation on public service performance in the sub city; is consistent with the second question of the study; Holding other things constant; a unit increase in strategic formulation lead to increase in public service performance on average by 0.28 units and the relationship is statistically significant even at 1% significant level. From the analysis it can be concluded that; the increase on strategy formulation and reputation has lower impact on overall performance, more specifically in Lideta sub-city administration. The result is consistent with the idea that strategy formulation had a greater effect on performance.(Mainia, P.N et al, 2020)

3. **Strategy implementation:** the positive and significant sign of strategic formulation on public service performance in the sub city is stick with the third research question. When interpreting the result; citrus paribus; the more the strategy is implemented by one unit then the performance will increase by 0.36 on average and their relationship is statistically significant even at 1% significant level. Thus; the researcher is rejected the null hypothesis with the minimum possible tolerance level. From this analysis it can be concluded that; strategic

implementation as a crucial component of strategic management practice has significant impact on the public service performance. The result is consistent with (Nyashadzashe et al., 2020), the existence of better strategic implementation helps to achieve greater performance.

4. **Strategic evaluation and control:** the result of regression model as presented in Table 4.9 indicates that questions asked about how strategic evaluation and control related with public service performance, and this study implied it has a negative relationship with performance by coefficient 0.79 and p-value 0.00. Based on the beta coefficient; holding other things constant; if one unit increase in strategic evaluation and control result increase in public service performance by 0.79 units on average and the null hypothesis is rejected since the relationship is statistically significant at 1% significance level. As we can conclude that; those questionnaires asked to know the strategic evaluation and control impact on performance has positive effect is expected. Since, effective application of strategic evaluation and control supposed to chip in having good performance according to previous studies. (Adonias 2020, Dozie and Emma 2020)

CHAPTER FIVE

5. CONCLUSIONS & RECOMMENDATIONS

The aim of this chapter is to critically reflect on the key findings of the study established under the preceding chapter. This chapter has three sections. The results are collated together as summary of findings under the first section. Conclusions are drawn based on these findings under the next section. Under the section, recommendations are made based on the conclusions and under the last section the limitations of the study are identified.

5.1. Summary of findings

The major findings from the research are summarized as follows.

Major finding 1: according to the regression result environmental scanning as a vital component of the strategic management practices is found to be positively influential on the public service performance. In addition to this, based on the respondents answers, as a part of the stakeholders the employees of the administration were not involved in stakeholder analysis and classification before the strategy formulation.

Major finding 2: the other vital component of strategic management which was found to have positive impact on the administration's public service performance is the strategy formulation. According to the analysis of the responses, the strategy formulation process in the administration involves concerned stakeholders. And also the vision, the goals and objectives of the administration are attainable, relevant and appropriate for the administration's corporate strategy to attainment. However, they were not effectively communicated to the employees.

Major finding 3: The analysis result implies that the strategy implementation practice has a positively significant impact on the public performance of the administration. Strategy implementation in the administration is affected by many challenges such as lack of acceptance by and support from the top management, poor communication of the strategy, absence of proper strategic leadership, unawareness about the strategy especially about the goals and objectives, poor coordination and absence of reward systems.

Major finding 4: Based on the analysis of the data, strategic evaluation and control significantly and positively affect the public performance of the administration. The consistent and effective evaluation on interval and the standardization and clearness of the evaluation tools in the administration found to be more positively affecting on the performance of the administration.

Eventually, the regression analysis test implies that the strategic management practices affect the public service performance of the Lideta sub-city administration by only 19.3 % (table 4.8).

5.2 Conclusion

The aim of this study is to assess the effect of strategic management practices on public service performance in Lideta sub-city administration. Except strategic formulation all of the independent variables such as environmental scanning, strategic implementation and; evaluation and control have significant effect on operational efficiency, financial turn over and management system. However, as the finding of the study implies there are 90 percent other major factors affecting the performance of the sub-city administration. Therefore, it was concluded that strategic management practices had not major influence on the public service performance of the administration.

5.3. Recommendation

Based on finding one, the environmental scanning practice has significant impact on the performance of the administration. Thus, it is suggested that the administration should look over the major macro and micro environmental analysis before formulating its strategy. And as a part of the stakeholders the employees of the administration should be involved in stakeholder analysis and classification before the strategy formulation.

As major finding two implies, strategy formulation was found to have positive impact on the administration's public service performance. Therefore, strategic formulation is suggested to involve the employees as they are a part of the implementation. . It is very vital to count the neutral responses of the respondents on stakeholders' involvement on strategic formulation and goals lacking relevance and properness, so as to relocate the focuses of operations in the direction of good service.

According to the third finding, Strong effort on improvement of strategic implementation practice is needed as the gap shows. On goal and objective communication and also rewarding system followed by strong leadership will motivate employees too manifest the vision formulated and shared and bring performance effectivity.

Furthermore, based on the fourth finding, it is suggested that setting measurable goals and objectives, applying effective monitoring and evaluation system and the provision of proper strategic leadership suggested to be crucial for effective evaluation and control of strategic management. Proactive corrective actions supported by well-organized and followed up evaluation tools shall be implemented, especially the use of technologies like different management software, easily accessible data storage devices and continual feedback taking systems will facilitate and give clarity the success ahead.

In conclusion, on this continent and specifically country there is lack of information and studies to rely on. Further study is needed on Strategic management practices and improving factors will further help organizations and policy makers' effectiveness and also rescues from big failure.

5.4. Future study area

The study has highlighted various relevant issues that this research did not cover, especially the other major factors affecting the public service performance. Therefore, future research is recommended in similar area using other variables which might have an effect on the performance of the sub-city administration. Since the study only focused on the Lideta sub-city administration further study on branch and/or similar sectors is strongly recommended.

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7 Appendices

Appendix 1: Questionnaire to Lideta sub-city employees

Dear Respondents

This questioner is prepared in order to gather relevant primary data so as to successfully complete the research which is being held on the effectiveness of strategic management practices on public service performance in Lideta sub-city administration. The research is being conducted for the partial fulfillment of the requirements for the degree of Masters of Arts in Marketing Management. Your answers are quite vital for the final findings of the research; therefore, it would be most appreciated if you carefully read and provide relevant answers for the questions. Please mark ($\checkmark$) for your answers on the spaces provided. If you have any additional ideas concerning the title, you can write it on the space which is which is specifically prepared for additional comments.

Thank you in advance for your cooperation.

Part-I Personal Information

1. Age: 1.18-24 ☐   2. 25-31 ☐   3. 32-45 ☐   4. Above-45 ☐

2. Sex: 1. Male ☐   2. Female ☐

3. Education Level:

      1. Below 10th grade ☐   2. 10th grade ☐   3. 12th grade ☐

      4. Certificate ☐   5. Diploma ☐   6. 1st Degree ☐

      7. 2nd Degree ☐   8. Above 2nd Degree ☐

      9. If any other ……………………………………………………………

4. Job position: 1. Manager ☐   2. Team leader ☐   3. Officer ☐

5. Experience:

      1. Below 1 year ☐   2. 1-3 years ☐   3. 4-6 years ☐

      4. 7-9 years ☐   5. Above 9 year ☐

Part-II Research Related Questions

1. **Environmental scanning and Strategy Formulation**

S.No	Statement	1.Strongly agree	2.Agree	3.Neutral	4.Disagree	5.Strongly disagree
ES1	Is appropriate environmental analysis of the Macro environmental factors (political, economic, legal, social and technological) undertake before the strategy formulation?					
ES2	Is analysis of the Micro and Internal environmental factors undertaken before the strategy formulation?					
ES3	Sectoral analysis undertake before the strategy formulation.					
ES4	Stakeholder analysis undertaken and they are classified.					
SF1	The strategy formulation process in the administration involves concerned stakeholders					
SF2	The vision statement is achievable, inspiring and easy to understand					
SF3	The administration's mission statement reflects the purpose / main activity of the corporation and whom it serves					
SF4	The goals and objectives of the administration are attainable					
SF5	The goals and objectives of the administration are relevant or proper					
SF6	The administration's corporate strategy is appropriate to the attainment of Mission, vision, values, goals & objectives					

2. Strategy Implementation

S.No	Statement	1.Strongly agree	2.Agree	3.Neutral	4.Disagree	5.Strongly disagree
SI1	Strategy has been effectively communicated					
SI2	Identification of short term objectives					
SI3	Formulation of programs					
SI4	Formulation of policies					
SI5	Formulation of procedures					
SI6	Initiation of specific functional strategies					
SI7	Design of appropriate reward systems					
SI8	Mobilization of resources					
SI9	Provision of strategic leadership					
SI10	Goals and objectives are effectively communicated					

3. Strategy Evaluation and Control

S.No	Statement	1.Strongly agree	2.Agree	3.Neutral	4.Disagree	5.Strongly disagree
SEC1	Identification of Changes in planning premises					
SEC2	Determining and Measurement of Performance					
SEC3	Taking corrective action					
SEC4	Tools for evaluation are standard and clear					
SEC5	Consistent and effective evaluation on interval					

4. Performance

S.No	Statement	1.Strongly agree	2.Agree	3.Neutral	4.Disagree	5.Strongly disagree
P1	Your organization has set performance objectives					
P2	The objectives have clear performance goals					
P3	The objectives have enhanced performance					
P4	Your organization has evaluation of performance programs					
P5	Evaluation programs are used consistently to measure performance					
P6	Evaluation Programs have enhanced performance					
P7	You believe that performance contracts have enhanced performance at your organization					
P8	Your organization conducts strategy audit					
P9	Strategy audit is used to measure performance					
P10	You believe that your organization evaluation has enhanced performance					