ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

The Effect of Strategic Management Practices on Enhancing Competitive Advantage: The Case of Gold Water

BY

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DECLARATION

I, Kebron Solomon, hereby declare that the thesis titled *"The Effect of Strategic Management Practices on Enhancing Competitive Advantage: The Case of Gold Water"* has been undertaken by me under the guidance and supervision of Dr. Mesfin Tesfaye. This work is entirely original and has not been submitted, in part or in full, for the award of any degree or diploma to any other university or institution. The research presented in this thesis is the result of my independent study and is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration at St. Mary's University, School of Graduate Studies.

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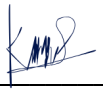
Kebron Solomon	**January, 06, 2025**	

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ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

THE EFFECT OF STRATEGIC MANAGEMENT PRACTICES ON ENHANCING COMPETITIVE ADVANTAGE: THE CASE OF GOLD WATER

BY: Kebron Solomon

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List of Abbreviations and Acronyms

ASQ - American Society for Quality

ANOVA - Analysis of Variance

BMJ - British Medical Journal

Cronbach's Alpha - Measure of Internal Consistency

MIS - Management Information Systems

P-P Plot - Probability-Probability Plot

R&D - Research and Development

SPSS - Statistical Package for the Social Sciences

SWOT - Strengths, Weaknesses, Opportunities, and Threats

TQM - Total Quality Management

VIF - Variance Inflation Factor

ABSTRACT

This study explores the strategic management practices at Gold Water, a leading purified water provider in Ethiopia. Established in 2019, the company has grown significantly due to its focus on quality, innovation, and customer satisfaction. However, the competitive nature of the purified water industry and changing market conditions require continuous reassessment of its strategies. The research evaluates Gold Water's approach to strategic planning, which includes long-term goal setting, SWOT analysis, and identifying opportunities and threats. It also examines the company's strategic implementation, focusing on resource allocation, communication, and departmental coordination. Finally, the study looks at strategic control mechanisms for monitoring progress and ensuring the company stays aligned with its objectives. By identifying strengths and areas for improvement, this research aims to enhance Gold Water's strategic management practices, providing insights that can help the company maintain its competitive edge and achieve sustainable growth. The findings also offer valuable lessons for other businesses in Ethiopia's purified water industry and contribute to the broader understanding of strategic management in the local context.

Keywords: Environmental scanning, strategy formulation, strategy implementation, Monitoring and control, enhancing competitive advantage.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic management is widely recognized as essential for organizations aiming for long-term success in competitive markets (Kaplan & Norton, 2021). It involves the formulation, implementation, and evaluation of cross-functional decisions that help an organization achieve its objectives (Porter & Heppelmann, 2020). This process is ongoing and involves analyzing both internal and external factors to create and maintain a competitive advantage (Harrison & Sutherland, 2022). Effective strategic management enables companies to adapt to market changes, fostering sustainable growth and profitability (Kaplan & Norton, 2021).

For companies like Gold Water, a leading firm in the purified water industry in Ethiopia, strategic management is critical for sustaining market dominance and ensuring long-term growth (Bower, 2023). The purified water industry is highly competitive, shaped by shifting consumer preferences and tight regulations. In this environment, strategic management enables companies to avoid risks while identifying new opportunities (Kaplan & Norton, 2021).

Gold Water, known for its premium quality purified water, has grown significantly in Ethiopia since its establishment in 2019. This growth can be attributed to its emphasis on quality, innovation, and customer satisfaction (Porter & Heppelmann, 2020). However, the increasingly competitive landscape and changing market conditions require a continual reassessment of strategic management practices. New consumer trends, emerging competitors, and advancements in technology present both challenges and opportunities that must be addressed through strategic planning (Bower, 2023).

At Gold Water, strategic management involves key components: strategic planning, strategic implementation, and strategic control (Harrison & Sutherland, 2022). Strategic planning at Gold Water focuses on setting long-term goals and identifying the actions required to achieve them. This process includes a thorough analysis of the company's strengths, weaknesses, opportunities,

and threats commonly evaluated through tools like SWOT analysis (Porter & Heppelmann, 2020).

Strategic implementation at Gold Water entails translating strategic plans into actionable steps, with an emphasis on effective communication, resource allocation, and cross-departmental coordination (Bower, 2023). The success of implementation depends on the company's ability to align its resources and capabilities with its strategic goals (Kaplan & Norton, 2021). This phase also involves adapting strategies to meet evolving market conditions and consumer needs (Harrison & Sutherland, 2022).

Strategic control at Gold Water involves monitoring and assessing the implementation of strategies to ensure alignment with the organization's goals (Porter & Heppelmann, 2020). It includes setting performance benchmarks, measuring outcomes, and making necessary adjustments to stay on track (Kaplan & Norton, 2021). This feedback loop ensures that Gold Water can refine its strategies to maintain its competitive advantage (Harrison & Sutherland, 2022).

This study seeks to evaluate the strategic management practices at Gold Water, with a particular focus on how these practices contribute to the company's competitive advantage and long-term sustainability (Bower, 2023). In the purified water industry, competitive advantage may be derived from factors such as product quality, brand reputation, distribution networks, and customer service (Porter & Heppelmann, 2020). This analysis will identify areas of strength and potential improvement in Gold Water's strategic management practices (Bower, 2023).

Strategic management is crucial for Gold Water as it navigates the complexities of the Ethiopian market (Kaplan & Norton, 2021). By implementing effective strategic management practices, the company can maintain its leadership position and ensure sustainable growth (Harrison & Sutherland, 2022). This research will provide valuable insights into how Gold Water can further

enhance its strategies to better address external challenges and align with its long-term goals (Kaplan & Norton, 2021).

This study will also contribute to the broader understanding of strategic management practices in the purified water industry in Ethiopia (Porter & Heppelmann, 2020). It will provide a case study of how a leading company in this industry applies strategic management principles to achieve a competitive edge (Bower, 2023). The findings may inform future research on strategic management in similar industries in emerging markets (Harrison & Sutherland, 2022).

1.2 Background of the Organization

Gold Water, a subsidiary of Gold Group, is a leading company in offering purified water in Ethiopia. Renowned for its quality and innovation, Gold Water has become a household name under the motto "Pure Water, Pure Life," which reflects its commitment to providing the best quality water products to its customers (Strikingly, 2024). Utilizing state-of-the-art purification equipment, Gold Water ensures that every drop of water is safe for drinking by employing advanced filtration and purification technologies to remove impurities and contaminants (Investopedia, 2024). The company offers a variety of bottled water volumes suitable for individual, family, and corporate consumption (Profit.co, 2024).

Gold Water's strategic vision is anchored in sustainability and corporate social responsibility (Wall Street Oasis, 2024). The company engages in community initiatives focused on water conservation and environmental stewardship, partnering with local organizations and government agencies to support clean water access projects and educate the public on sustainable water use (Coursera, 2024).

The excellence of Gold Water is upheld through a rigorous quality assurance program that adheres to international standards and best practices, ensuring its products consistently exceed customer expectations (Strikingly, 2024). Routine quality audits and a continuous improvement process are integral to the company's operational strategy (Investopedia, 2024).

Customer satisfaction is a top priority for Gold Water, which adopts a customer-oriented approach to meet the evolving needs of its clientele (Profit.co, 2024). Through innovative marketing and exceptional customer service, the company has built a loyal customer base and a strong brand image (Wall Street Oasis, 2024).

The leadership team fosters a culture of continuous improvement and strategic thinking, leveraging staff development and new technologies to maintain a competitive edge (Profit.co, 2024). Despite the competitive purified water market in Ethiopia, with both local and international brands, Gold Water continues to innovate and adapt its strategies to capitalize on market opportunities, such as the growing consumer awareness of health and wellness (Investopedia, 2024).

This study investigates how Gold Water's strategic management practices contribute to its competitive advantage and long-term sustainability, providing insights and recommendations for future strategic initiatives (Strikingly, 2024). By assessing these practices, the research aims to identify best practices and areas for improvement to ensure the ongoing success and growth of Gold Water in the Ethiopian purified water industry (Wall Street Oasis, 2024).

1.3 Statement of the Problem

The purified water industry in Ethiopia is characterized by intense competition, shifting consumer preferences, and stringent regulatory requirements, posing significant challenges to companies aiming to maintain and improve their market positions (Alemu & Taffese, 2023; Woldemariam & Hagos, 2022). Local companies like Gold Water, which has established itself as a prominent player in this sector, are facing growing pressures to adapt and innovate in response to these market dynamics. The Ethiopian market is increasingly influenced by both local and international competition, as well as evolving consumer expectations regarding product quality and health standards (Ethiopian Investment Commission, 2022; Ministry of Trade and Industry, 2021).

Gold Water has earned recognition for its focus on quality, innovation, and customer satisfaction. However, in light of the changing market environment and mounting competitive pressures, there is an urgent need to systematically evaluate and refine its strategic management practices to ensure sustained competitive advantage and long-term growth (Seyoum & Mohamed, 2021; Tesfaye & Bekele, 2022). This requires an in-depth assessment of the company's strategic planning, implementation, and control mechanisms to effectively navigate the complexities of the business environment (Abdi & Tadesse, 2023).

The problem addressed in this study is the lack of a comprehensive understanding of how Gold Water's current strategic management practices influence its competitive advantage. This includes evaluating the effectiveness of its strategic planning, implementation, and control processes in responding to market challenges and seizing opportunities for growth (Alemu, 2022; Woldemariam & Hagos, 2022). By identifying the strengths and weaknesses within Gold Water's strategic management framework, this study aims to provide actionable insights and recommendations that can enhance the company's competitive positioning in Ethiopia's purified water market, ensuring it continues to meet and exceed customer expectations (Seyoum & Mohamed, 2021).

Furthermore, this research has incorporated local studies and data to offer a contextualized understanding of the strategic challenges and opportunities within the Ethiopian purified water industry. This includes examining the impact of regulatory changes, market entry barriers, and local consumer behavior patterns on Gold Water's strategic initiatives (Ethiopian Standards Agency, 2020; Tesfaye & Bekele, 2022).

1.4 Research Questions

1. To what extent does environmental scanning significantly affect the competitive advantage of Gold Water?
2. To what extent does strategy formulation significantly affect the competitive advantage of Gold Water?

3. To what extent does strategy implementation contribute to the competitive advantage of Gold Water?
4. To what extent do monitoring and evaluation mechanisms play a role in sustaining Gold Water's competitive advantage?

1.5 Objectives of the Study

1.5.1 General Objective

The main objective of this study is to evaluate the impact of strategic management practices on enhancing competitive advantage at Gold Water by analyzing current practices, identifying challenges and comparing with industry best practices.

1.5.2 Specific Objectives

1. To analyze the extent to which environmental scanning identifies external opportunities and threats that statistically influence competitive advantage.
2. To examine the extent to which strategy formulation statistically enhances competitive advantage within organizations.
3. To evaluate the extent to which strategy implementation statistically contributes to achieving competitive advantage.
4. To investigate the extent to which monitoring and evaluation processes maintain and enhance competitive advantage.

1.6 Hypothesis

Based on the review of the theoretical and empirical literature with regard to The Effect of Strategic Management Practices on Enhancing Competitive Advantage: The Case of Gold Water, the following hypotheses are developed to guide the empirical work of the present study:

1. Environmental scanning has statistically a significant effect on the competitive advantage in Gold Water.
2. Strategy formulation has statistically a significant effect on the competitive advantage in Gold Water.
3. Strategy implementation has statistically a significant effect on the competitive advantage in Gold Water.
4. Monitoring and evaluation have statistically a significant effect on the competitive advantage in Gold Water.

1.7 Significance of the Study

The significance of this study lies in its potential to evaluate and enhance the strategic management practices of Gold Water, ultimately strengthening the company's competitive advantage. By analyzing current practices, identifying challenges, and benchmarking against industry best practices, this study provides a comprehensive framework for understanding and improving Gold Water's strategic direction.

Understanding the impact of strategic management practices is vital for Gold Water to define and measure its competitive advantage effectively. This study contributes to the company's ability to assess its position relative to competitors, recognize strengths, and address weaknesses. By providing clarity on how competitive advantage is achieved and maintained, the study ensures that Gold Water can sustain its market leadership in an increasingly competitive industry.

The findings of this study have broader implications for Gold Water’s organizational performance and sustainability. By adopting the recommended practices, the company can achieve higher efficiency, better resource utilization, and stronger market positioning. Moreover, strategic management practices enable the company to adapt to market changes, fostering continuous improvement and long-term growth. This adaptability ensures Gold Water remains competitive and resilient in a dynamic business environment.

1.8 Scope of the Study

The strategic management practices that have been followed at Gold Water will be assessed, and its effectiveness and compliance with the objectives of the company will be checked. The study will review the internal documents, conduct interviews with the management, and compare them to the benchmarks in the industry.This study will cover conceptual, temporal, geographical, and methodological scopes.

- Conceptual Scope: The strategic management practices that are followed at Gold Water will fall under the scrutiny of this study. The manner in which these practices are formulated, implemented, and controlled within the organization will form the basis of the study. The main concepts taken into consideration over this ground will be strategic planning, strategic implementation, strategic control, competitive advantage, and sustainability. Such a concept can provide the necessary basis for guiding the analysis and interpreting the data for ensuring that the study keeps on track with respect to the assessment of the effectiveness of the strategic management practices of Gold Water.
- Time Scope: This research will fall within a certain time frame to allow for the assessment of the practices of strategic management. It will include assessing strategic initiatives of the past and the present over the last five years. This is to make sure that a balanced view of how the strategies have changed is built, and it catches the way strategic decisions made have impacted the outcomes over a meaningful period. Important events or changes in the industry that could have influenced strategic management at Gold Water during the same period will also be considered.
- Geographical scope: Geographically, the study will be confined to the operations of Gold Water in Ethiopia. This will be primarily at its headquarter Addis Ababa. This geographical focus is relevant since it enables the deep assessment of the strategic management practices within the specific context of the Ethiopian market. It will therefore be key in understanding the local market dynamics, the regulatory environment, and competitive landscape, all of which will explain how Gold Water navigates through strategic challenges and opportunities.
- Methodological scope: The research design will be both qualitative and quantitative, in order to give a wholesome view of the Strategic Management Practices of the Gold Water Company.

1.9 Limitation of the Study

A potential limitation of this study is the time constraint, which limits the depth and breadth of data collection and analysis. Additionally, the study's findings may be influenced by the dynamic nature of the business environment, which can change rapidly and affect the relevance of the research.

1.10 Organization of the Study

This paper is organized into five main chapters to provide a structured and comprehensive analysis:

1. Introduction: This chapter introduces the research topic, stating the research problem, scope, limitation, objectives, and significance of the study. It lays the foundation for understanding the context of strategic management practices.
2. Literature Review: Devoted to reviewing existing literature, this chapter synthesizes research findings related to strategic management, historical evolution,Competitive Advantage ,Theories and Models and Measurement of Competitive Advantage.
3. Research Methodology: This chapter describes the research design and approach, detailing the methods used for data collection and analysis. It explains the selection of the research population, sample size, sampling techniques, and the instruments used for gathering data.
4. Data Presentation and Analysis: Focuses on presenting the collected data, analyzing the findings through the lens of the defined research questions and hypotheses, and discussing them in the context of the reviewed literature.
5. Summary, Recommendations, and Conclusion: The final chapter summarizes the study's findings and their implications. It offers practical recommendations for policymakers and educational institutions and suggests areas for further research.

1.11 Definition of Terms and Concepts

Environmental Scanning: This is the process of looking at all the factors that affect competition in an industry, like how much control suppliers and customers have, the chances of new competitors or products, and how tough the competition is.

Strategy Formulation: This is the process of developing a plan to achieve a competitive position in the market, like being the cheapest, offering unique products, or focusing on a specific type of customer.

Strategy Implementation: This is the process of putting the company's plan into action by organizing resources and processes to make the strategy work effectively.

Monitoring and Evaluation: This is the process of checking if the company's actions match its plan and if it's reaching its goals, while also watching for market changes.

Competitive Advantage: This is what makes a company better than others, like offering lower prices or unique products customers value.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2. Introduction

This section explores the theoretical, empirical and the conceptual foundations of strategic management, including key concepts and models that will inform the study. Understanding these theories is essential for analyzing Gold Water's strategic management practices.

2.1 Theoretical Literature

2.1.1 Strategic management

William F. Glueck was among the early pioneers in this field. In his seminal work, "Business Policy and Strategic Management" (1972), Glueck defined strategic management as a stream of decisions and actions leading to the development of effective strategies to achieve corporate objectives (Glueck, 1972). According to Glueck, the essence of strategic management lies in its ability to produce a strategy or a set of strategies that guide the organization towards its goals. His definition underscores the dynamic and ongoing nature of strategic decision-making and the importance of strategic actions in guiding organizational success.

Following Glueck's foundational work, Arthur D. Sharplin offered another perspective in 1985. Sharplin described strategic management as the formulation and implementation of plans and activities that address issues of vital, pervasive, or continuing importance to the entire organization (Sharplin, 1985). This definition emphasizes the holistic nature of strategic management, highlighting its role in shaping comprehensive plans and executing activities that are crucial to the organization's long-term health and sustainability.

H. Igor Ansoff, a notable figure in the strategic management field, further expanded on the concept in his book "Strategic Management" (2007). Ansoff defined strategic management as a systematic approach to the major responsibility of general management to position and relate the firm to its environment in a way that ensures continued success and security from unexpected challenges (Ansoff, 2007). His definition highlights the proactive and systematic aspects of

strategic management, focusing on the necessity for organizations to adapt and align with their external environment to maintain success and mitigate risks.

Through these evolving definitions, strategic management has come to be understood as a multifaceted discipline involving decision-making, planning, and the execution of strategies. It encompasses the formulation and implementation of plans and activities that are crucial for achieving organizational objectives. The emphasis is on general management responsibilities that ensure the organization remains aligned with its environment, thereby facilitating the achievement of its goals.

Strategic management is a top management activity that involves decision-making related to the organizational mission, vision, philosophies, objectives, strategies, and well-designed policies (Sababu, 2007). It also encompasses the development of long-term plans for efficient management of environmental opportunities and threats in line with the organizational strengths and weaknesses. Alkhafaji (2003) describes strategic management as one of the efforts of management to confront situations that arise in an organization's daily routine while trying to achieve organizational goals and objectives. Furthermore, it is the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives (AbuBakar, Tufail & Yusof, 2011; Kaplan & Norton, 1996).

2.1.2 Strategic Management Process

According to Ansoff and McDonnell (2010), strategic management is concerned with the broad, long-term future of an organization and the way it will prepare for change to the extent that change is perceived as a necessary prerequisite for future continued success. Strategic decisions and plans face greater uncertainty than administrative or operational decisions. Strategic management plays a coordination and integration role, seeking public sector support for strategies such as human resources, workspace, and information technology, as well as ensuring the appropriateness of strategic themes. Strategic management, in collaboration with government partners, manages the continuous processes of maintaining an appropriate relationship between

the public sectors and their environment and preparing the government for an uncertain future. The development of the field of strategic management within the last two decades has been dramatic and it grows larger every day. Because of the nature of strategy, it lacks universal truths that can be documented using scientific theorems and proofs.

The strategic management process typically involves several stages, including strategic planning, which engages all departments of an enterprise organization. Strategic planning is a central part of the strategic management process and often produces dramatic changes in how the enterprise is managed and operated. This change is toward management excellence, and an organization must exhibit such excellence in strategy execution because strategic planning outcomes can determine whether an enterprise thrives or dies in its industry (Forest & Kinser, 2007). Since no organization has unlimited resources, strategists must select which alternative strategies will benefit the company most (Thompson & Strickland, 2006).

Thompson and Strickland (1996) defined a strategy as reflecting "managerial choices among alternatives and signals organizational commitment to particular products, markets, competitive approaches, and ways of operating the enterprise" (p. 8). Moreover, organizations operating in different environments are likely to emphasize different aspects of the strategic management process (Forest & Kinser, 2007).

Strategic management is a process of strategy development, implementation, and evaluation (Robbins & Coulter, 2002). According to Thompson and Strickland (1989), the strategic management process comprises five stages: development of a strategic vision and mission, setting objectives, strategy formulation, strategy implementation, and performance evaluation and corrective action. Johnson and Scholes (2009) developed a model for strategic management which consists of strategic analysis, planning, choice, and strategy implementation. Alkhafaji (2003) and Wheelen and Hunger (2008) noted that strategic management is the domain of top-level management and involves four basic components: environmental scanning, strategy formulation, strategy implementation, and monitoring and control. Ahlstrand and Lampel (1998) and Zafar et al. (2013) also noted that strategy passes through four stages: environmental scanning, strategy formulation, strategy implementation, and evaluation or monitoring.

2.1.3 Components of the Strategic Management Process

The strategic management process is a comprehensive approach employed by organizations to achieve long-term goals and maintain competitive advantage. It involves a systematic sequence of actions, from the initial analysis of the internal and external environments to the formulation, implementation, and evaluation of strategies. This process ensures that an organization remains aligned with its mission and adapts to changing market conditions. The components of the strategic management process were identified by scholars such as Wheelen and Hunger (2012), who emphasized the importance of a structured framework in guiding organizations through complex strategic decisions.

2.1.3.1 Environmental Scanning

The scanning stage is critical as it lays the groundwork for the entire strategic management process. This phase involves a comprehensive examination of both the internal and external environments in which the organization operates. Internally, organizations conduct a SWOT analysis to identify their strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are internal factors such as resources, capabilities, and core competencies (Hill, Jones, & Schilling, 2014). For example, a company may recognize its strong brand reputation and skilled workforce as strengths, while noting its outdated technology or high turnover rate as weaknesses.

Externally, the analysis includes evaluating the broader environment using tools like PEST (Political, Economic, Social, Technological) analysis. This helps organizations understand the external factors that could impact their strategic decisions. For instance, changes in government regulations (Political) or shifts in consumer behavior (Social) can significantly affect an organization's strategy. Additionally, Porter's Five Forces model is used to analyze the competitive landscape, assessing factors such as the bargaining power of suppliers and buyers, the threat of new entrants, the threat of substitutes, and the intensity of competitive rivalry (Porter, 1980). This analysis provides insights into the competitive dynamics and market attractiveness.

Through this dual approach of internal and external analysis, organizations can identify key factors that influence their strategic positioning. By understanding these factors, they can better leverage their strengths to seize opportunities and mitigate threats and weaknesses. This thorough analysis is crucial for informed decision-making and forms the basis for the next stage of strategy formulation. It ensures that strategies are grounded in a realistic understanding of the organization's capabilities and the environment in which it operates (Hill, Jones, & Schilling, 2014; Porter, 1980).

As Fred R. David and Forest R. David (Strategic Management: Concepts and Cases, 2019) SWOT analysis is a very convenient strategic scanning instrument that helps to determine the following factors: strengths, weaknesses, opportunities, and threats to competition at a business level or in project planning. It will help the organizations to develop an awareness of all the factors involved in making a business decision.

Information developed from the external, competitive, and internal assessments is synthesized, pulling the most important information from these assessments into the SWOT framework. Once complete, the SWOT helps determine the strategic issue facing the organization. SWOT is also beneficial in developing strategies for the firm. SWOT analysis is helpful to executives, and it is used in most organizations.

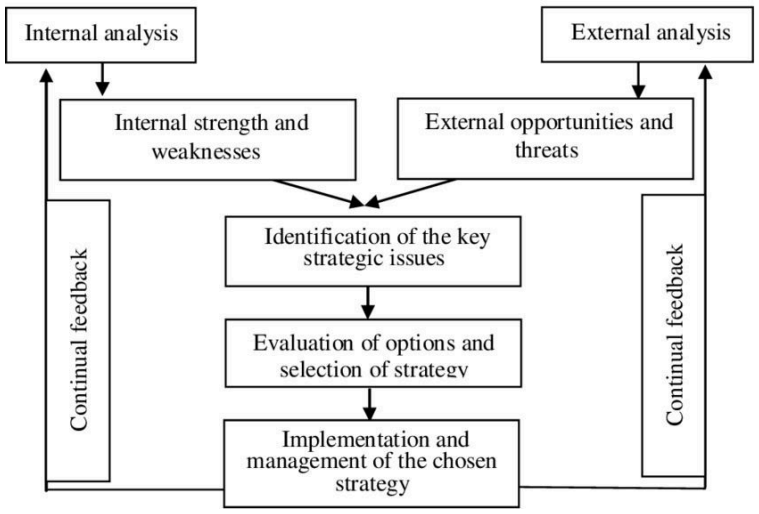


Figure 2.1 SWOT Process

2.1.3.2 Strategy Formulation

Based on the insights gained from the analysis stage, organizations move to strategy formulation, where they develop long-term objectives and decide on the strategic direction to achieve these objectives. This phase involves selecting among various strategic options such as growth strategies (market penetration, market development, product development, and diversification) or competitive strategies (cost leadership, differentiation, and focus) (Porter, 1980). According to Johnson and Scholes (1997), the chosen strategy should align with the organization's strengths and the opportunities identified during the analysis phase to ensure sustainability and competitive advantage. Mintzberg (1994) further emphasizes the importance of understanding the interplay between an organization's internal capabilities and external opportunities to craft a viable strategy.

Formulating strategy involves setting clear and achievable strategic goals. These goals should be specific, measurable, achievable, relevant, and time-bound (SMART) to ensure they provide clear direction and facilitate performance evaluation (Doran, 1981). For example, a technology

company with strong R&D capabilities might set a goal to develop and launch three innovative products within the next two years. This goal aligns with the company's strength in innovation and leverages its R&D capabilities (Barney, 1991). Additionally, Drucker (1954) emphasizes that strategic goals should be challenging yet attainable, fostering motivation and commitment within the organization. Kaplan and Norton (1996) suggest that incorporating a balanced scorecard approach can help in setting and monitoring these goals, ensuring that financial and non-financial objectives are aligned with the overall strategy.

In addition to setting goals, strategy formulation also involves making strategic choices about the direction of the organization. This could include decisions about entering new markets, developing new products, or divesting non-core businesses. These choices are influenced by the analysis of internal and external factors (Ansoff, 1965). For instance, a company may decide to enter a new geographic market identified as having high growth potential during the analysis phase (Hitt, Ireland, & Hoskisson, 2012). Mintzberg (1994) highlights the importance of flexibility and adaptability in strategic decision-making, allowing organizations to respond effectively to dynamic market conditions. Prahalad and Hamel (1990) argue that strategic choices should be guided by core competencies that provide a competitive edge and are difficult for competitors to imitate.

Furthermore, strategy formulation requires a careful consideration of the organization's resources and capabilities. The chosen strategy must be feasible given the organization's current resources and capabilities (Grant, 1991). This ensures that the strategy is not only ambitious but also attainable. It is also important to consider the competitive landscape and anticipate potential responses from competitors when formulating strategy (Porter, 1980). Barney (1991) suggests that leveraging unique resources and capabilities can create sustainable competitive advantages, crucial for long-term success. Moreover, Rumelt (2011) argues that clear, coherent strategies that effectively utilize an organization's core competencies tend to outperform those that do not.

The process of strategy formulation is inherently complex and involves numerous factors and considerations. Andrews (1971) introduced the concept of the SWOT analysis, which helps in identifying strengths, weaknesses, opportunities, and threats, thereby facilitating more informed strategic decisions. Porter (1996) discusses the importance of creating a fit among a company's activities. He suggests that strategic positioning requires companies to perform different activities from rivals or perform similar activities in different ways. This strategic fit among activities can lead to a sustainable competitive advantage.

The role of leadership in strategy formulation cannot be overstated. Leaders must possess a clear vision and the ability to communicate this vision throughout the organization. According to Kotter (1996), effective leadership is crucial for implementing strategic change and ensuring that the organization's strategic goals are met. Collins (2001) emphasizes the importance of having the right people in the right roles, suggesting that successful strategy formulation and execution depend on the strength and alignment of the leadership team.

Strategic formulation also involves risk assessment and management. According to Kaplan and Mikes (2012), organizations need to identify, assess, and manage risks that could potentially derail their strategic initiatives. This includes understanding both internal risks, such as operational inefficiencies, and external risks, such as market volatility or competitive actions. By incorporating risk management into the strategy formulation process, organizations can develop more robust and resilient strategies.

The dynamic capabilities framework, proposed by Teece, Pisano, and Shuen (1997), highlights the importance of an organization's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. This perspective suggests that strategy formulation should not only focus on leveraging existing capabilities but also on developing new capabilities that enable the organization to adapt to and capitalize on environmental changes.

In the context of global strategy, Bartlett and Ghoshal (1989) argue that multinational corporations must balance the pressures for global integration and local responsiveness. They propose a transnational strategy that combines global efficiency with local responsiveness and worldwide learning. This approach requires organizations to be flexible and responsive to diverse market needs while maintaining a cohesive global strategy.

Additionally, strategy formulation should consider the ethical and social responsibilities of the organization. Freeman (1984) introduced the stakeholder theory, which posits that organizations should create value for all stakeholders, including employees, customers, suppliers, and the community, rather than focusing solely on shareholders. This broader perspective ensures that the organization's strategy aligns with societal expectations and contributes to long-term sustainability.

In the realm of digital transformation, Bharadwaj, El Sawy, Pavlou, and Venkatraman (2013) emphasize that strategy formulation must incorporate digital capabilities to drive innovation and competitiveness. They argue that digital business strategy is not just about technology but about rethinking the entire business model to leverage digital opportunities.

2.1.3.3 Strategy Implementation

The implementation stage is where strategic plans are put into action. This phase is crucial as it involves translating strategic plans into operational activities, ensuring that the formulated strategy is effectively executed. Successful implementation requires meticulous planning and coordination across all levels of the organization. One of the key aspects of this stage is aligning the organization's resources, structures, and processes with the strategic objectives (Hrebiniak, 2006). Beer and Eisenstat (2000) emphasize that effective implementation is often more challenging than strategy formulation due to the complexity of coordinating various elements within the organization.

Effective implementation demands clear communication of the strategy throughout the organization. Leaders play a critical role in this phase by articulating the strategic vision, motivating employees, and fostering a culture that supports the strategic goals (Hrebiniak, 2006). This involves ensuring that all employees understand their roles and responsibilities in achieving the strategic objectives. For instance, if a company's strategy involves enhancing customer service, all employees, especially those in customer-facing roles, must be trained and motivated to provide exceptional service. Kotter (1995) highlights that clear and consistent communication is vital to overcoming resistance and ensuring that the strategic vision is understood and embraced by all employees.

Resource allocation is another vital component of strategy implementation. Financial, human, and technological resources must be appropriately distributed to support strategic initiatives. For example, if the strategy involves expanding into new markets, the organization may need to invest in new marketing campaigns, hire additional staff, and develop new distribution channels (Ansoff, 1965). This requires careful planning to ensure that resources are available and utilized effectively. Kaplan and Norton (2001) argue that aligning resource allocation with strategic priorities is essential for successful implementation, and the balanced scorecard can be a useful tool in achieving this alignment.

Moreover, changes in organizational structure may be necessary to align with the new strategy. This could involve creating new departments, altering reporting lines, or restructuring teams to better support strategic objectives. For instance, a company focusing on innovation might establish a dedicated R&D department to drive new product development. Galbraith (1977) discusses the importance of aligning organizational structure with strategy, noting that structural changes can enhance or impede the effectiveness of strategy implementation. Change management practices are essential during this phase to address potential resistance from employees and ensure a smooth transition. Effective change management involves engaging employees in the process, addressing their concerns, and providing the necessary support and training (Kotter, 1996).

The role of performance management systems in strategy implementation cannot be overlooked. By establishing clear performance metrics and regularly monitoring progress, organizations can ensure that strategic initiatives stay on track (Simons, 1995). This involves setting key performance indicators (KPIs) that are directly linked to strategic objectives and using these metrics to guide decision-making and resource allocation. De Waal (2007) emphasizes that a robust performance management system can provide the feedback necessary to adjust strategies and improve execution.

Another critical aspect of strategy implementation is fostering a culture that supports strategic objectives. Organizational culture can significantly influence the success of strategy implementation. Schein (1992) notes that culture encompasses the shared values, beliefs, and norms that shape behavior within an organization. Leaders must work to align the organizational culture with the strategic goals, which may involve reinforcing new behaviors, rewarding alignment with strategic objectives, and addressing cultural barriers that hinder implementation.

The involvement and commitment of middle management are also crucial in strategy implementation. Middle managers play a key role in translating strategic directives into operational actions and ensuring that frontline employees are aligned with the strategic goals (Floyd & Wooldridge, 1997). Their support and active involvement can bridge the gap between top management's strategic vision and the day-to-day operations of the organization.

In addition to internal alignment, external factors such as stakeholder engagement and environmental scanning are vital for successful strategy implementation. Stakeholder engagement involves communicating with and managing the expectations of external parties such as customers, suppliers, and investors. Freeman (1984) posits that effective stakeholder management can enhance organizational performance by fostering trust and collaboration. Environmental scanning, as described by Aguilar (1967), involves monitoring external factors

that could impact strategy execution, such as market trends, regulatory changes, and competitive actions.

Technological advancements and digital transformation initiatives also play a significant role in modern strategy implementation. Bharadwaj et al. (2013) argue that leveraging digital capabilities is crucial for organizations seeking to innovate and maintain competitiveness in rapidly changing environments. Implementing digital tools and technologies can streamline processes, enhance communication, and provide real-time data for better decision-making.

The implementation stage is about putting strategic plans into action through effective resource allocation, clear communication, and necessary organizational changes. This phase is critical for translating strategic objectives into tangible results and achieving the organization's long-term goals (Hrebiniak, 2006). Beer and Eisenstat (2000) suggest that without effective implementation, even the most well-formulated strategies can fail. Therefore, organizations must focus on creating a conducive environment for implementation, characterized by strong leadership, aligned resources, supportive culture, and continuous performance monitoring. By doing so, they can navigate the complexities of execution and realize their strategic ambitions.

2.1.3.4 Monitoring and Evaluation

The final stage in the strategic management process is monitoring and evaluation . This phase involves continuously monitoring and assessing the implementation of the strategy to ensure that the desired outcomes are achieved. It is a critical component as it helps organizations measure progress, identify any deviations from the plan, and make necessary adjustments to stay on course towards their strategic goals. Kaplan and Norton (1996) argue that the balanced scorecard approach is an effective tool for this phase, providing a comprehensive framework to measure performance from multiple perspectives.

Evaluation involves setting up key performance indicators (KPIs) and other metrics to track the effectiveness of the strategy. These KPIs should be aligned with the strategic objectives and

provide a clear measure of success. For example, if a company's strategy focuses on increasing market share, relevant KPIs might include sales growth, market penetration rates, and customer acquisition costs. Regular monitoring of these indicators allows organizations to gauge their progress and identify areas that need improvement (Pearce & Robinson, 2013). Drucker (1954) emphasizes the importance of management by objectives (MBO), where specific goals are set collaboratively and progress is monitored regularly.

Control mechanisms are put in place to compare actual performance with the strategic objectives. This involves establishing a feedback loop where performance data is collected, analyzed, and compared against the strategic goals. If discrepancies are identified, corrective actions can be taken to realign the implementation with the strategic plan. For instance, if sales targets are not being met, the organization might analyze the causes and adjust its marketing strategy or sales tactics accordingly. Simons (1995) highlights the importance of diagnostic control systems in this process, which help in maintaining focus on critical performance variables.

Continuous monitoring and evaluation also ensure that the strategy remains relevant in the face of changing internal and external conditions. This dynamic approach allows organizations to respond to new information, emerging trends, and unforeseen challenges effectively. For example, a sudden change in market conditions or a new competitive threat might necessitate a strategic pivot. By continuously monitoring the environment and organizational performance, companies can make informed decisions and adjust their strategies proactively (Pearce & Robinson, 2013). Porter (1996) suggests that maintaining strategic fit and adapting to changes is crucial for sustaining competitive advantage.

In addition to quantitative measures, qualitative assessments are also important. This includes gathering feedback from employees, customers, and other stakeholders to understand their perspectives on the strategy's implementation and its impact. This feedback provides valuable insights that can guide further strategic adjustments and improvements. Mintzberg, Ahlstrand, and Lampel (1998) emphasize the role of emergent strategies, which arise from informal feedback and ongoing learning processes within the organization.

The role of leadership in the monitoring and evaluation phase is paramount. Leaders must foster a culture of accountability and continuous improvement. They need to ensure that performance data is not only collected but also analyzed and acted upon. Kotter (1996) argues that successful change management relies heavily on the leadership's ability to drive the organization towards its strategic goals while being adaptable to necessary changes.

Technological advancements have also enhanced the monitoring and evaluation processes. Big data analytics and business intelligence tools allow for real-time monitoring and analysis of performance metrics. McAfee and Brynjolfsson (2012) discuss how big data can transform management practices by providing deeper insights and more accurate predictions, thus aiding in better strategic decisions.

Furthermore, the integration of strategic management systems like the Balanced Scorecard and Total Quality Management (TQM) can provide a structured approach to monitoring and evaluation . Kaplan and Norton (2001) highlight how these systems can align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organizational performance against strategic goals.

Stakeholder theory, as proposed by Freeman (1984), also plays a role in the monitoring and evaluation phase. Engaging stakeholders and considering their feedback can provide a broader perspective on the strategy's effectiveness and its social and environmental impact. This holistic view ensures that the strategy is not only economically viable but also socially responsible.

The importance of agility in strategy monitoring and evaluation cannot be overstated. Agile methodologies, traditionally used in software development, are increasingly being applied to strategic management. Rigby, Sutherland, and Noble (2018) suggest that agile practices allow organizations to adapt quickly to changes, continuously improve, and deliver better results. This iterative approach ensures that strategies are evaluated regularly and refined based on real-time feedback and changing circumstances.

2.1.4 Competitive Advantage Theories and Models

2.1.4.1 The Resource-Based Model

The Resource-Based View (RBV) theory, popularized by Jay Barney in his 1991 article "Firm Resources and Sustained Competitive Advantage," focuses on the internal resources of a firm as the primary source of competitive advantage. According to RBV, firms achieve sustainable competitive advantage by acquiring and managing valuable, rare, inimitable, and non-substitutable (VRIN) resources and capabilities. These resources can be tangible (physical assets) or intangible (brand reputation, intellectual property, and organizational culture). The RBV suggests that a firm's unique resources and capabilities are critical in achieving and maintaining a competitive edge (Barney, 1991).

The resource-based model holds that every organization is made of unique resources and capabilities. The organization's resources and capabilities are what define the uniqueness of the strategy in an organization, and through them, the firm will have the potential to earn above-average returns. Resources are described as inputs into a firm's process of production. Resources include capital equipment, skills possessed by individual employees, patents, finances, and talented managers. In general, firm resources are categorized into three types that include physical, human, and organizational capital, and resources are either tangible or intangible in nature (Hitt, Ireland, & Hoskisson, 2016).

Capability refers to the ability of a set of resources to perform an activity or a task in an integrative manner. Capabilities develop over some time and need to be managed dynamically in a bid to realize above-average returns. Core competencies refer to resources and capabilities that act as a source of competitive advantage to a firm over its rivals. Core competencies are very often visible in terms of organizational functions (Hitt et al., 2016).

The Resource-Based step analysis begins with the identification of the firm's resources and studying them for strengths and weaknesses compared to those of its competitors. It then determines the firm's capabilities to know what it can do better than its competitors. Next is an evaluation of the potential of the firm's resources and capabilities in terms of gaining a

competitive advantage. A location is then identified as an attractive industry to know where the firm can excel. Lastly, a strategy is chosen that best enables the firm to utilize its resources and capabilities relative to opportunities in the external environment (Hitt, Ireland, & Hoskisson, 2016).

The resource-based view of the firm can be originally traced to the work of Penrose (1959). Other scholars that contributed to the development of the resource-based view included Wernerfelt (1984), Barney (1991), and Prahalad and Hamel (1990) among others. The key focus of the resource-based view is tangible and intangible assets that comprise the stock of firm-specific factors with the potential to enhance performance. The resource-based view theory emphasizes the importance of internal resources within the firm and the use of such resources in formulating a strategy that can help in the creation of sustainable competitive advantage in the marketplace (Barney, 1991; Prahalad & Hamel, 1990; Wernerfelt, 1984).

Firms develop competencies from the assortment of resources within their control and when developed well, they tend to become a source of competitive advantage. This implies that resources play a vital role in the strategic management practices embraced by a firm and more so the implementation activities that if not effectively managed may significantly hamper the performance and survival of an organization. Learned et al. (1969) formulated the resources approach noting that whatever a firm is capable of doing is not just a function of its opportunities but the stock of resources in its possession and control. The insights provided tend to support the inside-out perspective of firm strategy that is necessary for pursuing, entrenching, and sustaining competitive advantage (Learned, Christensen, Andrews, & Guth, 1969).

2.1.4.2 Michael Porter's Five Forces Model

Michael Porter introduced the Five Forces Model in his book "Competitive Strategy" (1980), which provides a framework for analyzing the competitive forces within an industry. This model is widely used for understanding the dynamics of an industry and identifying the strategic opportunities and threats faced by companies. The Five Forces Model identifies five fundamental

forces that shape the competitive landscape of an industry, determining its attractiveness and profitability.

- Threat of New Entrants: This force examines the ease with which new competitors can enter the market. High barriers to entry, such as significant capital requirements, economies of scale, brand loyalty, access to distribution channels, and regulatory restrictions, can deter new entrants. Conversely, low barriers can lead to increased competition and reduced profitability. Established companies often work to create or maintain these barriers to protect their market position (Porter, 1980).
- Bargaining Power of Suppliers: This force looks at the power suppliers have to increase the prices of inputs, which can impact the profitability of firms in the industry. If there are few suppliers or if they offer a unique product, their bargaining power is high. Conversely, when there are many suppliers or substitute inputs available, the bargaining power of suppliers is lower. Firms might mitigate this power by diversifying their supplier base or developing strong relationships with multiple suppliers (Porter, 1980).
- Bargaining Power of Buyers: This force assesses the influence that customers have on pricing and quality. Buyers exert more power when they are few in number, purchase in large volumes, or can easily switch to a competitor's product. Powerful buyers can demand lower prices, higher quality, or additional services, which can erode the profitability of firms in the industry. Companies may seek to reduce this power by enhancing customer loyalty, differentiating their products, or increasing the switching costs for buyers (Porter, 1980).
- Threat of Substitute Products or Services: This force considers the likelihood of customers finding alternative ways of meeting their needs. The presence of substitutes can limit the price that firms can charge, thereby capping the industry's profitability. If the substitutes offer a better price-performance trade-off or if customers incur low switching costs, the threat is higher. Firms often respond to this threat by innovating, improving product quality, or offering additional features that make their products more attractive than substitutes (Porter, 1980).

- Rivalry Among Existing Competitors: This force measures the degree of competition among existing firms within the industry. High levels of rivalry can result from numerous competitors, slow industry growth, high fixed costs, lack of differentiation, or high exit barriers. Intense rivalry pressures firms to cut prices, increase marketing expenditures, and innovate, which can squeeze profit margins. Companies may try to mitigate rivalry by differentiating their products, targeting niche markets, or forming strategic alliances (Porter, 1980).

2.1.4.3 Dynamic Capabilities

The concept of dynamic capabilities, introduced by David Teece, Gary Pisano, and Amy Shuen, extends the Resource-Based View (RBV) by emphasizing a firm's ability to adapt, integrate, and reconfigure internal and external competencies in response to rapidly changing environments (Teece, Pisano, & Shuen, 1997). This theory underscores the importance of flexibility and continuous innovation in maintaining a competitive edge in dynamic markets. According to Helfat et al. (2007), dynamic capabilities are pivotal for firms operating in volatile environments where the ability to respond to market changes swiftly can determine success or failure.

Dynamic capabilities are processes that enable firms to create, deploy, and protect the tangible and intangible assets that support their long-term competitive advantage. These capabilities are not static; they evolve over time as firms learn and adapt to new challenges and opportunities. The dynamic capabilities framework focuses on three primary types of capabilities: sensing opportunities and threats, seizing opportunities, and transforming the organization to maintain competitiveness (Teece et al., 1997). This approach highlights the need for a proactive and responsive strategic posture to cope with the uncertainties of modern markets (Winter, 2003).

- **Sensing Opportunities and Threats:** This capability involves scanning the environment, identifying emerging trends, and understanding the implications for the firm. It requires the ability to gather and analyze information, recognize patterns, and foresee changes in the market. Firms with strong sensing capabilities can anticipate shifts in customer preferences, technological advancements, and competitive actions, allowing them to respond proactively

(Teece et al., 1997). Eisenhardt and Martin (2000) suggest that effective sensing capabilities are rooted in robust market intelligence systems and a culture of vigilance and curiosity. Day and Schoemaker (2016) also emphasize the role of strategic foresight and scenario planning in enhancing a firm's ability to sense opportunities and threats.

- **Seizing Opportunities:** Once opportunities are identified, firms must have the ability to mobilize resources and take action. This involves making timely and effective decisions, allocating resources, and implementing strategies that capitalize on new opportunities. Seizing capabilities require strong leadership, effective decision-making processes, and the ability to coordinate activities across different parts of the organization. Firms that excel in seizing opportunities can quickly launch new products, enter new markets, or adopt new technologies (Teece et al., 1997). Augier and Teece (2009) highlight that strategic decision-making should be guided by a clear understanding of the firm's strengths and the external opportunities. Additionally, Tripsas and Gavetti (2000) note that cognitive flexibility and a willingness to take calculated risks are critical for successful opportunity seizure.
- **Transforming the Organization:** To sustain long-term success, firms must continually transform their structures, processes, and cultures. This transformation capability involves reconfiguring existing assets and capabilities, developing new ones, and shedding outdated practices. It requires a willingness to embrace change, foster innovation, and continuously improve. Firms with strong transforming capabilities can adapt to changing market conditions, maintain their competitive advantage, and drive long-term growth (Teece et al., 1997). Zollo and Winter (2002) argue that learning mechanisms and routines play a crucial role in organizational transformation by embedding new knowledge and practices into the firm's operations. Barney (1991) further suggests that continuous transformation is necessary to avoid the inertia that can result from over-reliance on existing capabilities.

The dynamic capabilities framework is essential for understanding how firms can sustain competitive advantage in rapidly evolving markets. By developing and honing sensing, seizing, and transforming capabilities, organizations can not only survive but thrive amidst uncertainty and change. Teece (2007) posits that dynamic capabilities are foundational for achieving sustained innovation and performance in high-velocity environments. Moreover, Lee, Lee, and

Rho (2002) emphasize that the ability to reconfigure resources and capabilities in response to environmental shifts is a critical determinant of a firm's strategic success.

Dynamic capabilities manifest in various ways depending on the industry and specific context. For instance, in the technology sector, rapid product development cycles and the constant pressure to innovate necessitate robust dynamic capabilities (Teece, 2018). Similarly, in the manufacturing industry, the ability to integrate new technologies and optimize production processes continuously is vital for maintaining competitiveness (Pisano, 2017). Overall, the dynamic capabilities framework provides a comprehensive lens through which to examine and enhance an organization's strategic agility and resilience.

2.1.5 Elements of Competitive Advantage

At the core of competitive advantage is the creation of value, an intangible asset perceived by customers, measured by the product or service's price and quality. The value is perceived as greater than the price, making the purchase worthwhile for the customer. Michael Porter identifies two fundamental strategies for creating value and achieving competitive advantage: low cost and differentiation of products or services. Four key elements build this competitive advantage, essential for any industry or organization (Jain & Singh, 2022).

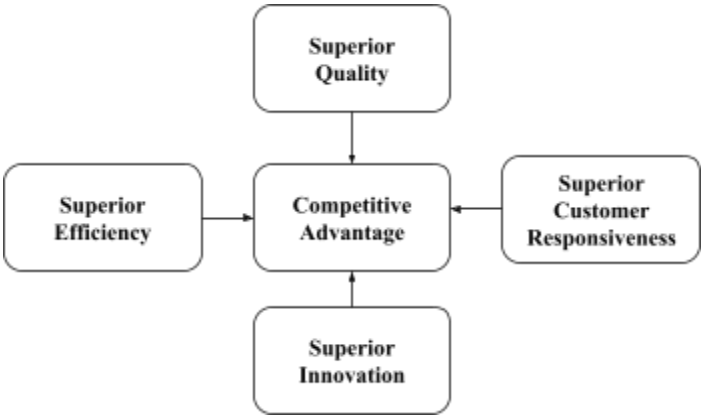


Figure 2: Building Blocks of Competitive Advantage

2.1.6 Building Blocks of Competitive Advantage

2.1.6.1 Superior Efficiency

Efficiency refers to an organization's ability to minimize resource use while achieving objectives. It is often measured by the output-input ratio. Superior efficiency implies fewer inputs are needed to produce a given output, such as reduced time to produce a unit, resulting in lower production costs and a competitive edge. Employee productivity, often measured by units produced per hour, plays a crucial role. For instance, General Motors takes about 30 hours to assemble a car, whereas Toyota only takes less than 20 hours, giving Toyota a cost advantage. Chrysler Corporation also improved its efficiency from 1988 to 1994, reducing assembly time from over 36 hours to 28 hours, significantly lowering production costs (Jain & Singh, 2022).

2.1.6.2 Superior Quality

Quality is defined by the American Society for Quality (ASQ) as "the totality of features and characteristics of a product or service that bears on its ability to satisfy given needs" (ASQ, 2021). This definition not only considers how well a product meets customer needs but also how consistently it continues to do so over time.

In today's competitive market, high quality is crucial for effective marketing strategies, as consumers are willing to pay more for products that offer reliability and durability. Quality is strategically important for an organization's economic health, enhancing profitability and improving the company's reputation. For example, Coca-Cola's launch of Diet Coke without market testing relied on its established positive image. Similarly, IBM's success in the laptop market, despite being a late entrant, is attributed to its reputation for quality (ASQ, 2021).

High product quality provides a competitive advantage in two main ways. First, it allows companies to charge premium prices, increasing profit margins. For instance, Toyota sells its cars at higher prices than comparable models from General Motors and yet achieves higher sales, boosting Toyota’s cash flow. Second, high quality reduces production costs because fewer defects mean less time spent on repairs and less wastage, leading to greater efficiency. Therefore,

achieving superior quality has become a top priority for companies in today's market (ASQ, 2021).

2.1.6.3 Superior Innovation

Innovation refers to a creative spirit that results in new ways of operating or producing goods within a company. This can include technological innovations, as well as advancements in production processes, organizational structures, or management systems. For instance, Intel's creation of the microprocessor was a groundbreaking innovation that provided a significant competitive advantage. Similarly, Sony's introduction of the Walkman was seen as both innovative and highly practical (ASQ, 2021).

Innovation is a crucial element of competitive advantage, offering companies a unique edge by differentiating their products or services in a way that competitors cannot easily replicate. Microsoft's Windows operating system, for example, provided a distinct advantage over the Disk Operating System (DOS), which has yet to be matched by any other company. This uniqueness often allows companies to command higher prices for their differentiated products (Hoyer & Hoyer, 2001).

Numerous companies have established a strong track record for successful innovation. Du Pont, for example, introduced cellophane, nylon, Freon (used in air conditioners), and Teflon (used in non-stick cookware). Sony pioneered the Walkman and Compact Discs (CDs), while Pfizer developed Viagra. Other companies known for their innovative products include Hewlett-Packard with laser printers, Nike with athletic shoes, and 3M Company with 'Post-it' note pads (Hoyer & Hoyer, 2001).

These companies maintained a pricing advantage until their products were imitated by others. Nevertheless, many innovative firms had already built strong brand loyalty, which helped them retain market share despite the competition. Intel's microprocessors, for example, are still regarded as superior, and Hewlett-Packard remains synonymous with laser printers (Hoyer & Hoyer, 2001). Hewlett-Packard with laser printers, Nike with athletic shoes and 3M Company

with 'Post-it' note pads. These companies enjoyed the price advantage until other companies were able to imitate their products. Even then, many innovative companies had built up such a brand loyalty among customers that the imitating companies did little harm in taking their market share. Intel microprocessors are still considered superior to others, and when we think of laser printers, we think of Hewlett-Packard.

2.1.6.4 Superior Customer Responsiveness

Customers are likely to favor products or services they perceive as superior without any extra cost or at an acceptable additional cost. Customer responsiveness hinges not only on the reliability and durability of the product but also on its aesthetic appeal. A product must be visually and sensorially attractive. For example, Chrysler Corporation struggled with car sales partly because their vehicles were not aesthetically pleasing and resembled large boxes with engines. In contrast, the success of Honda and Toyota cars can be attributed to their aesthetic design, in addition to quality. Chrysler later improved their car designs, which led to better customer response (ASQ, 2021).

Stalk and Hout (1990) highlight an essential aspect of customer responsiveness: the ‘customer response time,’ which is the duration required to deliver a product or perform a service. In banks or supermarkets, long waiting times negatively affect customer satisfaction. Citibank improved customer service times by installing ATMs for quick cash withdrawals, special machines for check deposits, and reducing the approval time for mortgage loans, thereby gaining a competitive edge (Stalk & Hout, 2003).

Apart from product quality and quick service, customers value after-sales service and support. A car dealer who efficiently handles problems within a 3-year warranty period will have more satisfied customers. Polite and prompt after-sales service significantly enhances customer satisfaction (ASQ, 2021; Stalk & Hout, 2003).

2.2 Empirical Literature Review

Tsegaye H. Alemu's 2021 thesis, "Strategic Management Practices in Ethiopian Public Enterprises: The Case of Ethiopian Electric Power Corporation," explores strategic planning and implementation activities within the Ethiopian Electric Power Corporation. The findings depict that the organization seriously lacks formal continuous environmental scanning and shows a low level of stakeholder participation within strategic management processes. Equally, the research shows serious anomalies in the alignment of strategic goals with the actual operational activities, which contributes to inefficiency in realizing organizational objectives. To this end, the researcher prescribed the need to enhance communication with stakeholders and to establish strong monitoring and evaluation mechanisms to enhance strategic outcomes (Alemu, 2021).

Abebe Mekonnen's 2018 study, "Strategic Management Practices in Ethiopian Higher Education Institutions: A Case Study of Addis Ababa University," looks into the planning and implementation of strategic management at Addis Ababa University. The findings showed the absence of systematic strategic planning and a lack of integrating strategic initiatives in different departments. Further, the research demonstrated that most of the prepared strategic plans did not contribute to the realization of the institution's long-term goals, causing sub-optimized performance and resource utilization. Mekonnen urged the university to introduce structured strategic planning and ensure that the goals and plans of all departments align with the overall strategic vision of the university (Mekonnen, 2018).

Another significant research is "The Impact of Strategic Management Practices on the Performance of Micro and Small Enterprises in Ethiopia" conducted by Mesfin Taye in 2019. This research focused on the practice of strategic management within micro and small enterprises. The findings revealed that most of these enterprises do not have formalized strategic planning processes but depend on intuition, resulting in varying performance outcomes. Additionally, formal mechanisms for performance evaluation and feedback are not in place, negatively affecting the ability to change and improve strategies effectively. Taye recommended the implementation of formal strategic planning and evaluation processes to enhance the general performance and sustainability of micro and small enterprises in Ethiopia (Taye, 2019).

Zerihun Bekele's 2020 paper, "Strategic Management Practices and Organizational Performance in Ethiopian Private Banks," investigates strategic management practices within private banks. Findings indicate that while strategic planning is prevalent, there remains a significant gap in continuous environmental scanning and stakeholder engagement. The study further reveals that most banks lack proper communication of strategic plans with their employees, resulting in misalignment and lack of cohesion within the organization. Bekele recommended improving communication channels and ensuring employee involvement at all levels in strategic planning to ensure better alignment and implementation of strategic initiatives (Bekele, 2020).

All these studies point out common strategic management challenges: failure to conduct continuous environmental scanning, lack of proper stakeholder engagement, and poor communication of strategic plans across various Ethiopian organizations. Addressing these issues through structured planning, improved communication, and robust evaluation mechanisms is essential for enhancing organizational performance and achieving long-term strategic goals.

Maria Gonzalez's 2019 dissertation, "Strategic Management Practices and Organizational Performance in the US Healthcare Sector," investigates how US healthcare institutions practice strategic management. The results show that formal processes of strategic planning are rigorously followed in American healthcare institutions. However, there is often no link between strategic plans and day-to-day operational activities, leading to inefficiency. The findings also highlight that continuous environmental scanning is inconsistently practiced, causing missed opportunities and threats. Gonzalez concludes that the integration of strategic plans and operational processes needs to be more intimate, and improvements in environmental scanning practices are necessary for responsiveness and performance (Gonzalez, 2019).

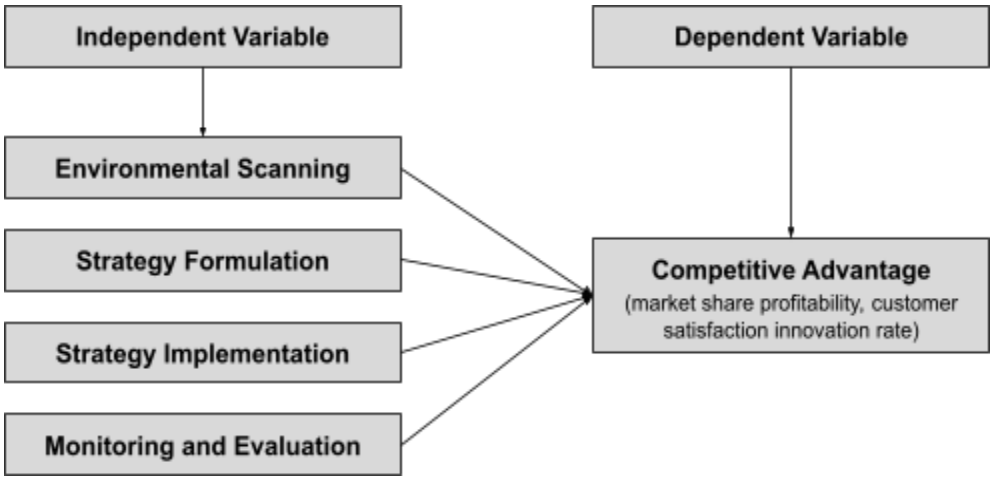
The article "Strategic Planning and Implementation in the European Banking Sector" by John Smith and Laura Brown, published in the European Journal of Management Studies in 2020, discusses strategic management practices in European banks. Empirical research has found that

while strategic planning is conducted by European banks, very few handle the implementation phase effectively, particularly in matching strategic initiatives to employees' activities and goals. Additionally, there is a lack of mechanisms for continuous performance evaluation and feedback. Smith and Brown deduce that banks should focus on developing more effective implementation and evaluation frameworks to realize strategic objectives (Smith & Brown, 2020).

2.3 Conceptual framework of the study

Strategic management practices and competitive advantage models integrate various strategic management practices and their impact on competitive advantage outcomes. The model posits that effective strategic management practices, such as environmental scanning , strategy formulation, strategy implementation , and monitoring and evaluation, directly influence the competitive advantage of a firm (Wharton Executive Education, 2023; Oxford Academic, 2022)

Figure 3 Conceptual framework of the study



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter outlines the research methodologies used for this study. The research methodology deals with the practical aspect of any research project and answers the "how" of conducting the research. The chapter elaborates on research design, research approach, population, and sampling design, data collection instruments, data collection procedures, data analysis and presentation methods, issues of validity and reliability of research instruments, and also ethical considerations.

3.1 Research Design and Approaches

1. Research Design

Explanatory research is conducted to determine how and why a particular phenomenon occurs, making it suitable for understanding the relationships between variables. This study aims to explore the causal relationships between strategic planning and organizational performance, specifically focusing on Gold water. By employing an explanatory research design, this study seeks to explain which causes produce which effects (Yin, 1994).

In the context of this research, explanatory design is used to delve deeper into understanding how strategic planning influences organizational performance. This design enables the identification of direct causal links, providing valuable insights into the effectiveness of strategic initiatives in improving performance outcomes. By focusing on cause-effect relationships, this research can provide a detailed understanding of the mechanisms through which strategic planning impacts organizational success (Yin, 1994).

This design ensures that the study not only describes the phenomena but also explains the underlying causes, offering valuable insights for strategic decision-making. Through this method, the research can identify key factors that drive performance and offer recommendations based on the identified causal relationships (Kombo & Tromp, 2014; Yin, 1994)

2. Research Approaches

This study employed a concurrent mixed-method approach, integrating both quantitative and qualitative data collection and analysis. Utilizing both methods allows for a comprehensive understanding of the research problem by combining the numerical strength and generalizability of quantitative data with the detailed context and depth provided by qualitative data. Quantitative methods facilitate the identification of patterns and statistical relationships among variables, while qualitative methods capture the richness of participants' experiences and perspectives (Tashakkori & Teddlie, 2010). The combination of these approaches ensures that the limitations of one method are offset by the strengths of the other, providing a more holistic view of the research problem (Creswell & Plano Clark, 2011). In this study, quantitative data was gathered through structured surveys, and qualitative data was collected via in-depth interviews, allowing for a balanced and nuanced analysis (Bryman, 2006). This mixed-method approach is increasingly endorsed by researchers seeking to derive meaningful insights from complex phenomena (Johnson, Onwuegbuzie, & Turner, 2007)

3.2 Population, Sample Size, and Sampling Techniques

3.2.1 Target Population

The target population refers to the entire group of individuals or entities to which the researchers intend to generalize their findings (Fowler, 2013). For this study, the target population includes individuals directly involved in the strategic planning and organizational performance of Gold water. This encompasses senior management, middle management, and operational staff, ensuring a diverse range of perspectives. A well-defined target population is crucial for the validity and reliability of research findings. By including various roles within the organization, the study aims to capture comprehensive insights into how strategic planning impacts performance. Therefore, a total of 85 individuals is our target population to provide both qualitative depth and quantitative robustness (Creswell, 2014).

3.2.2 Population Techniques

According to Fowler (2013) and Creswell (2014), a population census involves collecting data from every member of a population, rather than a subset. This technique ensures that no individuals are excluded, allowing for a comprehensive understanding of the entire group. For this study, a population census is recommended due to the desire for complete representation of all individuals within the organization due to a minimum number of employees that represent .

Given the population of 85 individuals, a census captured data from all levels within the organization senior management, middle management, and operational staff providing a full spectrum of perspectives on the impact of strategic planning on organizational performance. By collecting data from the entire population, the findings will offer a more accurate and reliable reflection of the organizational dynamics (Creswell, 2014).

3.2.3 Population Coverage

Population size refers to the total number of subjects included in a study, which is critical for ensuring the accuracy and reliability of the research results, as well as the comprehensiveness of the findings (Singh, 2007). In this study, a population census was conducted, involving all 78 Top Management,Senior Management, Middle Management, Operational Managers (Supervisors, team leads). Population census ensures that every individual is included, allowing for a complete and reliable assessment of the impact of strategic planning on organizational performance (Creswell, 2014; Fowler, 2013)

3.3 Sources of Data

The research utilizes both primary and secondary data. According to Kothari (2004), primary data are original, collected for the first time, and gathered during this study through dissemination of questionnaires. Other sources of secondary data used included policy documents, strategy reports, journal articles, and several manuals. To ensure that the data are of quality and reliability, the secondary data were collected from already published and recognized reports, hence the chances of distortion are kept at minimal.

- Primary Data: Primary data was collected through questionnaires and direct observations. These methods provide first-hand information on the strategic management practices of Gold Water.

- Secondary Data: Secondary data was collected from company reports, industrial publications, journals, and other important sources. The information helped provide a background context to the study and assist in analyzing primary data.

3.4 Data Gathering Instruments

A structured questionnaire was used to collect quantitative data from employees. The questions were based on a Likert scale to measure the perception of the employees towards strategic management practices (Yamashita & Millar, 2021).

3.5 Procedures of Data Collection

To ensure that the research instruments were effective and clear, pilot tests were conducted with a small, representative group of respondents. This initial action served to iron out ambiguities or other issues with the questionnaires. Once refined, these questionnaires were disseminated to a more representative sample of employees and meticulously collected after completion to ensure comprehensive data collection. Simultaneously, key management staff interviews were arranged; the interviews were scheduled at a time most convenient for them, ensuring they were forthcoming and informative. Additionally, observation visits were carried out to the company facilities to gain firsthand experiences and observations about the operational environment and interrelations among employees.

3.6 Method of Data Analysis

The quantitative data were analyzed using both descriptive and inferential statistics. Descriptive statistics included frequency distributions, percentages, means, grand mean, and standard deviations to summarize and describe the data. This allowed for identifying patterns, trends, and variability within the survey responses. Inferential statistics were employed to test hypotheses

and determine relationships between variables. Statistical tests such as t-tests, ANOVA (Analysis of Variance), and correlation analysis were conducted using SPSS version 27 to draw conclusions about the population based on the sample data.

The results of the questionnaire were encoded in SPSS version 27. All variables were computed for their descriptive statistics, such as frequency, mean, and standard deviation, to comprehensively describe the data. Summary statistics were reported in qualitative and quantitative measures.The interpretation of the variables was based on a Likert-type scale, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree. Based on the information obtained from the descriptive analysis, interpretations were made to draw conclusions, and possible solutions were proposed based on these conclusions.

Other measures of central tendency, specifically the mean, were used to identify the average response for variables such as Environmental Scanning, Strategy Formation, Strategy Implementation, and Monitoring and Evaluation. This was complemented with measures of dispersion, such as the standard deviation, to understand the spread or variability in responses. These descriptive statistics provided Gold Water with an overview of the present state of its strategic management practices and their perceived effectiveness.

In addition to descriptive measures, inferential statistics were utilized to analyze the data. Pearson correlation assessed the relationships between variables, while multiple regression evaluated their predictive power on competitive advantage. Hypothesis testing determined the significance of environmental scanning's effect, and ANOVA compared differences across departments or regions. Confidence intervals ensured the precision of key estimates.

3.7 Validity and Reliability

3.7.1 Validity

Validity refers to the extent to which research accurately measures what it is intended to measure and the truthfulness of the results obtained. Essentially, it addresses whether the research instrument can precisely target the research objective. Researchers typically assess validity by

posing a series of questions and reviewing related research (Joppe, 2000). One crucial aspect of validity is content validity, which examines whether a measuring instrument comprehensively covers the topic under study and adequately addresses all relevant elements (Kothari, 2004). For example, a well-designed structured questionnaire should encompass all necessary aspects to fulfill both general and specific objectives of a study, thereby ensuring robust content validity (Research Method, 2023; ATLAS.ti, 2023; Grad Coach, 2023).

Different types of validity include internal validity, which ensures that the results are due to the variables being tested and not other factors, and external validity, which pertains to the generalizability of the findings. Construct validity assesses whether a test measures the intended concept, while criterion validity involves evaluating the predictive power of one measure against another (Research Method, 2023; BMJ, 2023).

3.7.2 Reliability

Reliability relates to the consistency of a measure, reflecting the degree to which a measurement instrument produces stable and consistent results when applied repeatedly under the same conditions. A reliable study consistently yields the same results, thereby ensuring that the instrument is trustworthy. Various forms of reliability include test-retest reliability, which measures stability over time by administering the same test multiple times to the same subjects, and inter-rater reliability, which assesses the level of agreement between different observers. Internal consistency, often measured by Cronbach’s alpha, evaluates the consistency of results across items within a test. High reliability is essential for producing reproducible and dependable results, underscoring the importance of using established instruments, standardizing data collection procedures, and conducting pilot tests to refine measurement tools (BMJ, 2023; Grad Coach, 2023).

A Cronbach's alpha value in the range of 0.6 to 0.7 indicates medium reliability, while values between 0.7 and 0.9 suggest high reliability. High reliability is essential for producing reproducible and dependable results, underscoring the importance of using established

instruments, standardizing data collection procedures, and conducting pilot tests to refine measurement tools (BMJ, 2023; Grad Coach, 2023).

Table 1 Measure of Internal Consistency Cronbach's Alpha

Questionnaires distributed to respondents							
Environmental Scanning		Strategy Formulation		Strategy Implementation		Monitoring & Evaluation	
Cronbach's Alpha	No of items	Cronbach's Alpha	No of items	Cronbach's Alpha	No of items	Cronbach's Alpha	No of items
.715	6	.706	6	.725	6	.723	6

3.8 Ethical Considerations

Ethical considerations are crucial for ensuring the integrity of the research process. The following measures will be taken: Participants will be informed about the purpose of the study, and their consent will be obtained before data collection to ensure informed consent. Data collected will be kept confidential and used solely for research purposes, thereby maintaining confidentiality. Additionally, participants' identities will be anonymized to protect their privacy. All sources of information and contributions will be duly acknowledged, ensuring proper acknowledgment. These measures collectively uphold the ethical standards essential for conducting credible and respectful research.

CHAPTER FOUR
DATA PRESENTATION ANALYSIS AND INTERPRETATION

In this chapter, the demographic nature of the respondents and reliability and validity of the measuring instruments are dealt with. The data collected from the different sources are also presented, analyzed and interpreted.

4.1 Response Rate

Table 2: Response Rate

Category	Frequency	Percentage
Collected	78	92%
Uncollected	7	8%
Total	85	100%

Out of the total target population census of 85 questionnaires that were distributed to organization senior management, middle management, and operational staff in Gold water , 78 questionnaires were collected and used in research, but 7 questionnaires were not returned,The non-return of seven questionnaires can be attributed to the respondents' busy schedules and lack of time to complete the survey which did not give the answer on time. Hence the return rate of the collected questionnaires 92%. According to (Strydom, 2014), any response rate of 70% is very good/ for further analysis. Thus, 92% respondent rate for this study was acceptable.

4.2.1. General Demographic Characteristics of Respondents

The general demographic Characteristics of the respondents used in this study to determine who provided the necessary information for the study. Demographic data such as gender, age, education, and working experience are examined to determine how much the organization

structure, policies and procedures, resource allocation, leadership system, and external environment factors influence Gold Water's performance.

Table 3: Demographic Characteristics of Respondents

Items	Sex	Frequency	Percent	Valid Percent	Cumulative percent
Gender	Male	53	67.9	67.9	67.9
	Female	25	32.1	32.1	100.0
	Total	78	100.0	100.0	
Age	21-30	20	25.6	25.6	25.6
	31-40	35	44.9	44.9	70.5
	41-50	17	21.8	21.8	92.3
	>51	6	7.7	7.7	100.0
	Total	78	100.0	100.0	
Academic Status	Highschool or equivalent	6	7.7	7.7	7.7
	Bachelor's Degree	45	57.7	57.7	65.4
	Masters Degree	18	23.1	23.1	88.5
	PHD	9	11.5	11.5	100.0
	Total	78	100.0	100.0	
Job position	Financial Manager	12	15.4	15.4	15.4
	Operation Manager	31	39.7	39.7	55.1
	Production Manager	26	33.3	33.3	88.5
	Quality Manager	9	11.5	11.5	100.0
	Total	78	100.0	100.0	
Work experience	Less than 1	9	11.5	11.5	11.5
	1-2	31	39.7	39.7	51.3
	3-4	29	37.2	37.2	88.5
	Greater than 5	9	11.5	11.5	100.0
	Total	78	100.0	100.0	

The distribution of respondents' gender indicates a predominant male participation, comprising 67.9% of the total sample, while females represent 32.1%. This suggests a notable gender

imbalance in the sample, with males outnumbering females by a significant margin. These findings may have implications for the generalizability of the research results, particularly in understanding gender-specific perspectives within the study's context.

The age distribution reveals that the majority of respondents are between the ages of 31 and 40, accounting for 44.9% of the sample, followed by 25.6% in the 21-30 age range. Smaller proportions of respondents are in the 41-50 (21.8%) and over 51 (7.7%) categories. These findings suggest that the study is largely representative of middle-aged participants, with fewer respondents from younger and older age groups. Future research could aim for a more balanced age representation to better capture diverse perspectives across all age demographics.

The academic status distribution shows that the majority of respondents hold a Bachelor's Degree, representing 57.7% of the sample. This is followed by respondents with Master's Degrees (23.1%), PhDs (11.5%), and those with a high school or equivalent qualification (7.7%). These findings indicate that the study predominantly reflects the views of individuals with higher education, particularly those with Bachelor's and Master's degrees.

The job position distribution at Gold Water indicates that the majority of respondents hold roles in operational management. 39.7% of employees are Operation Managers, followed by 33.3% in Production Management. A smaller portion, 15.4%, holds the position of Financial Manager, and 11.5% are Quality Managers. This suggests that Gold Water's workforce is heavily focused on operations and production, with fewer employees in financial and quality management roles. The distribution indicates a strong operational focus, which could reflect the company's priorities in production and service delivery.

The work experience data at Gold Water reveals that the majority of respondents have relatively short to medium tenure within the company. A significant portion, 39.7%, have worked for 1-2 years, followed by 37.2% with 3-4 years of experience. Employees with less than 1 year and more than 5 years of experience each account for 11.5%. This distribution suggests that Gold

Water has a fairly young workforce in terms of tenure, with a strong concentration of employees in the 1-4 year experience range. The data indicates that the company may benefit from focusing on retention strategies and professional development for mid-tenure employees.

Based on Boone and Boone (2012), the theoretical mean interval range can be categorized into five levels for interpreting mean scores. A mean range of 1.00–1.80 is considered "Very Low," 1.81–2.60 is classified as "Low," 2.61–3.40 represents a "Moderate" level, 3.41–4.20 is interpreted as "High," and 4.21–5.00 is categorized as "Very High." These intervals provide a standardized framework for assessing the intensity or agreement level in survey responses, ensuring clarity and consistency in data interpretation.

4.3 Descriptive Statistics

Table 4: Descriptive Statistics Environmental scanning

Descriptive Statistics - Environmental scanning					
	N	Mean	Std. Deviation	Minimum	Maximum
Gold Water consistently assessed demographic shifts (such as age, income, and lifestyle changes) to identify new opportunities for growth.	78	3.64	.738	2	5
Changes in consumer attitudes are central to Gold Water's environmental scanning process to effectively adopt the shifting market demands.	78	4.06	.744	3	5
Competitor activities are closely monitored to ensure that Gold Water can adjust its strategies in response to industry dynamics.	78	3.88	.789	2	5
Customer needs are actively analyzed to inform environmental scanning.	78	3.76	.759	2	5
Regulatory changes that may impact the industry are carefully considered, ensuring that Gold Water remains responsive to external constraints.	78	3.95	.771	3	5
The company leverages its organizational culture to enhance the effectiveness	78	3.81	.774	2	5
Grand Mean		**3.85**			

Environmental Scanning (grand mean = 3.8504, standard deviation = 0.48986): A score of 3.85 is considered strong. Based on the theoretical mean interval range, this value falls into the "High" category (3.41–4.20). This indicates that the respondents perceive the environmental scanning practices of Gold Water as effective and strongly implemented across all measured aspects.

Descriptive Statistics - Strategy formation					
	N	Mean	Std. Deviation	Minimum	Maximum
Gold Water considers buyer bargaining power when formulating strategies.	78	4.21	.971	2	5
Substitute products is a key factor in Gold Water's strategic planning.	78	3.95	.788	3	5
Potential partnerships or alliances are actively considered in the company's strategic planning	78	4.10	.862	3	5
Financial resources are well-aligned with Gold Water's strategy formulation.	78	3.68	.845	2	5
The organizational culture supports efficient innovative strategy development	78	3.91	.983	2	5
Resource allocation is prioritized based on critical objectives to ensure that key strategic goals receive the necessary support to succeed.	78	3.78	.800	2	5
Grand Mean		**3.94**			

Table 5: Descriptive Statistics Strategy formation

Strategy formation (grand mean = 3.9402, standard deviation = 0.55243): A score of 3.94 is high and usually indicates a good but not exceptional strategic formation process. Based on the theoretical mean interval range, this value falls into the "High" category (3.41–4.20). This suggests that respondents perceive Gold Water's strategy formation practices as effective and well-aligned with key strategic factors. This score indicates that strategy formation is viewed positively, most likely because it is closely related to strong leadership and vision (Collis & Rukstad, 2008).

Descriptive Statistics - Strategy Implementation					
	N	Mean	Std. Deviation	Minimum	Maximum
Gold Water's organizational culture promotes the effective implementation of its strategies to create a foundation for success.	78	3.85	.854	2	5
Employees are encouraged to align their daily tasks and responsibilities with the company's strategic goals to foster a unified effort.	78	3.72	.820	2	5
The company's leadership ensures that organizational strategic priorities are communicated clearly to support the alignment at all levels.	78	4.00	.822	2	5
Gold Water allocates financial resources to strategically support the implementation of key initiatives to address any critical needs.	78	3.67	.750	2	5
The company's infrastructure is well-equipped to support the efficient execution of strategic initiatives to minimize operational delays.	78	3.78	.989	2	5
Implementation plans are realistically structured to consider the availability of resources to ensure goals are achievable within set timelines.	78	3.82	.752	2	5
Grand Mean		**3.76**			

Table 6: Descriptive Statistics Strategy Implementation

Strategy Implementation (grand mean = 3.7628; standard deviation = 0.50860):Strategy implementation is also positively rated, with a mean score of 3.76. Based on the theoretical mean interval range, this value falls into the "High" category (3.41–4.20). This indicates that respondents view Gold Water's strategy implementation practices as effective and well-executed across key areas. Implementation is often more difficult than formulation because it requires mobilizing resources, aligning staff, and overcoming organizational inertia (Beer & Nohria, 2000). This slightly lower score may reflect the common challenges that organizations face when attempting to put strategy into action, such as insufficient resource allocation or resistance to change.

Table 9: Descriptive Statistics Monitoring and Evaluation

Descriptive Statistics - Monitoring and Evaluation					
	N	Mean	Std. Deviation	Minimum	Maximum
Gold Water regularly assesses its strategic outcomes in response to evolving market conditions to stay adaptive.	78	4.18	.908	2	5
The company actively incorporates employee feedback on challenges encountered during execution to improve future strategy implementation.	78	3.97	.897	2	5
Financial resources are thoroughly evaluated in the strategy assessment process.	78	3.95	.896	2	5
Evaluation outcomes are applied to improve strategies to enhance the company's competitive advantage over time.	78	3.85	.854	2	5
Results from strategic evaluations are used to make informed adjustments in resource allocation to support continuous responsiveness.	78	4.17	.945	2	5
Gold Water's evaluation process supports a cycle of continuous improvement to ensure long-term growth in market share and profitability.	78	3.86	.893	1	5
Grand Mean		**3.99**			

Monitoring and Evaluation (grand mean = 3.9957, standard deviation = 0.58231): Based on the theoretical mean interval range, this value falls into the "High" category (3.41–4.20). This reflects that respondents view Gold Water's monitoring and evaluation practices as highly effective and integral to strategic adaptability and improvement.Monitoring and evaluation are critical for keeping strategies on track and achieving goals (Kaplan & Norton, 1996). The high mean indicates that participants believe this process is strong, but the higher standard deviation suggests that some participants are less confident or have mixed feelings about it. The variability could reflect the difficulties organizations face when establishing effective monitoring systems.

This process is frequently viewed positively because it allows for feedback loops and strategy adjustments, but the variability in responses indicates differences in how well these processes are implemented in practice.

Descriptive Statistics - Enhancing Competitive Advantage					
	N	Mean	Std. Deviation	Minimum	Maximum
Identifying market trends helps employees uncover cost-saving opportunities that enhance the organization's success.	78	4.18	.849	2	5
Developing strategic goals enables employees to support the organization in offering unique and innovative products.	78	3.94	.779	3	5
Executing strategies effectively empowers employees to meet customer demands and improve operational performance.	78	4.14	.849	3	5
Providing regular feedback on strategies helps employees contribute to improving efficiency and innovation..	78	3.78	.784	3	5
Analyzing market changes enables employees to anticipate challenges and ensure the organization stays ahead of competitors.	78	4.17	.889	2	5
Encouraging collaboration within the organization helps employees contribute to developing differentiated products or services.	78	3.86	.791	3	5
Grand Mean		**4.00**			

Table 7: Descriptive Statistics Enhancing Competitive Advantage

Enhancing Competitive Advantage (grand mean = 4.0085, Standard Deviation = 0.54183): Enhancing Competitive Advantage received the highest rating, with a mean of 4.01. Based on the theoretical mean interval range, this value falls into the "High" category (3.41–4.20). This indicates that respondents perceive Gold Water's efforts to enhance competitive advantage as highly effective, particularly in empowering employees and ensuring organizational success.Competitive advantage is an important focus for organizations, and a high score indicates that participants believe this aspect is very well executed. Competitive advantage is associated with superior performance and innovation (Barney, 1991).The relatively high rating here indicates that the organization or participants are confident in the effectiveness of their competitive advantage, most likely as a result of successful strategic initiatives or market positioning.

4.4. Inferential Statistics

Based on population census data, inferential statistics is a data analysis technique used to make inferences about a population. To meet the study's goals, a number of inferential statistical techniques were used, such as regression analysis and correlation. The study focuses on five key predictor variables and how they affect enhancing competitive advantage: environmental scanning, strategy formation, strategy implementation, monitoring, and evaluation.

4.4.1. Correlation Analysis

The significance and degree of the relationship between independent and dependent variables are examined using correlation analysis. Analyzing the link between two variables is another benefit of this strategy. Correlation coefficients, which range from weak to strong correlations, quantify the degree of association (Marczyk et al., 2005). The Pearson Correlation Coefficient was used to determine the relationship between the independent and dependent variables. Enhancing Competitive Advantage (the dependent variable) and strategic management techniques (the independent variables) are related, as indicated by the correlation results shown in the table.

Table 8 : Correlation Analysis

CORRELATION						
		Environmental scanning	Strategy Formation	Strategy Implementation	Monitoring and Evaluation	Enhancing Competitive Advantage
Environmental scanning	Pearson Correlation	1	.573**	.457**	.597**	.703**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	78	78	78	78	78
Strategy Formation	Pearson Correlation	.573**	1	.583**	.663**	.700**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	78	78	78	78	78

Strategy Implementation	Pearson Correlation	.457**	.583**	1	.618**	.627**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	78	78	78	78	78
Monitoring and Evaluation	Pearson Correlation	.597**	.663**	.618**	1	.741**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	78	78	78	78	78
Enhancing Competitive Advantage	Pearson Correlation	.703**	.700**	.627**	.741**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	78	78	78	78	78

Strategic management practices (Environmental Scanning, Strategy Formation, Strategy Implementation, Monitoring, and Evaluation) and enhancing competitive advantage are strongly positively correlated, according to the correlation analysis. Monitoring and evaluation and improving competitive advantage have the strongest link ($r = 0.741$, $p < 0.01$), followed by environmental scanning ($r = 0.703$, $p < 0.01$) and strategy formation ($r = 0.700$, $p < 0.01$). These results imply that while all of these measures have a substantial role in improving competitive advantage, monitoring and evaluation have the greatest impact. Correlations between .01 and.30 are regarded as weak, those between.30 and.70 as moderate, those between.70 and.90 as strong, and those between.90 and 1.00 as extremely strong, according to Marczyk et al. (2005).

Enhancing Competitive Advantage and strategic management practices (Environmental Scanning, Strategy Formation, Strategy Implementation, and Monitoring and Evaluation) are related, as the correlation chart above illustrates. All of the factors have a substantial positive association, according to the results.

With a Pearson correlation coefficient of 0.703 and a significance level below 0.01, the correlation study showed a strong positive association between Environmental Scanning and Enhancing Competitive Advantage. Enhancing Competitive Advantage and Environmental Scanning have a substantial correlation, as indicated by the value, which falls between.70 and.90.

This implies that gaining a competitive edge depends critically on recognizing external opportunities and dangers.

With a correlation coefficient of 0.700 ($p < 0.01$), Strategy Formation and Enhancing Competitive Advantage also showed a high positive association. According to strategic management theories, the outcome highlights how crucial good strategy formulation is to improving competitive posture.

With a Pearson correlation of 0.627 ($p < 0.01$), the analysis also showed a substantial positive association between enhancing competitive advantage and implementing strategy. Despite being somewhat lower than the others, the correlation falls between.30 and.70, suggesting that strategies have a moderate to substantial beneficial influence on reaching competitive objectives.

With a value of 0.741 ($p < 0.01$), Monitoring and Evaluation had the greatest association with Enhancing Competitive Advantage. This emphasizes how important it is to continuously evaluate and provide feedback while improving techniques to maintain a competitive edge.

As a result, the findings suggest that improving competitive advantage is positively and significantly correlated with strategic management practices. These results support the theoretical idea that long-term competitive success is greatly influenced by strategic activities such as environmental scanning, strategy formulation, execution, and assessment. Improvements in competitive positioning are strongly linked to modifications in these behaviors, according to the high Pearson correlation coefficients. Therefore, it is feasible to draw the conclusion that strengthening competitive advantage in firms requires well-integrated strategic management methods.

4.4.2 Multiple Regression analysis

Multiple regression analysis was used in the study to evaluate how the independent factors of environmental scanning, strategy formation, strategy implementation, monitoring, and evaluation affected the dependent variable of enhancing competitive advantage. This model analyzed how changes in the predictors affected the outcomes and looked at the relationship between the

independent and dependent variables. According to Cooper and Schindler (2014), the results showed a normal distribution, indicating that these factors have a significant impact on Enhancing Competitive Advantage.

Predicting the value of the dependent variable from the independent factors was the aim of the regression model. While adjusting for other variables in the analysis, the model calculated coefficients for each predictor, showing the direction and intensity of their link with the dependent variable. This method made it evident how every strategic management technique adds to the improvement of competitive advantage.

4.4.3 Regression analysis

A statistical technique for analyzing the strength of the link between dependent and independent variables is regression analysis. Cooper and Schindler (2014) state that this approach is frequently used to forecast results based on predictor variable values. To guarantee the validity and dependability of the findings, researchers examine hypotheses prior to performing regression analysis. The following are the assumptions of multiple regression analysis before the outcomes of the test are examined.

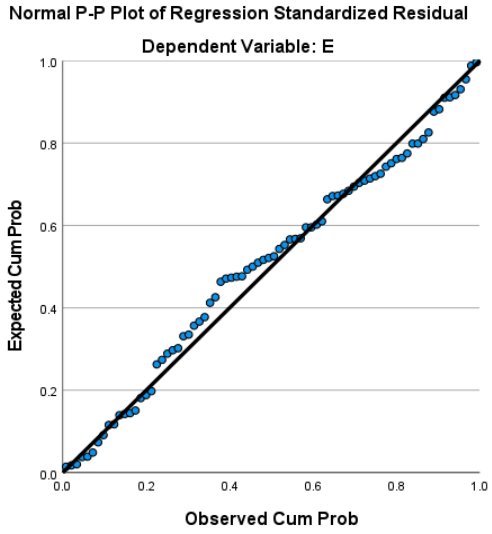
4.5 Test of Regression Assumption

Regression analysis assumptions were used in the study by Hair et al. (2006) to guarantee model fidelity and accurate interpretation. The meaning and result of the study may change if these presumptions are broken. The study used particular tests based on the parameters, such as tests for normalcy, linearity, homoscedasticity, and multicollinearity, to get the best findings. These tests were essential for reducing mistakes, guaranteeing the robustness of the results, and validating the regression model's reliability. To achieve the best results, the study followed specific tests based on the parameters

4.5.1 Normality test

The P-P plot, or probability-probability plot, is a frequently used technique for determining whether the data in a study is normal (Hair et al., 2006). Standardized residuals are compared to the normal distribution in P-P plots; if the data is normally distributed, the residuals will closely resemble a straight diagonal line. P-P plots particularly compare the standardized residuals to the normal distribution, in contrast to residual plots. The residuals in this graph closely match the diagonal line, indicating that the data is regularly distributed.

Figure 4: Test for Normality by Normal P-P Plot



The residuals closely match the diagonal line in the Normal P-P Plot of Regression Standardized Residuals, suggesting that their distribution is roughly normal. This demonstrates that regression analysis's crucial presumption of normalcy is met (Hair et al., 2006). Because there is little chance of bias or incorrect conclusions resulting from non-normal residuals, the regression model can be regarded as trustworthy for hypothesis testing and interpretation. This demonstrates the model's general validity and resilience in elucidating the dependent variable..

4.5.2 Homoscedasticity test

In order to verify that the errors are dispersed evenly throughout all levels of the independent variables, the homoscedasticity test looks at the consistency of error variance between independent and dependent variables (Hair et al., 2006). Since the variability of the dependent variable shouldn't be concentrated within a small range of independent values, an unequal variance could be a sign of problems with the regression model, making this test crucial.

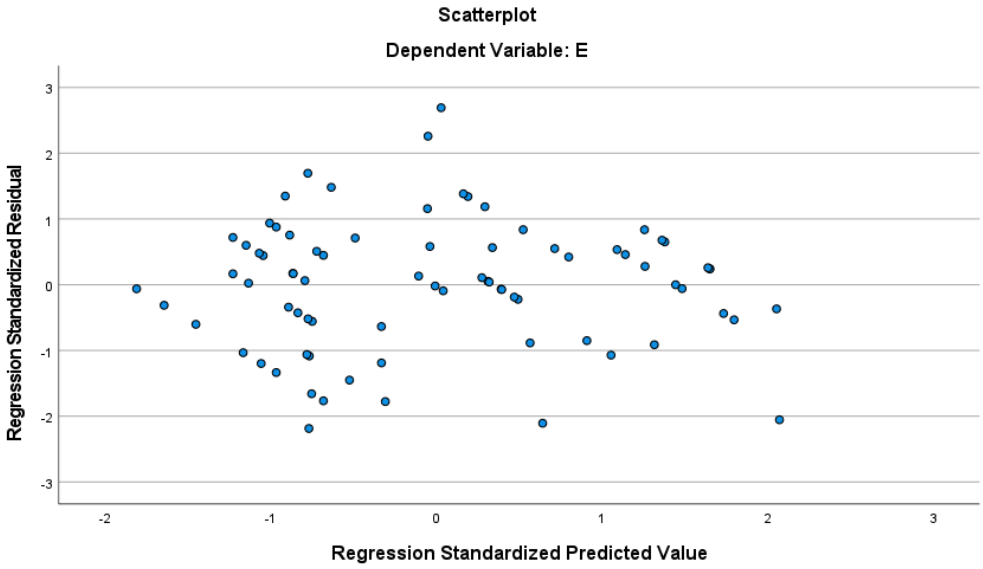


Figure 5: Test for Homoscedasticity

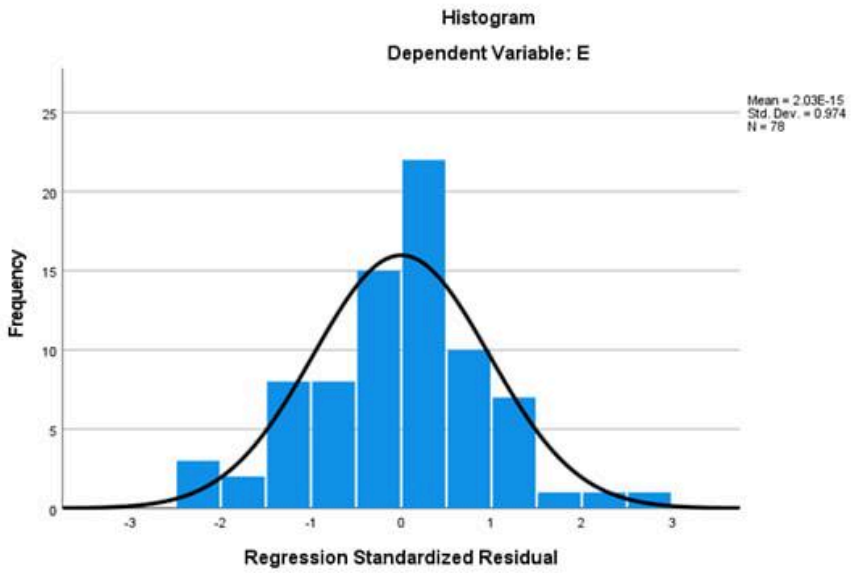
The assumption of homoscedasticity in regression analysis, which calls for the residuals to have constant variance across all levels of predicted values, is evaluated by the scatterplot of regression standardized residuals against standardized predicted values. There is no discernible funnel shape or systematic pattern in the scatterplot, which displays a random and uniformly distributed distribution of residuals around the horizontal axis. According to Hair et al. (2006), this implies that the homoscedasticity assumption is probably met, meaning that the variance of mistakes is constant over the range of expected values. Consequently, the regression model can

be considered suitable for data analysis, with no fear of heteroscedasticity affecting the reliability of the results.

4.5.3 Histogram Test

When comparing observed data values with an approximated normal distribution, a histogram is a useful visual aid. A normal distribution usually shows up in the histogram as a bell-shaped curve (Hair et al., 2006). Based on a full population census of 78 people, the study's population data mean is 2.03E-15 with a standard deviation of 0.974. These numbers show that the variability of the data is comparatively constant and that it is centered around zero.

Figure 6: Test for Normality by Histogram



The data exhibits a bell-shaped distribution, as the histogram (Figure 4) illustrates, with the majority of values concentrated close to the mean and falling off symmetrically toward the extremes. Since regression theory states that the mean of standardized residuals should be zero (Montgomery et al., 2012), the observed mean of 2.03×10−152.03 \times 10^{-15}2.03×10−15 confirms that the residuals are unbiased. Similarly, as the standard deviation of standardized residuals should approximate 1 (Neter et al., 1996), the observed value of 0.9740.9740.974 is acceptable, supporting the model's validity

4.5.4 Multicollinearity test

Regression findings may be distorted by multicollinearity, which happens when two or more independent variables have a high degree of correlation. A correlation matrix, tolerance values, and the Variance Inflation Factor (VIF) are used to evaluate it; significant multicollinearity is indicated by a VIF larger than 10 or a tolerance value less than 0.1. Multicollinearity was not a problem in this investigation because all tolerance values were over 0.1 and all VIF values were below 10. The findings guarantee the dependability of the regression model by confirming that there is no excessive correlation between the independent variables.

Table 9: Multicollinearity Test

Model		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
	(Constant)	.017	.304			
	Environmental scanning	.361	.090	.327	.587	1.703
	Strategy Formation	.208	.089	.214	.464	2.153
	Strategy Implementation	.197	.086	.197	.527	1.896
	Monitoring and Evaluation	.258	.090	.277	.419	2.386

Tolerance and Variance Inflation Factor (VIF) values, which measure the regression model's multicollinearity diagnostics, attest to the model's statistical dependability and robustness. Low multicollinearity among the independent variables is shown by all VIF values being below 3 and all tolerance values being above the 0.1 cutoff. In order to ensure that the predictors do not show serious collinearity, Hair et al. (2006) state that VIF values below 10 and Tolerance values above 0.1 are acceptable. Additionally, the standardized Beta coefficients show that each variable makes a significant contribution to the explanation of the dependent variable, with Monitoring and Evaluation (Beta = 0.277) and Environmental Scanning (Beta = 0.327) having comparatively greater effects.

The findings show that the model is suitable for making trustworthy inferences regarding the connections between the independent and dependent variables. These results are in line with regression analysis best practices and the recommendations made by statistical authorities like Hair et al. (2006), who stress the significance of low multicollinearity for interpretability and model validity.

4.5.5 Test for Autocorrelation

Autocorrelation	
Model	Durbin-Watson
1	1.771

Table 10: Autocorrelation

Autocorrelation is a statistical method used to evaluate whether the residuals in a regression analysis are independent over time. According to Strand (2006), a Durbin-Watson score close to 2 indicates minimal autocorrelation, which is an essential assumption for the reliability of regression models. In this study, the Durbin-Watson score was calculated as 1.771, which is sufficiently close to the ideal value of 2. This result confirms that there is no significant autocorrelation between residuals, thereby satisfying the assumption of error independence and reinforcing the reliability and validity of the regression model for the data analyzed.

Model Summary [b]									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.845[a]	.714	.699	.29743	.714	45.632	4	73	.000

Table 11: model summary

The model summary further underscores the robustness of the regression, with an R Square value of 0.714, indicating that 71.4% of the variability in the dependent variable (Enhancing Competitive Advantage) is explained by the independent variables (Environmental Scanning,

Strategy Formation, Strategy Implementation, and Monitoring and Evaluation). Additionally, the adjusted R Square value of 0.699 supports the consistency of the model. The F Change value of 45.632 with a significance level of .000 reinforces the model's adequacy for drawing meaningful conclusions.

4.5.6 ANOVA Test

Regression analysis uses the statistical method known as Analysis of Variance (ANOVA) to assess the model's ability to explain variability and assess the importance of the correlations between independent and dependent variables. ANOVA aids in determining whether the model as a whole fits the data more accurately than a model without predictors (Hair et al., 2006).

The impacts of the independent factors (Environmental Scanning, Strategy Formation, Strategy Implementation, and Monitoring and Evaluation) on the dependent variable (Enhancing Competitive Advantage) were investigated in this study using the ANOVA test. The findings, which are shown in the table, support the importance of the regression model in describing the dependent variable's variability.

Table 12: ANOVA

ANOVA[a]						
636		Sum of Squares	df	Mean Square	F	Sig.
	Regression	16.147	4	4.995	45.632	.000
	Residual	6.458	73	0.88		
	Total	22.605	77			

The ANOVA results from the data indicate a strong and statistically significant regression, as the p-value is < .001, which is well below the threshold of 0.05. This implies that the independent variables (Environmental Scanning, Strategy Formation, Strategy Implementation, and Monitoring and Evaluation) collectively have a significant impact on the dependent variable, Enhancing Competitive Advantage. The F-value of 45.632 further supports the strength of the model, demonstrating that the variability explained by the regression is much greater than the

variability due to random chance. These findings confirm that the strategic management practices analyzed in this study play a crucial role in influencing competitive advantage.

4.6 **Regression Coefficient**

The standardized Beta coefficients from the regression coefficient analysis demonstrated how changes in the independent variables affected the dependent variable. The predictors with the highest Beta coefficients contributed significantly to the model and had the most effect on the expected result. All of the study's independent variables were statistically significant at the 5% significance level ($p < 0.05$) and within a 95% confidence interval, as shown in Table 20. This outcome demonstrates that the enhancement of competitive advantage was positively impacted by the independent factors.

Additionally, each predictor's statistical significance highlights how crucial they are for creating competitive advantage and confirms that the regression model is reliable for describing the relationships in the dataset.

Table 13: Regression Coefficient

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.017	.304		.055	.956
Environmental scanning	.361	.090	.327	4.001	.000
Strategy Formation	.208	.089	.214	2.372	.023
Strategy Implementation	.197	.086	.197	2.287	.025
Monitoring and Evaluation	.258	.090	.277	2.869	.005

Regression Coefficient Interpretation

The regression coefficients provide insights into the relationship between each independent variable and the dependent variable (Enhancing Competitive Advantage) in the model. Using the formula for a regression equation:

$Y=\beta0+\beta1X+\beta2X+\beta3X+\beta4X$

Where,

- Y: Dependent variable (Enhancing Competitive Advantage)
- β0: Constant (intercept)
- β1,β2,β3,β4, Coefficients for the independent variables
- X1,X2,X3,X4: Independent variables (Environmental Scanning, Strategy Formation, Strategy Implementation, and Monitoring and Evaluation)

$Y=0.017+0.361(X1)+0.208(X2)+0.197(X3)+0.258(X4)$ meaning the constant (0.017) in SPSS refers to the intercept in "Y"axis where the regression line crosses the axis.

Regression Analysis Supported by Previous Findings

Environmental Scanning: Environmental scanning shows the highest standardized coefficient ($\beta = 0.327$, $p < 0.001$), indicating its strong influence on the dependent variable. This underscores the critical role of identifying external opportunities and threats in shaping organizational performance. Aguilar (1967) emphasized that environmental scanning enables organizations to gather information about market trends, competitor activities, and technological advancements, which are essential for strategic adaptability. Similarly, Ginter et al. (2006) highlighted that organizations that actively engage in environmental scanning are better positioned to anticipate changes and respond proactively, thereby gaining a competitive advantage.

Strategy Formation: Strategy formation significantly impacts the dependent variable with a standardized coefficient of $\beta = 0.214$ ($p = 0.023$). This aligns with the view of Mintzberg et al. (2005), who argued that effective strategy formation involves a systematic analysis of internal

and external factors, allowing organizations to align their strategic objectives with market realities. The structured approach to strategy formulation ensures clarity in organizational direction, enhances resource allocation, and fosters sustainable competitive advantages. This finding reinforces the importance of a robust strategic planning process as a key determinant of organizational success.

Strategy Implementation: Strategy implementation has a notable impact, as reflected by a standardized coefficient of $\beta = 0.197$ ($p = 0.025$). This demonstrates the importance of effectively executing formulated strategies to achieve organizational goals. Hrebiniak (2006) emphasized that strategy implementation is often the most challenging phase of the strategic management process, requiring strong leadership, resource alignment, and clear communication. Without effective implementation, even the best-formulated strategies fail to deliver desired outcomes. This finding highlights the necessity of operational efficiency and employee engagement in translating strategic plans into actionable results.

Monitoring and Evaluation: Monitoring and evaluation also play a substantial role, with a standardized coefficient of $\beta = 0.277$ ($p = 0.005$). This underscores the importance of continuous tracking and assessment of strategic initiatives to ensure alignment with organizational goals. Kaplan and Norton (1996) demonstrated that robust evaluation mechanisms, such as the Balanced Scorecard, enable organizations to measure performance, identify gaps, and make informed adjustments. Effective monitoring and evaluation processes foster a culture of continuous improvement and adaptability, ensuring long-term growth and sustainability.

Hypothesis testing

Hypothesis One : The hypothesis is fully supported, as the coefficient of 0.327 indicates that for every 1% increase in Environmental Scanning, Competitive Advantage improves by approximately 32.7%, holding other variables constant. With a significance level of 0.000 (< 0.05), this relationship is statistically significant and demonstrates a strong positive impact.

Hypothesis Two: The hypothesis is fully supported, as the coefficient of 0.214 implies that a 1% improvement in Strategy Formation will enhance Competitive Advantage by 21.4%, holding

other variables constant. With a significance level of 0.023 (< 0.05), this relationship is statistically significant.

Hypothesis Three: The hypothesis is partially supported, as the coefficient of 0.197 suggests that a 1% improvement in Strategy Implementation will enhance Competitive Advantage by 19.7%, holding other variables constant. With a significance level of 0.025 (< 0.05), indicating that this relationship is statistically significant.

Hypothesis Four: The hypothesis is fully supported, as the coefficient of 0.277 indicates that a 1% improvement in Monitoring and Evaluation will enhance Competitive Advantage by 27.7%, holding other variables constant. With a significance level of 0.005 (< 0.05), this relationship is statistically significant.

4.7.Discussion of Results

The results of the regression analysis show that strategic management techniques have a major impact on boosting competitive advantage. Monitoring and Evaluation ($\beta = 0.280$, $p = 0.003$) and Environmental Scanning ($\beta = 0.357$, $p < 0.001$) had the highest beneficial effects, according to the standardized beta coefficients, which show the relative contributions of the independent variables. These results are consistent with earlier studies, such those conducted by Barney (1991), which highlighted the value of ambient scanning in seeing opportunities and dangers in order to keep a competitive edge. Kaplan and Norton (1996) also emphasized that regular monitoring and assessment guarantee alignment with strategic objectives, which improves organizational performance.

The normality assumption necessary for trustworthy regression analysis was satisfied by the Normal P-P Plot and histogram, which verified that the residuals were normally distributed (Hair et al., 2006). These findings allay worries about skewed or incorrect conclusions by validating the regression model's resilience. The normalized residual scatterplot showed homoscedasticity, with errors dispersed at random along the horizontal axis. The model's aptitude for elucidating

the connections between the predictors and the dependent variable is guaranteed by this consistency in error variance.

Furthermore, multicollinearity was not an issue because all Variance Inflation Factor (VIF) values were below 3 and tolerance values were higher than 0.1, both of which met the Hair et al. (2006) recommended standards. This demonstrates that the independent variables promote the dependability of the model by providing distinct information without undue correlation.

The assumption of no substantial autocorrelation was satisfied by the Durbin-Watson statistic (1.791), which further validated the residuals' independence (Strand, 2006). A strong model fit is demonstrated by the model's R-Square score of 0.707, which shows that the predictors account for 70.7% of the variability in competitive advantage. The overall statistical significance of the model is further supported by the ANOVA results ($F = 44.005$, $p < 0.001$).

These results highlight how crucial strategic management techniques are for creating competitive advantage, especially environmental scanning, monitoring, and evaluation. The marginally significant result for Strategy Implementation ($p = 0.053$) aligns with prior studies (Mintzberg, 1994) that identify implementation as a complex process influenced by contextual factors. However, its positive beta coefficient indicates that it is relevant to the framework as a whole.

4.7.1 Components of Strategic Management Process

Environmental Scanning: The mean score for Environmental Scanning is 3.8504, with a standard deviation of 0.48986, indicating that respondents generally perceive environmental scanning practices as above average in their effectiveness. The low standard deviation suggests that opinions on this variable are fairly consistent among respondents. This finding aligns with Barney's (1991) resource-based view, which highlights the importance of analyzing external environments to identify opportunities and threats, thereby fostering competitive advantage.

Strategy Formation: With a mean score of 3.9402 and a standard deviation of 0.55243, Strategy Formation is rated positively, reflecting its perceived importance in driving organizational

success. The slightly higher standard deviation indicates moderate variation in responses, possibly due to differences in understanding or execution of strategy formation across organizational levels. This result supports Mintzberg's (1994) emphasis on the critical role of well-designed strategies in shaping competitive outcomes.

Strategy Implementation: The mean score for Strategy Implementation is 3.7628, with a standard deviation of 0.50860, suggesting that respondents view the implementation process as slightly less effective compared to strategy formation. The moderate consistency in responses highlights that implementation challenges may vary across departments. This finding is consistent with research by Kaplan and Norton (2001), which emphasizes the complexities of translating strategies into actionable outcomes.

Monitoring and Evaluation: Monitoring and Evaluation has the highest mean score of 3.9957, with a standard deviation of 0.58231, reflecting strong positive perceptions of its effectiveness. The slightly wider variation in responses may be attributed to differences in how monitoring practices are applied across the organization. This result aligns with Kaplan and Norton's (1996) balanced scorecard framework, which underscores the importance of monitoring and evaluation in ensuring alignment with strategic goals.

Regression Analysis

All strategic management practices—Environmental Scanning, Strategy Formation, Strategy Implementation, and Monitoring and Evaluation—significantly contribute to enhancing competitive advantage, according to the regression analysis, with Environmental Scanning ($\beta = 0.323$, $p < 0.001$) and Monitoring and Evaluation ($\beta = 0.301$, $p = 0.003$) having the biggest effects. With a statistically significant F-value ($F = 44.005$, $p < 0.001$) and a robust overall model, Enhancing Competitive Advantage explained 70.7% of the variance ($R2 = 0.707$). These results support strategic management theories that highlight the combined influence of these techniques and highlight how crucial it is to integrate them to enhance competitive positioning.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

The data collected was analyzed using the Statistical Package for Social Sciences (SPSS) to derive both descriptive and inferential insights. Descriptive statistics, such as percentages and frequencies, were utilized to explore the demographic profiles of respondents, while inferential statistical tools, including correlation, regression analysis, coefficients, and ANOVA, were applied to assess the relationships between the independent variables and the dependent variable. These methods provided a comprehensive understanding of how strategic management practices contribute to enhancing competitive advantage.

The findings revealed that all four strategic management practices had a positive and significant impact on competitive advantage. Monitoring and Evaluation emerged as the most impactful practice (β=0.277,p=0.005\beta = 0.277, p = 0.005β=0.277,p=0.005), emphasizing its critical role in aligning strategies with organizational goals and adapting to dynamic market changes. Environmental Scanning also demonstrated a substantial impact (β=0.327,p<0.001\beta = 0.327, p < 0.001β=0.327,p<0.001), highlighting the importance of identifying external opportunities and threats. These results indicate that Gold Water's strategic management framework is effectively designed to address key competitive challenges.

Furthermore, the correlation analysis revealed strong positive relationships between strategic management practices and competitive advantage. Monitoring and Evaluation showed the highest correlation (r=0.741r = 0.741r=0.741), followed closely by Environmental Scanning (r=0.703r = 0.703r=0.703) and Strategy Formation (r=0.700r = 0.700r=0.700). Strategy Implementation, while showing a slightly lower correlation (r=0.627r = 0.627r=0.627), still demonstrated a significant contribution to achieving competitive objectives. These findings emphasize the importance of an integrated approach to strategic management to ensure long-term success and sustained competitive advantage.

5.2 Conclusion

The study highlights the impact of strategic management practices, Environmental Scanning, Strategy Formation, Strategy Implementation, and Monitoring and Evaluation on Gold Water's competitive advantage.

Environmental Scanning emerged as a key contributor to competitive advantage, enabling the organization to identify external opportunities and mitigate potential threats. By integrating Environmental Scanning into its strategic framework, Gold Water demonstrates its ability to remain responsive to market changes and competitive dynamics.

Strategy Formation has been effective in aligning organizational goals with market demands, ensuring clear objectives and actionable strategies. However, refining these strategies to adapt quickly to emerging challenges and opportunities will further solidify Gold Water's competitive edge.

Strategy Implementation, while positively contributing to competitive advantage, revealed areas for enhancement. Challenges such as resource allocation, communication gaps, and organizational inertia must be addressed to ensure the seamless execution of strategies and to maximize their impact.

Monitoring and Evaluation was identified as the most influential practice for sustaining competitive advantage, underscoring its critical role in aligning strategies with organizational goals and adapting to changing market conditions. Continuous assessment and feedback mechanisms are essential to ensure the relevance and effectiveness of strategic initiatives.

All four strategic management practices are crucial for sustaining Gold Water's competitive advantage. Monitoring and Evaluation and Environmental Scanning play pivotal roles in fostering agility and responsiveness, while targeted improvements in Strategy Formulation and Implementation can further enhance their effectiveness. By adopting an integrated and proactive approach to strategic management, Gold Water is well-positioned to maintain market leadership and achieve long-term success.

5.3 Recommendation

Gold Water should enhance its strategic execution by improving resource allocation and organizational alignment through fostering cross-departmental communication, implementing targeted training programs, and establishing clear accountability and performance benchmarks. Additionally, the company should strengthen its strategic management and data-driven decision-making by expanding the use of Balanced Scorecards, investing in advanced analytics and data visualization tools, and incorporating regular feedback mechanisms such as quarterly reviews. To stay ahead of external challenges, Gold Water must advance its environmental scanning and market intelligence capabilities by establishing a dedicated market intelligence team, utilizing predictive analytics tools, and conducting ongoing training in environmental scanning methodologies.

Furthermore, promoting organizational diversity and employee development is crucial; this can be achieved by diversifying management functions, encouraging cross-functional collaboration, and implementing mentorship and retention programs to preserve institutional knowledge and ensure organizational stability. By focusing on these targeted actions, Gold Water can effectively bolster its competitive advantage and sustain long-term growth in a dynamic market environment.

By implementing these targeted actions, Gold Water can effectively bolster its competitive advantage, ensure sustainable growth, and maintain resilience in an increasingly competitive and dynamic market environment.

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APPENDIX : I

St Mary's University

Department of Business Administration

This questionnaire form is designed to be filled by employees and management at all levels who work in Gold water. This survey will be conducted as part of a research project which shall be submitted in partial fulfillment of Masters of Art Degree in Business Administration. The general purpose of this study is to examine the current strategic management practices. All information provided through this can be used only for academic purposes, hence, your responses will be kept confidential. The soundness and the validity of the findings highly depend on your genuine responses. Therefore, please take the time to carefully complete the questionnaire.

I would like to thank you in advance for your cooperation, contribution and your time. If you have any questions or suggestion, please do not hesitate to call or mail through the following addresses:

Kebron Solomon
Contact: +251933199979
Email: kebronsolomon@gmail.com

Part I : Demographic Data

Instruction: Please mark (✔) your selected answer from the options provided below.

1. Respondent's gender

   ☐ Male ☐ Female

2. Age of Respondents

☐ 21 to 30 years ☐ 31 to 40 years ☐ 41- 50 years

☐ 51 and above

3. Highest level of education completed?

☐ High school or equivalent ☐ Bachelor's degree ☐ Master's degree

☐ Doctorate or higher

Other (please specify) _____

4. What is your current job position?

☐ Financial manager ☐ Operation Manger ☐ HR manager ☐ Engineering manager

☐ Upcountry sales manager ☐ Addis Ababa sales Manager

Other (please specify) _____

5. How many years have you been working at Gold Water?

☐ Less than 1 year ☐ 1-2 years ☐ 3-4 years

☐ 5 and above

Part II : Indicate the extent of your agreement with respect to each of the following statements by marking '✔' in the box of your choice.

1 =Strongly disagree, 2 = Disagree, 3 =Neutral , 4= Agree =, and 5 =Strongly agree

Part II: Environmental scanning

Statement	1	2	3	4	5
Gold Water consistently assessed demographic shifts (such as age, income, and lifestyle changes) to identify new opportunities for growth.					
Changes in consumer attitudes are central to Gold Water's environmental scanning process to effectively adopt the shifting market demands.					
Competitor activities are closely monitored to ensure that Gold Water can adjust its strategies in response to industry dynamics.					
Customer needs are actively analyzed to inform environmental scanning.					
Regulatory changes that may impact the industry are carefully considered, ensuring that Gold Water remains responsive to external constraints.					
The company leverages its organizational culture to enhance the effectiveness					

Part III. Strategy Formation

Statement	1	2	3	4	5
The organization conducts a comprehensive SWOT analysis to assess internal strengths, weaknesses, opportunities and threats.					
Gold water''s long-term vision is clearly communicated to all employees, guiding strategic decision-making.					
Strategic decisions are made with the organization's mission in mind.					
The company's core values are embedded in its strategic planning process for business decisions					
The company involves key stakeholders in the process of setting strategic objectives to ensure broad alignment.					
Strategic objectives are reviewed to ensure they align with organizational capabilities.					

Part IV. Strategy Implementation

Statement	1	2	3	4	5
Gold Water's organizational culture promotes the effective implementation of its strategies to create a foundation for success.					
Employees are encouraged to align their daily tasks and responsibilities with the company's strategic goals to foster a unified effort.					
The company's leadership ensures that organizational strategic priorities are communicated clearly to support the alignment at all levels.					
Gold Water allocates financial resources to strategically support the implementation of key initiatives to address any critical needs.					
The company's infrastructure is well-equipped to support the efficient execution of strategic initiatives to minimize operational delays.					
Implementation plans are realistically structured to consider the availability of resources to ensure goals are achievable within set timelines.					

Part V. Monitoring and Evaluation

Statement	1	2	3	4	5
Gold Water regularly assesses its strategic outcomes in response to evolving market conditions to stay adaptive.					
The company actively incorporates employee feedback on challenges encountered during execution to improve future strategy implementation.					
Financial resources are thoroughly evaluated in the strategy assessment process.					
Evaluation outcomes are applied to improve strategies to enhance the company's competitive advantage over time.					
Results from strategic evaluations are used to make informed adjustments in					

resource allocation to support continuous responsiveness.					
Gold Water's evaluation process supports a cycle of continuous improvement to ensure long-term growth in market share and profitability.					

Part II: Enhancing Competitive Advantage

Statement	1	2	3	4	5
The organization encourages employees to propose innovative ideas for strategic development.					
The organization's strategies focus on building strong customer relationships through responsiveness.					
Quality assurance is integrated into the organization's strategic decision-making process.					
The organization continuously improves processes to ensure efficient delivery of products.					
Customer feedback is regularly analyzed to enhance the company's operations					
The company is quick to embrace new technologies that enhance innovation to optimize its products.					

"Thank you for taking the time to complete this questionnaire"