



ST. MARY UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MASTERS OF BUSINESS ADMINISTRATION

**THE EFFECT OF STRATEGIC LEADERSHIP ON
ORGANIZATIONAL PERFORMANCE: THE CASE OF BANK
OF ABYSSINIA**

By: Meaza Minwalkulet

Advisor: Tewodros Mekonnen (PhD)

**A Research Paper Submitted to ST. Mary's University School of
Graduate Studies in Partial Fulfillment of the Requirements for the
Degree of Masters of Arts in Business Administration**

January, 2025

Addis Ababa, Ethiopia

THE EFFECT OF STRATEGIC LEADERSHIP ON ORGANIZATIONAL PERFORMANCE: THE CASE OF BANK OF ABYSSINIA

By: Meaza Minwalkulet

Advisor: Tewodros Mekonnen (PhD)

**A Research Paper Submitted to ST. Mary's University School of
Graduate Studies in Partial Fulfillment of the Requirements for the
Degree of Masters of Arts in Business Administration.**

DECLARATION

I hereby declared that the thesis Entitled “The Effects of Strategic Leadership on Organizational Performance the Case of Bank of Abyssinia” is my original work prepared under the guidance and support of my advisor Tewodros Mekonnen (PHD). It has been carried out and submitted in partial fulfillment of the requirements for the degree of Masters of Art in Business Administration to the Institute/department graduate studies College of St. Mary University. I also would like to confirm that it has not been previously submitted to any diploma or degree to any college or university as well as all the sources of materials used in the study is duly acknowledged.

Name _____ signature _____ date _____

Approval (Advisor's Approval sheet)

The thesis entitled “The Effect Of Strategic Leadership On Organizational Performance On The Case Of Bank Of Abyssinia The Case Of Bank Of Abyssinia.” submitted by Meaza Minalkulet in partial fulfillment of the requirement for the award of a Master Degree in Business Administration to the institute Department of Graduate studies college of St. Mary university has been carried out under my supervision. Therefore, I hereby approve and recommend that it has fulfilled the thesis requirements and can be submitted to the department for examination as the university advisor.

Main Adviser's Name

Date

Signature

Tewodros Melkonen (PhD) 23/01/2025

A handwritten signature in black ink, appearing to be 'Tewodros Melkonen', written over a horizontal line.

ST. Mary's University
School of Graduate Studies
MBA Program

Certification (Approval of the board of Examiners)

We, hear under as members of the Examining Board of the Final MA open Defense, have read and evaluate the thesis entitled “The Effect Of Strategic Leadership On Organizational Performance The Case Of Bank Of Abyssinia” submitted by Meaza Minwalkulet We certify/ recommend that it has fulfilled the requirement for the partial fulfillment for Master Degree in Business Administration in graduate studies of St. Mary university.

Chair Person:

Name _____ Signature _____ date _____

Internal examiner:

Name _____ Signature _____ date _____

External examiner:

Name _____ signature _____ date _____

Head of the Department:

Name _____ signature _____ date _____

Table of Content

Acknowledgments	x
Abstract.....	xi
CHAPTER ONE	1
INTRODUCTION.....	1
1.2 Background of the Organization	3
1.3 Statement of the Problem	3
1.4 Research Questions	5
1.5 Objectives of the study	6
1.5.1 General objectives	6
1.5.2 Specific objectives	6
1.6 Significance of the Study	6
1.7 Scope of the study	7
1.7.1. Geographical Scope	7
1.7.2 Theoretical Scope	7
1.7.3 Methodological Scope	7
1.10. Organization of the study	9
CHAPTER TWO	10
REVIEW OF LITERATURE	10
2.1 Introduction	10
2.2 Review of Theoretical Literature	10
2.2.1 Concept of Leadership.....	10
2.2.2 Concept of Strategic Leadership.....	11
2.2.3 Importance of Strategic Leadership.....	12
2.2.4 Components of Strategic Leadership.....	13
2.2.5 Organizational Performance	18
2.2.6 Measurement of organizational Performance.....	19
2.2.7 Relationship between Strategic Leadership and Organizational performance	20
2.3 Review of Empirical Literature.....	22
2.3.1 Global Experience	22
2.3.2 Regional Experience.....	26
2.3.3 Industry Experience	28
2.3.4 Research Gap	30
2.4 Conceptual Framework of the study	31
CHAPTER THREE	32

RESEARCH METHODOLOGY AND METHODS	32
3.1. Research Approach	32
3.2. Research Design	32
3.3. Data Source and Types	32
3.4.2 Sampling techniques and sampling size	33
3.5. Tools of Data collection	34
3.6. Methods of Data Analysis and Interpretation	35
3.7. Reliability and validity	35
3.7.1 Validity	35
3.7.2 Reliability	35
3.8. Ethical consideration of the study	36
Chapter Four	37
Data Analysis, Results and Discussion	37
4.2. Demographic Characteristics of Respondents	38
4.3 Descriptive Statistics of Responses	39
4.4 Results of Inferential Statistical	41
4.5 Discussion of Results	49
Chapter Five	54
Summary of Major Findings, Conclusions, and Recommendations	54
5.1. Summary of Major Findings	54
5.2. Conclusions	56
5.3. Recommendations	57
5.4. Recommendations for Further Studies	58
References	59

List of Tables

Table 3.1 Population and sample size.....	32
Table 3.2 Reliability of the questionnaire.....	33
Table 4.1 Demographic characteristics of Respondents.....	35
Table 4.2 Summary of the descriptive statistics of variables of the study.....	37
Table 4.3 Coefficient of Pearson correlation.....	39
Table 4.4 Test for Multicollinearity.....	43
Table 4.5 Model Summary Table.....	44
Table: 4.6 ANOVA- Model Adequacy.....	44
Table 4.7 Coefficient of Regression.....	45

List of Figures

Figure 4.1 Histogram.....	41
Figure 4.2 Linearity Test Result.....	42
Figure 4.3 Test for Homoscedasticity.....	42

Acronomy

BOA Bank of Abyssinia

Acknowledgments

First and foremost, I would like to express my heartfelt gratitude to the Almighty God for His unwavering support and guidance throughout my journey. In times of joy and challenges alike, His presence has been a source of strength, enabling me to pursue my life's achievements and carry out this research with dedication and resilience.

I extend my deepest appreciation to my advisor, Dr. Tewodros Mekonnen, whose generous support. From the initial stages to the final moments, his enlightening guidance and encouragement have profoundly shaped my work and fostered my academic growth. I am truly grateful for his mentorship.

I would also like to express my sincere gratitude to the participants, who have provided unwavering support during the data collection process and throughout my studies. Your readiness to assist me in times of need has been a testament to our strong bonds and camaraderie. I cherish the moments we shared, which made this journey not only bearable but enjoyable.

Lastly, I would like to give a special acknowledgment to my beloved family and friends, especially to my husband, Ato Asegidew W/Selassie and children. Their unconditional love and support have been my anchor during this journey. Ato Asegidew, your encouragement and practical assistance have made balancing my studies and family life so much easier.

Abstract

The study has the objective of examining the effects of strategic leadership on the performance of an organization taking the case of Bank of Abyssinia. The study has used the major five aspects of strategic leadership (setting clear vision, translating strategy into action, aligning people with strategy, determining effective interventions points and developing strategic capabilities of the organization) as variables of strategic leadership. The study was conducted as there has not been adequate research works conducted on topic of the study in the financial industry of Ethiopia. The study has employed a quantitative research approach with explanatory research design to achieve the objectives of the study. Both primary and secondary data sources were used to extract relevant data for the study. The study has focused on the head office of Bank of Abyssinia and selected a sample of 319. However, it was about 271 respondents that filled and returned the questionnaire properly. Questionnaire was used to solicit information from respondents. The collected data were analyzed using both descriptive and inferential statistics with the aid of SPSS software. The results of the study indicates that all of the explanatory variables considered in the study have significant positive effect on the performance of the bank. The effect analysis shows that the model summary of the regression analysis has significant explanatory power with r^2 and adjusted r^2 of .852 and .849 respectively. The ANOVA test result of the study indicates that the model is adequate and fitting in the relationship between the explanatory variables and the dependent variable. Specifically, determining effective interventions points had a highest significant effect while setting clear vision had the least significant effect on the performance of the bank. Finally, the study recommends that the bank give focus for all dimensions of strategic leadership to improve the overall organizational performance of the bank.

Key Terms: Strategic Leadership, Organizational Performance, Bank of Abyssinia, Aspects of Strategic Leadership

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Leadership denotes the application of authority, whether informal or formal, while considering policies and regulations under the law when outlining responsibilities and rights among parties both within and outside the organization's activities, with the goal of ensuring the vision is fulfilled (Onyango, 2015). Leadership is the central component of any organization; nonetheless, their roles and abilities are becoming increasingly complex (Chuang, 2013). Leadership is characterized by the traits of the leader, along with their qualities and actions. Leadership is characterized as a process; however, the majority of theories and research regarding leadership focus on individuals for insights (Horner, 1997). Leadership is the ability to motivate others by setting an inspiring example. An instance is one that inspires individuals to pursue goals that provide a benefit to the organization. Overall, leadership encompasses establishing a future vision for the organization, formulating a plan to realize that vision, and conveying that vision to every member of the organization (James, Richard & Anthony, 2011).

Strategic leadership focuses on the ability to establish a clear sense of purpose and direction, alongside critical enablers that facilitate engagement with key internal and external stakeholders to drive high performance (House & Aditya, 1997). According to Carter & Greer (2013), strategic leadership is grounded in the thinking and visionary capabilities that aim to transform an organization. Shoemaker & Krupp (2013) suggest that strategic leadership involves not only the possession of unique skills for absorbing and learning new information but also the adaptive capacity to respond effectively to the dynamic and complex external environment.

Performance is a term that measures an organization's success and can be defined in various ways. From a process perspective, performance is the achievement of objectives through the transformation of inputs into outputs (Abdulrab et al., 2018). There is a connection between performance, particularly in areas such as the economy, work efficiency, and the realization of outcomes, linking the actual results with the intended goals (Saleh et al., 2018).

Organizational performance has been the ultimate goal for any firm's continued survival in the market (Fullerton & Wempe, 2009). Organizational performance it emphasizes how effectively an organization can use its limited resources to achieve its objectives. This involves not just acquiring resources but also managing and deploying them efficiently to meet operational goals. (Griffin, 2006)

Several studies indicated in the below states that organizational performance have emphasized the need for strategic leadership which can tap into the unique capabilities that firms develop to become successful (Carter & Greer, 2013). Specifically, strategic leadership has been described by most scholars as encompassing a core of critical practices, which include: determining the long term goals of the organization; exploring and exploiting an organization's core capabilities; managing the human and social assets; inculcating a sustainable organizational culture; emphasizing ethical values and formulating and implementing balanced control systems that will not hinder continuous transformation but at the same time ensure organizational stability (Ireland & Hitt 1999; Hagen et al., 1998). Most recent studies on the influence of strategic leadership on performance suggest that it is substantial (Quigley & Graffin, 2017). Thus, it is critical for scholars to pinpoint essential strategic leadership behaviors or practices that will lead to high levels of performance (Mutia 2015; Jansen et al., 2009; Joste & Fourie 2009). Unfortunately, due to inertial forces in the form of organizational and other environmental constraints, some studies have demonstrated that on average, strategic leadership has limited leverage on performance (Fitza, 2017; Hambrick & Quigley, 2014). A possible explanation for these empirical gaps could be how strategic leadership and performance have been conceptualized and measured and the probable intermediate effects of the moderating and mediating variables.

For the Bank of Abyssinia (BOA), this research aims to investigate the effect of strategic leadership on organizational performance. Specifically, it will assess the impact of strategic leadership practices on key performance metrics, including profitability customer satisfaction, market share and organizational growth. Additionally, the study will explore how strategic direction influences resources allocation, risk management, and innovation, and how these decisions contribute to overall performance. Furthermore, it seeks to evaluate the alignment between the strategic vision and goals set by the leadership and the bank's operational strategies. Based on the findings, the study will offer practical recommendation to enhance BOA's strategic leadership approach, fostering improved organizational performance and ensuring sustainable growth in a competitive banking environment.

1.2 Background of the Organization

The present-day Bank of Abyssinia was established on February 15, 1996 (90 years to the day after the first but defunct private bank was established in 1906 during Emperor Menelik II) in accordance with 1960 Ethiopian commercial code and the Licensing and Supervision of Banking Business Proclamation No. 84/1994.

Currently, employing state-of-art banking technology, the Bank provides excellent domestic, international, and special banking services to its esteemed and valuable customers. It also strives to serve all economic and service sectors via its ever-increasing branch networks throughout the country. Bank of Abyssinia still strives to identify bankable area every year and serve valuable customers by expanding its branch networks throughout the country.

The strategic foundations, including Vision, Mission, and Values, have been carefully reviewed and revised to enhance the strength and create strong employee commitment. As a result, the updated strategic foundations are as follows:

Vision: “Empowering futures through seamless digital banking experience.”

Mission: “To deliver exceptional financial services leveraging competent, motivated employees, and cutting-edge digital technology to maximize value to all stakeholders.”

Core Values include Integrity, Trust, Excellence, Teamwork, Innovation and Caring.

(Corporate Strategy Plan 2024/25 – 2028/29)

1.3 Statement of the Problem

Strategic leadership plays a vital role in managing the intricacies of the contemporary global business landscape. It includes the capability to lead teams successfully while tackling complex issues that stem from both internal dynamics and external market influences. This type of leadership demands not only a profound comprehension of organizational objectives but also the ability to handle intricate information and make knowledgeable choices (Deeboon-mee & Ariratana, 2014). In the last twenty years, the realm of strategic leadership has changed considerably, but its influence on organizational performance is still variable and insufficiently examined.

Studies show that successful strategic leaders are defined by their skill in recognizing and addressing real challenges, which can be divided into three specific components: complexity, time frames, and concentration (Guillot, 2003). Hitt (2008) contends that for strategic leadership to improve overall performance, it should offer a definite strategic direction that corresponds with the requirements of different stakeholders. Jassmy and Bhaya (2016) highlight that having a clearly articulated strategic direction is crucial for organizations to effectively address consumer needs while staying competitive in the marketplace.

Regardless of these claims, the link between strategic leadership and organizational performance is not simple. Some researchers, including Carter and Greer (2013), argue that strategic leaders make concerted efforts to reach organizational objectives, whereas others, like Oladele and Akeke (2016), propose that certain elements of strategic leadership may not enhance performance results. Their results suggest that only certain behaviors, like inspirational leadership, show a notable relationship with enhanced performance indicators. This inconsistency indicates a significant gap in comprehending the subtleties of how different aspects of strategic leadership affect performance.

Moreover, empirical studies (Boal & Hooijberg, Jooste and Hamani) have highlighted methodological limitations that undermine the clarity of the relationship between strategic leadership and organizational performance. Many existing studies have relied on demographic variables as proxies for more complex moderating or mediating factors (Boal & Hooijberg, 2001). This approach fails to capture the intricate dynamics at play, leading to a superficial understanding of how strategic leadership practices can be optimized for better outcomes.

In diverse contexts, such as South Africa and Kenya, research has identified key strategic leadership practices that correlate with enhanced organizational performance. However, the specific mechanisms through which these practices exert their influence remain poorly understood. For instance, Jooste and Hamani (2017) suggest that effective strategic resource allocation in South African firms is closely tied to strategic leadership actions, ethical norms, and organizational controls. Yet, these studies do not delve deeply into the underlying processes that facilitate this relationship.

In Ethiopia, Misrak (2023) has examined the impact of various leadership styles on organizational performance within the shipping and logistics sector. While the study identifies significant effects of democratic, autocratic, and transactional leadership styles, it overlooks the distinct contributions of strategic leadership, particularly in the banking industry. This oversight underscores a critical gap in the literature, highlighting the need for a focused investigation into the specific effects of strategic leadership on performance metrics within this sector.

The banking industry, characterized by rapid changes and increasing competition, presents a unique context for examining the influence of strategic leadership on organizational performance. There is a pressing need to understand how strategic leadership practices can effectively drive key performance indicators such as financial results, market share, and operational efficiency. However, in the banking industry in general and Bank of Abyssinia in particular, there is very limited research conducted so far concerning this topic. Additionally, it is crucial to identify the major strategic leadership factors that shape the organizational performance of banks, and providing a comprehensive view of how strategic leadership can be leveraged to enhance organizational success. Besides, there is very few researcher works that investigated the relationship between strategic leadership and organizational performance in Ethiopian context.

This research aims to address these gaps by systematically investigating the extent to which strategic leadership influences organizational performance in the banking sector. By identifying the facilitating factors that affect this relationship, the study will offer actionable insights for organizations seeking to refine their strategic leadership processes. Ultimately, this research will contribute to a deeper understanding of how effective strategic leadership can drive organizational success in an increasingly dynamic and competitive environment.

1.4 Research Questions

1. How does setting clear vision affect organizational performance in Abyssinia Bank S.C?
2. what is the effect of translating strategy in to action affect organizational performance of BOA?
3. How dose aligning people with strategy affect organizational performance of BOA?
4. What is the effect of determining effective intervention point on organizational performance of BOA?
5. What is the effect of developing strategic capability on organizational performance of BOA?

1.5 Objectives of the study

1.5.1 General objectives

The general objective of this study is to investigate the effects of strategic Leadership on organizational performance in the case of Abyssinia Bank S.C.

1.5.2 Specific objectives

The following are the specific objectives of the study

1. To analyze the effect of setting clear vision on organizational performance of BOA
2. To evaluate the influence of translating strategy in to action on organizational performance of BOA.
3. To investigate the effects of aligning of people with strategy on organizational performance of BOA
4. To examine the effects of determining effective intervention point on organizational performance of BOA.
5. To identify the effect of developing strategic capabilities on organizational performance of BOA.

1.6 Significance of the Study

This study significant to Abyssinia Bank S.C. These benefits include Improved Operational Efficiency, Informed Decision-Making, and Aligning organizational goal with strategic vision and how effective strategic leadership can enhance employee understanding of their role and contribute leading to higher engagement and long run sustainability all of which are crucial for the banks continued successes in a competitive environment.

This study for the other similar bank the findings from this study can serve as a valuable resource for other banks, offering them guidance on improving their own strategy leadership processes, enhancing operational performance, and achieving their strategic goals more effectively.

This study to the researcher the study can contribute valuable knowledge to the academic field of strategic leadership and banking. This can enhance the researcher's academic profile and provide a foundation for future research or publication conducting this research allows the researcher to gain in-depth knowledge about strategy leadership and its impact on operational performance within the banking sector.

For other researcher the study offers of benefits to other researchers by providing a comprehensive case study, methodological guidance, and practical insights. It helps enrich academic literature, identifies research gaps, and offers a foundation for further exploration and comparative analysis in the field of strategy management and operational performance.

1.7 Scope of the study

1.7.1. Geographical Scope

Geographically, the research is centered at the head office of Abyssinia Bank S.C. in Addis Ababa, Ethiopia. While the primary focus will be on the head office, the study may also consider the influence of strategic leadership on regional branches and operations. This broader perspective will help to understand the overall effectiveness of leadership strategies across different locations within the organization.

1.7.2 Theoretical Scope

The study draws on established frameworks of strategic leadership and organizational performance. Key theories will include transformational leadership, which emphasizes vision and inspiration, and contingency theory, which suggests that effective leadership is dependent on contextual factors. By integrating these theoretical frameworks, the research aims to provide a comprehensive understanding of how strategic leadership influences various performance indicators.

1.7.3 Methodological Scope

The study employed a quantitative research approach, utilizing an explanatory research design to explore the relationships between strategic leadership components and organizational performance. Data collection will involve both primary and secondary sources. Primary data will be collected through surveys and structured interviews with key stakeholders, including senior management and employees, to gather direct insights into leadership practices. Additionally, secondary data, such as financial reports and performance metrics, will be analyzed to assess the impact of strategic leadership on various aspects of organizational performance, including financial results, market positioning, and productivity.

1.8 Limitation of the Study

Although all study is not free from limitation, therefore, this study had some limitations as well. The main limitation was time to contact the informants hence they are always at their work the other limitation was secondary sources of information as a strategic leadership issue is not well studied in the country. Besides, the researcher aimed and proposed to use primary data as a data collection method, due to time constraints limited to using survey questionnaires only.

1.9 Operational definition of key terms

The following are the major terms which are used in this research work.

Strategic leadership: Strategic leadership involves the skill to steer and inspire an organization towards its long-term objectives while managing intricate and evolving environments. It merges a future-oriented vision with the capacity for execution (Quigley & Graffin, 2017).

Organizational Performance: Organizational performance refers to how effectively an organization achieves its goals and objectives. It encompasses various metrics and indicators that measure the efficiency and effectiveness of its operations, strategies, and overall health. (Griffin, 2006)

Setting a clear vision; Setting a clear vision involves defining a compelling and inspiring future state for an organization's strategy that guides its direction and decision-making engagement and driving collective efforts toward achieving common goals (Rowe & Nejad, 2009).

Translating strategy in to action: Translating strategy into action involves taking a strategic plan and implementing it through concrete steps and initiatives. This process ensures that the organization's goals are not just theoretical but are actively pursued (Davies, 2003).

Aligning people with strategy: Aligning people with strategy involves ensuring that all employees understand, support, and are actively working toward the organization's strategic goals. This alignment is crucial for fostering a cohesive and effective work environment. By aligning people with the strategy, organizations can create a unified effort toward achieving their goals, enhancing overall performance and fostering a sense of purpose among employees (Grundy, 1998) and (Gratton, 2000).

Determining effective intervention point: Determining effective intervention points involves identifying specific moments or areas within an organization where targeted actions can significantly impact performance, behavior, or outcomes. This process is crucial for implementing changes, improving processes, or addressing issues (Parikh, 1994).

Developing strategic capabilities: Developing strategic capabilities refers to the process of building and enhancing an organization's skills, resources, and competencies to effectively execute its strategy and achieve its long-term goals. By developing strategic capabilities, organizations can better position themselves to respond to challenges, seize opportunities, and sustain competitive advantage in their respective markets (Davies, 2004).

1.10. Organization of the study

The research will be organized into five chapters as follows. Chapter one will include a background of the study, statement of the problem, basic research questions, objectives of the study, research hypothesis, significance of the study, scope of the study, operational definitions of key terms, and organization of the study. Chapter two will have a review of relevant related literature. In this second chapter, the theoretical and empirical foundations of the study will be presented. Chapter three will encompass research methodology which will include sampling techniques, methods of data collection, and methods of data analysis. In chapter four results and discussion of the study will be presented in detail. The last chapter will present the summary of findings, conclusions, and recommendations of the study. The summary of findings will be made based on the results in chapter four. The conclusions will be drawn from the summary of findings with practical.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Introduction

This chapter examines the concept of strategic leadership on organizational performance. It gives a review of leadership and strategic leadership, organizational performance, importance of strategic leadership and measurement of organizational performance relationship between strategic leadership on organizational performance.

2.2 Review of Theoretical Literature

2.2.1 Concept of Leadership

Interaction patterns, role relationships and occupation of administrative positions. Leadership is the process of influencing others to understand and agree about what needs to be done and how to do it; and According to Yukl (2006), leadership has been defined in terms of traits, behaviors, influence, the process of facilitating individual and collective efforts to accomplish shared objectives. House et al (1999) defined leadership as the ability of an individual to influence, motivate and enable others to contribute toward the effectiveness and success of the organizations. In the context of strategic management, Weihrich and Koontz (1993) described leadership as the art and process of influencing people so that they will strive willingly and enthusiastically to achieve the mission of the organization

Leadership can, therefore, be regarded as an important determinant of organizational success. Leadership can exist at all levels of organizations. According to Dent (2005), three levels of leadership can be distinguished: team leadership operates at team level and its prime responsibility is the people who work with it and the achievement of the goals for which they are jointly responsible; operational leadership is responsible for a functional area in the organization, all the human capital in that functional area, and for contributing to decisions in their own specialist areas; and strategic leadership is at the top level of the organization and is responsible for a range of organizational functions and for contributing to major decisions.

2.2.2 Concept of Strategic Leadership

There are a few formal definitions of the concept of strategic leadership in the literature. Rowe (2001) suggested that strategic leadership involves a synergistic combination of visionary and managerial leadership to influence those with whom they work with to make decisions on a voluntary basis. Hagan et al (1998) stated that strategic leadership is an extremely complex but critical form of leadership. According to these authors, strategic leadership is multifunctional, involves managing through others, and helps organizations to cope with change that seems to be increasing exponentially in the contemporary business environment. Strategic leadership requires the ability to integrate both internal and external business environments of the organization, and to manage and engage in complex information processing. Strategic leadership is therefore the leader's ability to envision, anticipate and maintain flexibility and to empower others to create strategic change as necessary (Hitt 2007).

Strategic leadership demands leaders to develop and communicate the organization purpose (vision); tactfully organize the human resource capabilities and competencies with the task at hand; exercise high intensity of integrity and ethical standards; deliver extraordinary performance; and sustain a competitive advantage. These elements exist in dynamic tension, each demanding the leader's time and energy. When a leader discovers the need for major revitalization of the organization, it becomes necessary to find ways to inspire people with a vision of a better future that is sufficiently attractive to justify the costs of changing familiar ways of doing things. There is no more powerful force in driving an organization toward excellence and success than attractive, worthwhile and achievable vision, widely shared (Bass, 1985). An organization driven by accelerating technological change, staffed by a dense, multicultural mix of highly intelligent knowledge workers, facing global complexity and multiple mission demands would self-destruct without a common sense of direction. This vision must then be communicated effectively to the workforce for better results (Boal, & Bryson, 1988).

2.2.3 Importance of Strategic Leadership

Strategic leadership focuses on the ability to establish a clear sense of purpose and direction, crucial in engaging with important internal and external stakeholders to achieve high performance (House & Aditya 1997). Carter & Greer (2013) believe that strategic leadership involves utilizing thinking and visionary skills to establish a transformative organization. Shoemaker & Krupp (2015) claim that strategic leadership involves more than just having special skills to assimilate new information and ideas; it also requires the ability to adapt and respond effectively to the dynamic and complex external environment. They also suggest that these skills enable strategic leaders to adapt the organization strategically and tactically in order to respond to the unpredictable environment.

Strategic leaders create and convey choices for the future of their organization. (Bass, 2007). They establish the organization's objectives and plans; create frameworks, procedures, regulations and essential skills for the organization; oversee various stakeholders; select important leaders; develop the future executive generation offers guidance concerning organizational strategies; uphold a productive organizational culture; preserve a framework of moral principles; and act as the constituencies, along with engaging in negotiations with them. These ideas align with the critical criteria for effective strategy outlined by (Ireland and Hitt 1999).

Strategic leaders are mainly focused on the future, act proactively, and are willing to take risks. These leaders ground their choices and behaviors in their principles and ideal, seeking to communicate their vision of what is desired to others within the organization (Rowe & Nejad, 2009). Strategic leaders represent a harmonious blend of managerial and visionary leadership.

Strategic leadership involves the capacity to sway others to willingly make everyday choices that improve the organization's long-term sustainability while also ensuring its short-term financial health. Visionary leadership looks ahead and entails taking risks; visionary leaders do not rely on their organizations to define their identity. With visionary leaders, organizational control is upheld via socialization and the adherence to a shared set of norms, values, and beliefs. Managerial leadership entails maintaining stability and organization, while upholding the current structure. As noted by Rowe (2001), managerial leaders prefer managing daily operations and focus on the short term.

Rowe (2001) analyzes how strategic leadership contributes to wealth creation within organizations. He references Ireland and Hitt, who assert that, in the absence of strong strategic leadership, the likelihood of an organization attaining exceptional or even acceptable performance in facing the challenges of the global economy will significantly decrease. Strategic leadership guides individuals to willingly make everyday choices that improve the organization's long-term sustainability, while also ensuring its short-term financial health. Ongoing wealth generation, consistent growth and development, along with a strong financial position in the near term, are more probable with strategic leadership.

As highlighted by Nutt and Backoff (1997), research on visionary leadership emphasizes the reality that capable senior managers can create and convey to their followers some vivid and persuasive visuals, which acknowledge and leverage traditions and provides their organizations with creative methods to enhance by introducing enthusiasm and dedication to the job.

2.2.4 Components of Strategic Leadership

Vision and Direction-setting

Strategic leaders prioritize beyond merely managing current operations; they create a future-oriented structure and vision for the organization (Ireland and Hitt 1999). The objective of strategy is to transform the ethical aim and vision into reality.

Vision is a vital component for individual in a leadership role as it is intricately connected to goals aimed at the future (Orndoff, 2002). A vision is merely a perspective on how a person wishes the future to unfold. Will provide an account, with sufficient detail, of accompany or department in two five or more years. A vision can also as a reach for something improved.

The creation of organizational vision and the capacity to handle the change brought about by these visions are fundamental organizational skills that promote a competitive edge for firms (Zaccaro & Banks, 2004).

Establishing the strategic course for the organization requires formulating a long-term vision. An organization's long-term vision typically examines a timeframe of at least five to ten years ahead (Hitti et al 2001) Hagon and its colleagues (1998) .strategic intent involves utilizing the internal resource strengths and core of the organization to achieve that may initially a particular performance standard having strong confidence in the product and industry and concentrating entirely on excelling in their tasks compared to the organization's

rivals (Hamel & Prahalad,2005).Porter (Hammonds,2001)argues that the primary strategist of any organization must be the leader- the CEO.A stated by Hammonds(2001),much businesses thought has emphasize the concept of empowerment, which involves delegating responsibility and engaging a wide range of individuals. This is vital, yet empowerment and involvement are not relevant to the internal recourse strength and core of the organization to achieve the final act of decision-making. They also contend that strong visions provide a picture of what the organization is evolving into. Visions hold value solely when they are put into action, and for this purpose, effective leadership requires robust change management abilities. The capacity to formulate and convey a vision, along with empowering the organization to achieve it through extensive strategic, structural and policy modifications that the vision demands, is essential for the organization's leadership. Middle management must convert visions in to both long-term and short-term strategic plans, whereas operational managers operate within a very brief time frame.

Translating strategy into action

The strategy can be communicated in three ways: orally, in writing, or through structure. The method leaders use to communicate the strategic purpose and direction of the organization is through oral articulation in strategic conversations. This idea will be expanded upon when examining strategic discussions. Written articulations are official declarations and strategies that are easily identifiable from immediate operational plans. Structural articulation involves the framework that sustains and enhances the strategic approach, such as creating distinct futures or strategy meetings that are conducted separately from operational meetings.

Next, we need to establish a mutual comprehension of potential outcomes through the exchange of experiences and visuals. This phase of construction involves creating a vivid and coherent image of how this new method of operation would appear. This requires educating individuals in the school about different views and experiences, and establishing a consensus within the school that maintaining the status quo will not suffice for future effectiveness.

Next, the leadership must establish a common conceptual or mental roadmap of the future through discussions. The ability of strategic leaders lies in their capacity to step back and describe the key aspects of the existing organization - referred to as the strategic architecture of the school - and guide others in envisioning the future of the school and the new architecture. This could include the act of improving engagement and enthusiasm for grasping the need for change, as outlined by Davies, (2003), through deliberate discussions. Importantly, it relies on top-notch data from both internal and external sources, playing a crucial role in the strategic analysis supporting the discussion.

Next, it is essential for the leadership to clearly outline the goals they want to achieve and the steps needed to reach those goals. This will create a definitive image of the school's new strategic framework. Tichy and Sharman (1993) describe this phase as the process of recognizing a set of tasks that must be completed in order to transition the organization from its present condition to its desired future state. The importance of this method lies in the fact that stage 4 can become a part of the organizational culture only after stages 2 and 3 have been thoroughly addressed.

Aligning the people and the organization to the strategy

Alignment refers to the ideal condition where strategy, employees, customers and key process function together to drive growth and profits. Coordinate organization experience higher level of customer and employee satisfaction and achieve better return for stakeholders (Labovitz ,2004). He asserts alignment provides manager across all tiers of the organization the capability to swiftly implement a unified business strategy, prioritize complete customer focus, cultivate top-tier talent and constantly enhance business process-all simultaneously. Tactical alignment also offers the way to assess the efficiency of entities.

Khadem (2008) asserts that alignment is necessary a focal point or reference frame for all staff, which is the vision, principles and approach of the organization. Alignment thus signifies aligned with the organization's vision, values, and strategy. Therefore, as stated by Khadem (2008), the best method to develop an organization's business strategy One effective way is via alignment and continued engagement. This condition of alignment indicates that everyone within the organization comprehends the strategy, supports it, and knows how to make a genuine impact and works towards achieving that goal.

Wilson (1997) asserts that organizational change involves altering both mission and strategy and culture and behavior. The belief is that changing mission and strategy cannot be achieved without also changing culture and behavior. The crucial aspect is transforming both the mindset and behavior of individuals in the organization. Grundy (1998) and Gratton (2000) acknowledge the significance of ensuring that people are aligned.

Strategic discussions: creating strategic dialogues and conversations requires talking about comprehensive organization-wide issues and the upcoming trends affecting the organization in the coming years, as outlined in the works of Hirschhorn (1997), Van der Heijden (1996), and Davies, (2002). These discussions help individuals to form a strategic outlook on the potential future of the organization. The future cannot be articulated without even the most hesitant conversations.

Strategic engagement: as defined, the discussions result in increased understanding and involvement in talks. Moving from a focus on short-term concerns to engaging in broader, long-term strategic issues can be challenging and time-consuming. Transforming the organization can involve a re-culturing process (Fullan, 1993; Hargreaves, 1994; Stoll et al., 2002). Increasing awareness and engagement in conversations is essential for organizations to develop strong leadership skills. The important skill is to create engagement in the company's extended growth. Strategic organizations engage a variety of staff members' abilities and talents to involve everyone in creating and committing to the organization's strategic direction.

Creating a clear purpose that inspires individuals to contribute results in increased dedication and hard work. Gratton (2000) promotes the development of 'emotional abilities', 'capabilities for building trust', and abilities to establish a psychological agreement as a way of staff engagement. Having a dedication to principles and goals in the long run gives people a sense of purpose and guidance, helping them to see short-term issues and obstacles in the bigger picture. Being active is more important than having paperwork. Actions speak louder than words, so having great documentation is useless if people don't actually follow through with the plan.

Developing skills: the strategic dialogue and increased involvement improve personal and organizational abilities and potential. Since the primary asset of a company is the caliber of its employees, improving this caliber ought to be a central focus for the organization. Distinguishing between capability and capacity is beneficial.

Determining effective intervention points

Deciding when to make a major strategic shift is just as important for achieving success as determining which strategic shift to make. Timing can be influenced by leader's instinct, according to Parikh (1994), in addition to rational examination. Balancing the readiness of individuals, organizational needs, and external constraints is essential for successful change within an organization. This kind of discernment involves understanding not just what and how, but also when (Boal and Hooijberg, 2001), as well as knowing what actions to avoid (Kaplan and Norton, 2001). Hence, we could include in this roster the act of relinquishing or abandoning something in order to make room for taking on the new endeavor

Developing strategic capabilities

Competitive advantage is perceived to be based on a combination of competences, capabilities, skills, and strategic assets held by an organization, or in other terms, from the clever management of physical and intellectual resources that constitute the core capability of the enterprise. Teece et al. (1991) characterize core capabilities as "a collection of unique skills, supporting resources, and processes that establish the foundation for a company's competitive abilities and enduring advantage in a specific industry." These capabilities or core competencies are not based on separate independent skills but are "the integration of a range of skills, technologies, and knowledge streams" (Hamel and Prahalad, 1994). Consequently, the resource-based perspective appears to contest the structural view of strategy exemplified by Porter's competitive forces model; however, what the resource-based approach lacks is "a thorough framework that illustrates how different elements within the organization engage with one another over time to generate something novel and distinctive" (Nonaka and Takeuchi, 1995).

In "Developing Strategic Capability: An Agenda for Top Management," C.K. Prahalad (2006) emphasizes the crucial role of top management in building and sustaining strategic capabilities essential for a company's success in competitive markets. Strategic capability is defined as a company's ability to consistently leverage and enhance its resources and skills to gain a competitive advantage, which are typically difficult to imitate and foster a unique market position.

The article highlights the necessity of senior leadership in creating a clear organizational vision, fostering a culture of innovation and long-term planning, aligning resources with strategic goals, and ensuring flexibility to adapt to external changes. Prahalad advocates prioritizing core competencies shared knowledge and skills that deliver unique value to customers and developing dynamic capabilities to respond to market shifts, technological advancements, and emerging competitors. He argues that allocating resources to bolster long-term strategic capabilities over immediate financial returns ensures organizational readiness for future challenges. Additionally, establishing a clear strategic intent, with guiding principles aligned to long-term objectives, is crucial for maintaining focus and driving the organization forward.

Prahalad and Hamel (1990) refer to 'core competencies' while Stalk et al. (1992) refer to strategic capabilities.' The comparison can be made with a tree, with short-term abilities represented by the branches and the organization fundamental capabilities represented by the roots. For the organization to thrive and last in the long run, it must enhance its strategic capabilities a focus on problem-solving instead of blaming staff and evaluating for learning instead of focusing solely on evaluating learning. In order to provide the organization with strong strategic capabilities, creativity in problem-solving and teamwork are essential. The urgency to achieve immediate goals may result in delaying more substantial long-term advancements.

Davies states (2004: 1) argues that: in my view, the challenge was to maintain short-term improvements in standards while also fostering a dedication to the broader perspective. Establishing organizational frameworks and procedures for fostering critical thinking was crucial to maintaining excellence over time and enhancing learning outcomes. There would be no short-term solutions that are not sustainable; a strategy was needed for these simultaneous advancements. We could easily prepare for some developments, but for the majority, we had to establish capability.

2.2.5 Organizational Performance

Performance is the record of results achieved on a given action during a given period of time (Wang et al, 2011). Therefore, performance is identified through output, streamlined internal processes, profits, attitudes of workers, customer satisfaction among others (William 2002). On the other hand, organizational performance is defined as Organizational performance has been defined as the ability of an organization to achieve goals such as high profit, quality product, large market share, good financial results and sustained competitive

advantage with workable and relevant strategies (Obiwuru, Okwu, Akpa and Nwankwere, 2011). Ozer and Tinaztepe (2014) defined organizational performance as the outcomes of an organization in terms of its financial performance, product market performance and shareholder return. Organizational performance covers three specific areas of an organization's outcomes, which are the financial performance, the product market performance and the shareholder return (Richard, Devinney, Yip and Johnson, 2009).

As per Chen (2002, p.432), a firm's performance is the "transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved outcome (effectiveness)" Richard (2009) states three areas in the organization's outcomes that can be used in measuring its performance: commercial performance (incomes, investment return), return to shareholders (return of the shareholders) and performance of the product in the market (annual turnover, market share), employee stewardship, customer satisfaction and CSR.

2.2.6 Measurement of organizational Performance

Organizational performance refers to how well an organization is achieving its objectives and goals. It is a measure of how effectively and efficiently an organization is using its resources, both human and non-human, to accomplish its mission and deliver value to its stakeholders. Organizational performance can be measured in many ways, such as financial metrics, customer satisfaction, employee engagement, productivity, innovation, and environmental impact, among others. Different stakeholders may have different perspectives on what constitutes organizational performance and may prioritize different metrics depending on their interests and goals. Organizational performance is critical for an organization's success and sustainability. By measuring and improving organizational performance, organizations can achieve their objectives, remain competitive, and create value for their stakeholders.

Measuring organizational performance involves evaluating how well an organization is achieving its objectives and goals. There are several methods and tools for measuring organizational performance, including:

Key Performance Indicators (KPIs). These are metrics that organizations use to track progress towards specific goals. KPIs can be financial or non-financial, quantitative or qualitative, and are often used to assess performance over time.

Balanced Scorecard. The Balanced Scorecard is a strategic planning and management tool that helps organizations align their activities with their mission and vision. It measures performance across four perspectives: financial, customer, internal processes, and learning and growth.

Benchmarking. This involves comparing an organization's performance with that of other similar organizations. Benchmarking can help identify areas where an organization can improve its performance.

Surveys and feedback. Gathering feedback from employees, customers, and other stakeholders can provide valuable insights into organizational performance. Surveys can be used to measure employee engagement, customer satisfaction, and other key performance indicators.

Financial analysis. This involves analyzing financial statements, such as income statements,

balance sheets, and cash flow statements, to evaluate an organization's financial performance.

Social Responsibility Reporting. Organizations also measure their performance by assessing

Their contribution to the society through social responsibility reporting. They measure the impact of their activities on the environment, employees, and other stakeholders.

Return on Investment (ROI). ROI is a measure of the financial performance of an investment

It is calculated by dividing the gain from an investment by its cost. The choice of method and tool for measuring organizational performance depends on the goals and objectives of the organization, the nature of its operations, and the availability of data.

2.2.7 Relationship between Strategic Leadership and Organizational performance

Organizational performance is based on the idea that a company is a deliberate combination of resources working towards a shared goal (Richard, 2009). The asset owners will only choose to commit them to a company if they are content with the value they receive in exchange; in comparison to other ways they could use the assets. Hence, the essence of performance lies in the idea of value. If the company continues to create a greater worth, they will have access to the assets.

Hence, the resource provider deems value creation as the primary factor in evaluating the firm's worth. Leadership plays a crucial role in the success of any company. In the initial phase of a company, the highest-ranking manager is responsible for overseeing the delivery of products or services, managing overall operations and promoting the business. As the company expands, the manager focuses more on establishing strategic direction and entrusts operational tasks to lower-level staff. The manager hires employees with specific skills to guarantee operational success and enhanced business expansion. To achieve growth, sales revenue must increase by diversifying markets and products (Breene and Nunes, 2006). The leader understands how competencies and value creation are connected and impact performance in companies (Breen and Nunes, 2006).

Creating value involves transforming a concept regarding customer needs into a smart blend of organizational processes and capabilities that meet those needs at an affordable price. A leader also enhances the management of creativity and talent by investing in training and leadership development (Nel and Beudeker, 2009).

A high achieving organization is frequently associated with a high achieving company. Strategic leadership enhances performance by optimizing long-term growth, survival, and short-term financial health through firm and operational transformation (Lamb, 2009). Strategic leaders focus on developing the company's assets and skills in order to gain a competitive edge in the marketplace. Leaders who focus solely on present circumstances and disregard important issues impacted by a chaotic environment will bring about disaster for their organization, as stated by Lamb (2009). This involves maintaining a solid equilibrium between immediate achievements and enduring viability in the long run.

Strategic leaders view human capital as crucial for promoting innovation and creativity, and they dedicate significant resources to maintaining the well-being of their employees (Harris, 2008). This is accomplished by maintaining and seeking out fresh resources and innovations that are used to generate wealth. Organizations must always research new information and, at the same time, implement newly developed methods of learning (Nel, 2008). The growth and distribution of knowledge within a company, while simultaneously acquiring new information, is essential for the continued success of an organization. The majority of the time, a strategic leader influences these actions. Strategic leadership allows for the development of a culture that includes organizational learning and sharing of knowledge (Nel, 2008). This provides a lasting benefit by ensuring that a company remains highly competitive in the market.

There exists a correlation among the leader's characteristics, a company's tactics, and its operational proficiency. When the owners and senior executives take part in deciding the direction of the company, it leads to an increase in its performance. Ireland and Hitt (2005) emphasize that the key to strategic leadership and organizational performance is the ability of management to effectively utilize resources in the face of present and future environmental factors. A company's success and competitiveness depend on its capacity to overcome market obstacles and establish an advantage in the industry. This can be accomplished when the management utilizes strategic leadership abilities in its activities.

2.3 Review of Empirical Literature

2.3.1 Global Experience

Regarding the effects of strategic leadership on organizational performance, there have been many studies conducted at global, national and industry levels. The following section presents the detail of the review of existing literature.

Helen, Abdul & Zubair (2018) has conducted a study on investigation of the impact of strategic leadership on the performance of small and medium-sized enterprises in Malaysia. The research was conducted in Muar, Johor, Malaysia. Researchers reviewed strategic leadership theories, models, and previous studies to evaluate their impact on organizational performance. The results showed that leadership vision, strategic direction, and core competencies have a small positive effect on organizational performance, while developing people has a minor negative effect. However, the study found that only innovation skills have a significant, positive impact on company performance. Therefore, it is important for strategic leadership to be innovative by introducing new products, being creative, engaging in innovative activities, creating value, and generating new ideas with drastic changes to impact organizational performance. The top management of small and medium enterprises in Malaysia should focus on improving their strategic leadership's innovation capability to improve their organizational performance.

Similarly, Alex and Vincent (2018) have exposed multiple gaps in knowledge surrounding the connection between strategic leadership, the external environment, organizational change, and performance. Research has shown that strategic leadership actions greatly impact performance, but the results are mixed when determining the exact influence and scope of strategic leadership on performance. The way in which they exert this influence is still restricted and mostly based on guesswork.

Therefore, having strategic leadership alone does not always result in high performance as other factors could also be influencing the outcome. Only a small number of research studies have thoroughly investigated how strategic leadership impacts performance by analyzing how the external environment and organizational change influence this relationship as moderators and mediators, respectively. This paper aims to fill this research gap by suggesting that the connection between strategic leadership and organizational performance can be affected by external environment and organizational change. Therefore, the external surroundings in which a company is situated may greatly impact the connection between strategic leadership and performance. Organizations can increase their likelihood of success by embracing organizational change when navigating the challenges of the external environment. Therefore, organizational change may have an impact on the relationship between strategic leadership and performance. This paper concludes that strategic leadership indirectly impacts performance, as the external environment and organizational change could moderate and mediate the relationship between strategic leadership and performance. The paper suggests that strategic leadership is the cause, with performance as the effect.

According to Ogechi (2016) Correlating strategic leadership with SME performance revealed a strong and positive relationship. Organizations that have a clear strategic purpose and vision can concentrate their activities on specific goals and successfully turn them into increased earnings and profits. Profits increase when costs are controlled and the most is obtained from the resources by implementing efficient resource management. An organization that can effectively manage both strategic controls and financial controls can succeed in generating profits while ensuring employees remain engaged. Financial controls guarantee that short-term success is attained while also meeting long-term sustainability goals. Leaders who foster positive relationships with their employees can reduce turnover rates and ensure they stay engaged to deliver top-notch customer service. Organizations can attain customer satisfaction by adhering to ethical standards and promoting a workplace culture that meets customer expectations.

The research also indicated that small and medium-sized enterprises are focused on efficiently managing the firm's resources. Because of the small size of the firms and the challenging economic conditions they face, it is crucial to effectively manage resources to ensure high returns. Nevertheless, the research indicated that ethical considerations are not prioritized in the functioning of small and medium enterprises (SMEs).

Because they function in a largely unregulated setting, many SMEs do not feel the necessity to operate with ethical standards in mind. SMEs do not place as much importance on research and development due to their small size. This is considered an additional expense that might not result in a corresponding growth in earnings. According to the study, communicating organizational changes to employees is difficult in small and medium-sized enterprises. This is due to how the leadership perceives staff regarding their contribution to strategic decisions. The majority of employees in small and medium-sized enterprises lack advanced skills and are therefore seen as not having the necessary abilities to participate in strategic decision-making.

Similarly, Gimhani Nandasinghe (2020) have explain qualities of a leader, skills of a leader, models of leadership, significance of leadership, and its effect on altering the organization's efficiency. This document discusses the use of empirical evidence to support arguments and explanations and corresponding theoretical models. The core of leadership pertains to a person's capacity. Influencing others can alter the behavior of individuals, resulting in behavioral modifications. Attain a shared objective by possessing a specific set of attributes or qualities. Have an impact on others. The quality of leadership is crucial for the success of any organization. Leadership is acknowledged as the essential element for successful leadership. Leadership influences behavior and outcomes of company effectiveness.

Thus, in the present day in the business world, successful organization requires vital strategic leadership management. Achieving at optimal level. Generally, successful outcomes are believed to be reliant on effective leadership. Alter the following text using the same input language and maintaining the same word count: modification. The influence of leadership is on behavior and the outcomes of the organization. Change in performance. recommendations for potential future study areas Leadership changes in companies involve a blend of technology. changes, and another aspect is identifying the new leadership skills. Which are required to effectively compete in the modern digital business landscape.

According to Aymen Asif & Abdul Basit(2014) attribute that in strategic leadership conduct amid organizational expansion and stability. Especially, the capacity to enhance social and human resources through sense making and contributing to effectively managing employees during a period of change is one of the key skills of strategic leadership.in the midst of a chaotic period for the company. However, the significant factors that make individuals effective in this leadership style are seldom seen.

Have been recognized. The study aims to address this void in organizational behavior written works. Researchers have identified eight key elements of successful leaders through rigorous study. Research within trustworthy sources reveals literature findings. Despite the fact that this study focuses solely on the effective qualities of strategic leaders, investigation of various types or sizes of strategic leaders' behavior was necessary. Amongst different organizations. Eight common themes that have surfaced in this literature are not exclusive to any specific type or magnitude of the company. Hence, upcoming research can investigate various attributes of strategic leaders in manufacturing and service industries dimensions company. In essence, successful strategic leadership qualities may differ from their starting point. focusing in the future on industry and organization can lead to further study in different industries Exploring key factors of strategic leaders in various situations.

Similarly, Kobus Serftone (2011) It focused on how top leadership makes decisions in the short term that guarantees the long-term viability of the organization. The best performing organizations are consciously strategic in their leadership planning. These top leaders also have the ability to align human resources in an effective way directly to the business strategy. This article identifies some of the direct and indirect pathways in which strategic leadership influences the operational strategy and performance of business organizations in South Africa. This research pinpointed theoretical and substantively meaningful endogenous organizational capabilities that mediated this relationship and exogenous organizational factors that moderated this relationship.

The managerial implications of the proposed model constructed in the study are that leadership and executives in business organizations are able to implement high-performing strategic leadership practices to enhance the strategy orientation and operational excellence in their organizations. This study also supplemented the theory surrounding strategic leadership by suggesting that if organizations formulate and execute their strategies effectively, this strategic competitiveness will give them an advantage to survive in a turbulent and uncertain new economy. It also suggested that if organizations manage their costs effectively and focus on a product differentiation and the integration of their people, they will perform well and yield above-average returns. The study identified several avenues for further research by using different research methods and examining the impact of strategic leadership in different contexts. Future researchers should examine the impact of strategic leadership on the operational strategy and performance in different business sectors, as well as in public organizations, in order to have a holistic view of the impact of

strategic leadership on the performance of organizations in South Africa with its diverse and uncertain environment. Competition in the remainder of the 21st century's global economy will be complex, challenging and filled with competitive opportunities and threats. This study asserts that effective strategic leadership practices could help organizations enhance their performance while competing successfully in the turbulent and unpredicted South African environment.

2.3.2 Regional Experience

Based on Misrak Teshome (2016) this research found that inspirational played a significant role in the practice of transformational leadership within the company. This means that the company has incentivized staff by providing a comprehensive benefits package. Due to this outcome, the organization can effectively pursue its long-term mission and vision. The study found that transactional leadership style was lacking in giving proper recognition/rewards to those who achieve their goals, and not paying attention to what others can gain from their accomplishment with the organization. Furthermore, the research found that democratic leadership approaches have been put into place within the organization. In this scenario, leaders can greatly encourage subordinates to take ownership of various tasks. Simultaneously, the leaders provided clear instructions and guidelines in order to effectively reach the organization's desired objective. The outcome of both Pearson correlation and multiple linear regressions showed that transformational, transactional, democratic, and autocratic leadership styles significantly impact organizational performance. The research also found that various leadership styles have a beneficial impact on company performance by allowing employees to share and execute their innovative thoughts and participate in decision-making.

According to ZewduMulugeta (2023) This study aims to examine how strategic leadership affects employee performance at BGI Ethiopia. The research indicates that issues in employee performance stem from strategic leadership, as a majority of the respondents gave neutral replies to the questions posed. Nonetheless, the research results also suggest that strategic leadership has both beneficial and adverse impacts on employee performance. The research examined different factors, including the existing level of employee performance in influencing company performance, the connection between strategic leadership and employee performance, and the impact of strategic leadership on employee performance.

The findings reveal that nearly all variables reflect a neutral state, emphasizing the presence of a gap between the evident impacts of strategic leadership on employee performance at BGI Ethiopia.

Additionally, the correlation analysis indicates that employee performance positively correlates with all variables, such as the current state of strategic leadership, the present level of employee performance, the connection between strategic leadership and employee performance, along with the impact of strategic leadership on employee performance. Nevertheless, the connection between strategic leadership and employee performance, as well as the impact of strategic leadership on employee performance, significantly relates to employee performance. In conclusion, the study finds that strategic leadership has noticeable impacts on employee performance in BGI Ethiopia, aside from the variables deemed significant in the research.

Similarly, Michel Melaku (2021) the aim of the study was to evaluate the impact of strategic leadership on Innovative organization for digital technology firms functioning in Ethiopia. Stage of Strategic leadership methods and Organizational Innovation applications in the organizations were evaluated as well. Dimensions of Strategic Leadership Strategy Contemplation, Absorptive Capability, Adaptive Ability, and Operational Effectiveness were recognized from literature and the effect of each on Organizational Innovation was evaluated. The ICT-et association chose the digital technology firms. Tactical Leadership is identified as a robust and favorable predictor of Organizational Innovation. Every aspect of Strategic leadership is positively associated with Organizational. creativity. The ability of Strategic Leadership to adapt did not significantly predict Organizational Creativity. The Absorptive Capacity of Top Management has been discovered to be the key factor for Organizational Innovation. The Leadership Strategy The variable(s) accounted for 50.4% of the variation in Organizational Innovation. It seems your request is incomplete. Could you please provide the text you'd like me to paraphrase? Organizational innovation is essential for digital technology companies functioning in rapidly changing environments. environment; it is suggested that organizations focus on advancing the development of Strategic leadership skills, particularly Absorptive Capacity.

2.3.3 Industry Experience

Wubishet(2018)assessed the strategic management practices of private commercial banks in Ethiopia.Thisdescriptivestudyadoptingaquantitative research techniqueanswerstwo basic research questions, A systematic random sampling method was used to select four representative private commercial banks in Ethiopia. Proportionate sampling method was applied to selected sample size. Data collection instrument, AMCES questionnaire was adoptedaftersecuringwrittenapprovalandinconsultationwiththeadvisor.The questionnairewasadministeredto246randomlyselectedemployees,whohavean involvement on the strategic management process. From the findings, it was learnt that the result obtained for strategy implementation and evaluation & control practice of private commercial banks was below the mean score. Therefore, the study concluded that private commercial banks focus more on the strategy formulation while giving less emphasis to strategy implementation, evaluation and control.

Similarly Hailemariam Temesgen (2021) this examined the Role of Leadership in the Development and Implementation of Strategy. Specifically, Leadership Commitment, Informed Decision Making, Communication, and Monitoring & Evaluation were empirically evaluated, and their relationship with Strategy Formulation and Execution in Abay Bank S.C. was investigated. The research employed a quantitative methodology, utilizing an explanatory design grounded in data gathered via questionnaires and a simple random sampling method from a total of 167 employees, with a sample consisting of 118 employees from four branches and the Head office of Abay Bank S.C. It offered empirical evidence for a framework that pinpointed four leadership roles influencing Strategy Formulation and Implementation in the context of Abay Bank S.C in Ethiopia. The research has demonstrated that every independent variable, specifically Leadership Commitment, Informed Decision Making, Communication, and Monitoring and Evaluation, has effectively accounted for variations in the dependent variable, which is Strategy Formulation and Implementation. It has been determined that 51.6% of alterations in Strategy Formulation and Implementation at Abay Bank S.C. result from the four independent variables examined; meanwhile, the remaining 48.4% of changes can be attributed to factors outside the scope of the study. The research determined that each independent variable offered distinct contributions and were statistically significant during the Strategy Formulation and Execution process at Abay Bank S.C. Nonetheless, not all leadership positions were of equal importance.

This indicates that they vary in how rigorously they apply Strategy Formulation and Implementation at Abay Bank S.C. As a result, Communication emerged as the key predictor or the most significant factor, while Monitoring and Evaluation was determined to be the least influential factor according to the study. The research has demonstrated a considerable and favorable correlation between the independent variables (Leadership Commitment, Informed Decision Making, Communication, and Monitoring and Evaluation) and the dependent variable.

Based on Getu Emmana's (2022) analysis of strategic leadership related to organizational change within the Oromia Cooperative Bank, several conclusions can be drawn. Despite having an effective strategic team and a somewhat adequate evaluation and control system based on respondent feedback, significant gaps exist in the timely and fair communication of all KPIs, and the targets set were not met at the process, sub-process, district, or branch levels. Additionally, some strategic leaders lack the necessary skills to deliver the required changes in the bank. Major deficiencies in mentoring newly appointed leaders in their roles were noted, and the survey identified inadequate leadership qualities among leaders as one of the bank's greatest challenges to transformation. Although the change process is somewhat participatory, Coop Bank is not on the right path to fulfill its vision despite possessing a significant competitive edge to grow and adapt more quickly than other private banks in the nation. -Weak teamwork among leaders, breaches of the bank's core values, and a lack of positive interactions among leaders are causing significant losses for the bank. - Challenges include insufficient leadership adaptability, a failure to respond effectively to the changing environment as needed, and a sense of pessimism from some leaders. - Additionally, the bank faces major setbacks due to an inadequate number of human resources, poorly equipped personnel, lack of leader/employee engagement, unfair human resource practices, and minimal or nonexistent succession planning, hindering necessary change.

According to Tilahun Mamo (2020) The primary aim of the research was to examine the degree of connection between leadership. Behaviors and organizational effectiveness regarding Wegagen Bank S.Co. For this purpose, data from both secondary and primary sources were gathered from the chosen sample, and both Statistical and econometric regression assessments were conducted.

The main information regarding leadership Styles were gathered from the leaders' multifactor questionnaire, whereas the dependent variable, ROA, ROE, earnings, market presence, client contentment, and shareholder return on investment was sourced from banks' yearly reports and from the audited financial statement of the national bank of Ethiopia. In descriptive analysis, the mean and standard deviation values for independent variables were utilized. to assess the respondents' views on the conduct or approach of leadership in the bank, whereas the outcome of regression analysis has indicated the degree of connection between leadership practices and bank performance, which is assessed through ROA, ROE, and Profit, market portion, client contentment, and returns for shareholders on their investment. The key outcomes of the research come from both descriptive and regression analyses. summarized as follows: The outcomes of the descriptive analysis indicated that the respondent believed the leaders in the respective bank since they do not consistently display steady leadership behavior at all times but the merging of two leadership approaches in certain cases. Based on the answers from the respondents? Perceptions of idealized influence are shown the most. element of transformational leadership approach succeeded by intellectual encouragement and personal attention, whereas inspirational encouragement is the least demonstrated element of transformational leadership approach with an average rating of merely 3.59. Conversely, management by exception – active has been viewed as somewhat more demonstrated aspect of transactional leadership style in relation to contingent reward and management through passive exception handling. The random effects regression was performed to investigate the ways and degree to which the actions in each category

2.3.4 Research Gap

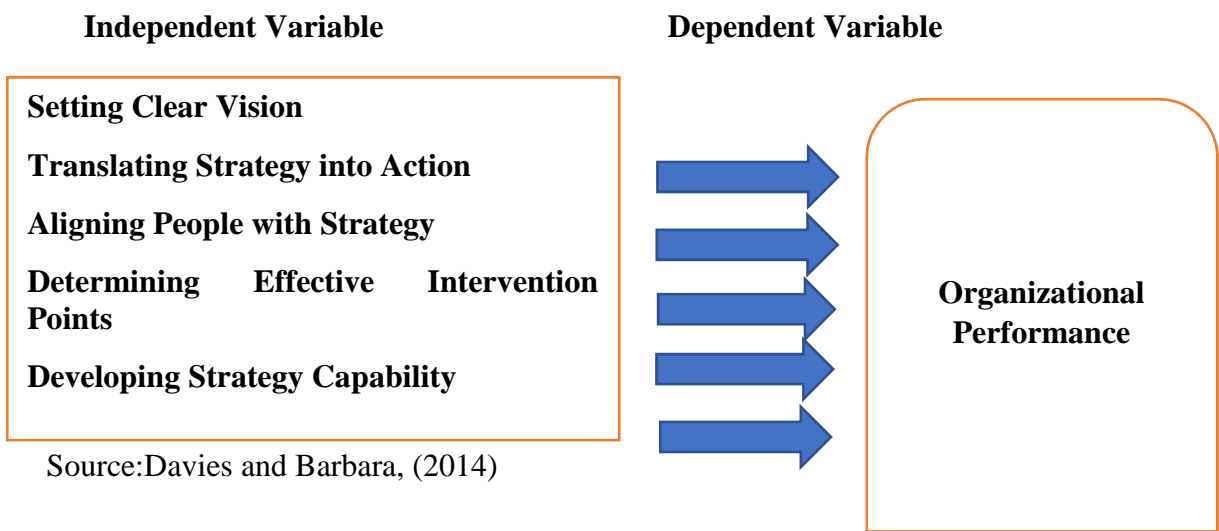
The existing literature on strategic leadership and organizational performance reveals significant gaps, particularly concerning the nuanced relationship between various strategic leadership practices and their impact on performance metrics. While studies have identified that strategic leadership can influence key performance indicators such as profitability, market share, and operational efficiency, there remains a lack of clarity on the specific mechanisms through which these influences occur. This inconsistency is evident in findings from diverse contexts, including South Africa and Kenya, where while key practices have been correlated with performance, the underlying processes facilitating these relationships have not been adequately explored.

Besides, empirical studies often suffer from methodological limitations, relying heavily on demographic variables as substitutes for more complex moderating or mediating factors. This approach has led to a superficial understanding of how strategic leadership practices can be optimized for better organizational outcomes. The research conducted in Ethiopia, while highlighting the effects of various leadership styles on performance, fails to comprehensively address the unique contributions of strategic leadership within the banking sector. This oversight underscores the need for focused investigations that specifically examine the dynamics of strategic leadership in contexts such as Abyssinia Bank S.C.

The banking industry, characterized by rapid changes and increasing competition, presents a unique landscape for examining strategic leadership. However, the current body of research does not sufficiently address how strategic leadership practices can effectively drive key performance indicators in this sector. There is a pressing need to identify the mediating factors that shape the relationship between strategic leadership and organizational performance, providing a comprehensive view of how strategic leadership can be leveraged to enhance organizational success. Addressing these gaps will contribute to a deeper understanding of the critical role that strategic leadership plays in fostering improved performance outcomes in dynamic and competitive environments.

2.4 Conceptual Framework of the study

A conceptual model shows how the researcher theories the relationships among several factors identified as being important to the research questions. In strategic management process, the main variables that conceptual model has been developed based on the reviews of previous knowledge to discuss the interrelationships among the variables deemed integral parts are discussed below, Figure 1.



CHAPTER THREE

RESEARCH METHODOLOGY AND METHODS

This chapter outlines the methodology employed in the research study. It provides information on the research design, approach, data source, and types, as well as details on sampling methodology, research tools, data collection procedures, and data analysis strategy.

3.1. Research Approach

This research employs a quantitative research approach. As it is utilized in this research, it involves predetermined and meticulously structured data collection methods in achieving the research objectives set in chapter one.

The research employed quantitative methods with survey research strategy to gather numeric data on trends, attitudes, or opinions of a population through sample surveys. The goal is to generalize findings from the sample to the entire population using cross-sectional study and survey questionnaires (Fowler, 2008).

3.2. Research Design

Explanatory research design aims to comprehend the roots or factors behind a phenomenon. It goes further than just describing events or patterns by aiming to clarify the connections between variables. In this investigation, an explanatory study design was utilized to assess the impact of strategic leadership on organizational performance at Abyssinia Bank explanatory research design was selected to examine the influence of strategic leadership on organizational performance. In addition, this study utilized cross-sectional research.

3.3. Data Source and Types

In order to achieve the study objectives, a combination of primary and secondary data sources was used. Abyssinia Bank S.C. managers are undergone a survey with a standardized questionnaire to collect primary data. Secondary data sources included books, academic publications, banking guidelines, research papers, information from relevant agencies, and undisclosed documents.

3.4 Population and sampling

3.4.1 Target Population

The target population in research is employs at the head office staff of bank of Abyssinia at the position of Executive Management 15, Department Director 39, Division Manager 112, Senior Officer 209 and Junior (professional) 1119 and the total 1,565 staff are the target population which the study were conducted on.

3.4.2 Sampling techniques and sampling size

Sampling is the process of selecting a subset from a larger population to represent the overall population's characteristics. This research employs purposive sampling, a type of non-probability sampling method, to specifically select managerial and non-managerial head office staff at Bank of Abyssinia.

3.4.3 Sample Size

The sample size was calculated using Yamane (1967) formula. Based on the following formula 319 employees were taken as a sample.

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

$$n = 1565 / 1 + 1565(0.5)^2$$

$$n = 1565 / 1 + 1565(0.0025)$$

$$n = 1565 / 1 + 3.9165$$

$$n = 1565 / 4.9125$$

$$n = \underline{\underline{319}}$$

Whereby;

n - Represented the computed sample size,

e - Represented 0.05, which was the margin of error allowed and

N - Represented the size of the population.

To enhance the accuracy of predictions, the researcher stratified sampling to allocate the calculated sample size to different strata based on a specific equation. The Kothari (2004)

formula is used to allocate sample size in proportion. Proportional allocation is a single strategy. Consequently, the Kothari (2004) formula is used to make a proportionate allocation:

$$N_h = n \frac{N_1}{N}$$

Where:

N_h = Proportional sample to the strata

n = Sample size determined using the formula provided by (Yamane, 1967)

N_1 = Total number of populations in each stratum

N = Target population

Table 3.1 population and sample size

Population	Total Population at Position Level	% Share from Total Population	Sample Size
Executive Management	15	0.95%	3
Department Director	39	2.49%	8
Division Manager	112	7.15%	23
Senior officer	209	13.35%	43
Junior (professional)	1190	76.03%	242
Total	1565		319

***Note:** the sample size distribution is managed based on the total population size percentage. i.e, Percentage Share = Total Population at Position Level /Total target population.*

Then, Sample Size = Percentage Share X Total Sample Size

3.5. Tools of Data collection

For this study, the primary data collected through questionnaires from the sample respondents. The questionnaires consisted of closed-ended questions designed in a 5-point Likert-Scale, with “1” standing for “Strongly Disagree” and “5” for “Strongly Agree”. The secondary source of data includes the bank organizational documents, data, and information from previous studies such as existing official reports and documents from then amend entities, journal articles, other empirical research in the area, and any other relevant document from the libraries.

3.6. Methods of Data Analysis and Interpretation

The study has used descriptive statistics (frequency, percentage, mean and SD) and inferential statistics (Pearson correlation and linear regression) to analyze the data. It has used SPSS software to aid the analysis of the data. A multiple linear regression is run to analysis and determines the effects of multiple independent variables on a dependent variable (Hair et al., 2010). The study considered a multiple linear regression model to analyze how strategic leadership affects organizational performance at Abyssinia Bank S.C.

3.7. Reliability and validity

3.7.1 Validity

Validity is characterized by the extent to which a measurement reflects attributes present in the phenomena being studied (Malhotra & Birks, 2007). It is the extent to which a measure accurately reflects its intended purpose and is also related to how well the concept is defined by that measure. Validity serves as the standard for assessing the effectiveness of the design in utilizing measurement methods that will gather data to answer the research questions (Kazi, 2010). According, the researcher has developed the questionnaire from existing body of literature on the topics, and consults experts in the areas to correct it. In addition, the researcher has presented the instrument to the research advisor and the advisor has commented on the instrument and necessary correction were made before collecting the data

3.7.2 Reliability

The reliability of a measurement reflects the stability and consistency with which the tool evaluates the concept and aids in determining the quality of a measure (Zikmund, 2003). It refers to the degree to which a measurement yields consistent outcomes if the measurement process were repeated (Malhotra & Birks, 2007).

Cronbach alpha is commonly utilized in educational research when data collection instruments contain items scored across a spectrum of values, meaning that various items have distinct scoring points or attitude scales where the responses fall along a continuum (Oluwatayo, 2012). This coefficient ranges between 0 and 1, and a score of 0.6 or lower typically signifies a low level of internal consistency (Malhorta& Birks, 2007); the closer Cronbach's alpha is to 1.0, the higher the internal consistency of the item on the scale. Accordingly the study has presented reliability of the questionnaire in the following tale 3.2.

No.	Name of the Variable	Cronbach Alpha statistics
1	Setting clear vision	.861
2	Aligning People with strategy	.847
3	Translating strategy into action	.806
4	Determining an effective interventions point	.861
5	Developing strategic capabilities	.834
6	Organizational performance	.846

Source: SPSS output

3.8. Ethical consideration of the study

Strategic leaders are essential in implementing ethical standards across the organization. Effective leaders who are strategic prioritize honesty, trust, and integrity when making decisions and carrying out those decisions. The fundamental principles of truthfulness, confidence, and uprightness act as ethical screening tools for assessing potential actions. The organization's managers and employees need to adopt and demonstrate these normative values to ensure they are easily understood and visible in their choices and behaviors.

Chapter Four

Data Analysis, Results and Discussion

The study has examined the effects of strategic leadership on organization performance considering Bank of Abyssinia head office in Addis Ababa. In this, the study has considered the five major dimensions of strategic leadership and examined tier effects on organizational performance. These explanatory variables are setting clear vision, translating strategy into action, aligning people with the strategy, determining effective intervention point, and developing strategic capabilities. In achieving the objectives of the study, it has used quantitative research approach and explanatory research design. Both primary and secondary data were collected using questionnaire from representative sample employees of the bank.

4.1. Response Rate of The Respondent

The total population of the study was employees of the bank working in the head of during the time of data collection. Using sampling formula, the study has selected 319 sample employees who were supposed to fill the questionnaire. However, it was 271 employees who filled the questionnaire and returned it to the researcher properly. This makes the response rate 84.9%. The remaining 15.1% of the questionnaires were not either returned or filled properly. Accordingly, the analysis data is made using the responses collected from employees who have properly filled and returned the questionnaire. Hence, the following sections present the demographic, descriptive, inferential analysis and discussion of results.

4.2. Demographic Characteristics of Respondents

Table 4.1: Demographic characteristics of Respondents

Demographic Variable	Measurement Unit	Frequency	percentage
Gender of respondents	Male	109	40.2
	Female	162	59.8
	Total	271	100.0
Age of respondents	20-30	114	42.1
	31-40	104	38.4
	41-50	41	15.1
	51-60	12	4.4
	Total	271	100.0
Tenure/service year of respondents in the university	1-5 years	100	36.9
	6-10 years	73	26.9
	11 to 15 years	47	17.3
	Above 15 years	51	18.8
	Total	271	100.0
Educational level of respondents	Diploma/10+3	1	.4
	First Degree	121	44.6
	MA Degree and above	149	55.0
	Others	0	0
	Total	271	100.0
Job title/position of respondents	Managerial staff	79	29.2
	Non managerial staff	192	70.8
	Total	271	100.0

Source: Own survey, 2024

The above Table No. 4.1 shows that majority of respondents (59.8%) were female while the remaining 40.2% were male employees. Concerning the age of respondents significant number of employees (42.1%) were between 20 to 30 years while the age group 31-40 years constitute about 38.4% of the total respondents. The remaining 15.1 % and 4.4% of the respondents were between age of 41 to 50 and 51 to 60 years respectively. Regarding the service year of respondents, majority of the respondents (36.9%) had between 1 to 5 years' service while about 26.9% of the respondents had between 6 to 10 years of service in the bank. Besides, 17.3% of the sample respondents had served the bank for over ten years and equally 18.8% of them were having more than fifteen years employment service in the bank when the researcher collected the data. The educational status of respondents show that overwhelming number of respondents (55%) had masters and above qualification while first degree holders constituted about 44.6% of the respondents. The remaining .4% of the respondents possessed diploma.

The last aspect of demographic characteristics of respondents is the job title or positions of respondents in the bank. Concerning this, majority of the respondents (70.8%) were working in the non-managerial staff positions of the bank. The remaining 29.2% of the respondents were working as in the managerial staff positions. In general, the demographic analysis of the respondents show that the respondents had heterogeneous personal, educational and positional characteristics. This might help the study to ensure representativeness in terms of getting the correct and relevant data regarding the effects that strategic leadership on the performance of the bank.

4.3 Descriptive Statistics of Responses

The study has the major objective of examining the effects of strategic leadership on organizational performance in Bank of Abyssinia. In this, the researcher had collected primary data through questionnaire from 271 sample respondents. Accordingly, the following table 4.2 indicates the summary of descriptive statistics of the responses of the respondents' about strategic leadership and organizational performance using the mean score and standard deviation of responses. It gas applied a mean score cut point used by Latif et al., (2017) to analyze the mean score of responses. Accordingly, a mean score 1 to 1.5 is very low while from 1.51 to 2.5 is low. In addition, a mean between 2.51 to 3.5 is moderate while 3.51 to 4.50 is high. A mean score higher than 4.5 is considered very high.

Table 4.2. Summary of the descriptive statistics of variables of the study

Variable of the Study	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Setting clear vision	271	1.00	5.00	3.9653	.74005
Translating strategy into action	271	1.00	5.00	3.8303	.67471
Aligning people with strategy	271	1.00	5.00	3.7225	.73073
Developing the strategic capability	271	1.00	5.00	3.8863	.72505
Determining effective intervention point	271	1.00	5.00	3.8000	.74912
Organizational performance	271	1.00	5.00	3.8046	.72510
Valid N (listwise)	271				

Source: Own survey, 2024

Table 4.2 of the above shows the measure of the mean value and standard deviation of the responses collected form respondents for each of the variables of the study. In the, table it is shown the summary of the mean and standard deviation calculated.

The mean value for the extent of leaders' roles in setting clear vision of the organization was 3.96 with a standard deviation of 0.74 that indicates the majority of the respondents agreed and strongly agreed that the leaders of the bank set vision of the bank properly and clearly. This indicates that the leaders of the bank satisfy the vision setting aspects of strategic leadership and addresses the needs and future interests of the bank. Similarly, concerning the roles of strategic leaders in translating strategy into action, the study shows that the responses from the respondents had a mean score 3.83 and standard deviation of 0.67 indicating a higher value of mean and indicating that the leaders of the bank translate the strategy into action to realize the vision of the bank.

The other dimension of strategic leadership measured in the study was leaders' roles in aligning people with of the strategy of the bank. In this, the calculated mean score and standard deviation was 3.72 and 0.73 which indicates that respondents had a positive perception about the roles of leaders in linking employees with the strategy of the bank. This implies that leaders of the bank made followers to implement the strategy of the bank properly. The calculated mean score for the variable determining effective intervention point while there were problem in the implementation of the strategy was 3.80. This indicates that majority of the respondents had a favorable perception toward the roles of leaders in determining appropriate intervention when need aroused. However, the calculated SD for this variable is .74 showing a larger variation in the responses of respondents about the roles of leaders in determining appropriate intervention.

Concerning the roles of leaders in developing the strategic capability of the bank, a mean score of 3.88 was calculated. From this, it can be inferred that majority of the respondent had a positive view regarding the roles of the leaders in developing the strategic capability which helped the bank to realize its vision. However, the standard deviation of this variable was .72 that shows a remarkable variation in the responses of respondents.

The study has also attempted to measure the performance of the bank using qualitative measures. Accordingly, the results shows that the calculated mean score of organizational performance of the bank was 3.80 showing that majority of the employees had the opinion that the bank performance well during the period of data collection. The mean score was accompanied by a standard deviation of .72 that shows a moderate variation in the responses of respondents concerning the performance of the bank.

In general, the above descriptive statistics indicates that majority of the respondents had a positive and favorable perception concerning the roles of a strategic leader in terms of setting the vision of the bank, developing the strategic capabilities of the bank, aligning people with strategy and changing the strategy into action. It is also observed in the result that leaders identified a strategic intervention points when the bank faced challenges in realizing its vision. Thus, strategic leaders of the bank were helping the bank in terms of realizing its vision and achieve better organizational performance. However, there is perceptual variation among the respondents of the study concerning the roles of leaders in setting vision, determining appropriate intervention and aligning people of the bank with the strategy.

4.4 Results of Inferential Statistical

4.4.1 The Relationship Between Independent Variable and Dependent Variable

According to Schober, Schwarte&Boe (2018) a Pearson correlation measures the existence (given by a p-value) and strength (given by the coefficient r between -1 and +1) of a linear relationship between two variables. It should only be used when its underlying assumptions are satisfied. If the outcome is significant we conclude that a correlation exists. According to these scholars an absolute value of r of 0.1 is classified as small, an absolute value of 0.3 is classified as medium and of 0.5 is classified as large. Thus, the study has conducted a Pearson correlation test in order to see the relationship between the explanatory variables (setting vision, aligning people with strategy, translating strategy into action, determining appropriate intervention points, and developing strategic capabilities of strategic leaders) and the dependent variable (organizational performance). Accordingly, the following table shows the Pearson correlation results.

Correlations							
Variable of the study							
Organizational performance	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	271					
Aligning people with strategy	Pearson Correlation	.687**	1				
	Sig. (2-tailed)	.000					
	N	271	271				
Setting vision	Pearson Correlation	.537**	.488**	1			
	Sig. (2-tailed)	.000	.000				
	N	271	271	271			
Translating strategy into action	Pearson Correlation	.749**	.505**	.278**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	271	271	271	271		
Determining effective intervention point	Pearson Correlation	.886**	.663**	.496**	.694**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	271	271	271	271	271	
Developing the strategic capability	Pearson Correlation	.579**	.399**	.498**	.375**	.535**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	271	271	271	271	271	271

**, Correlation is significant at the 0.01 level (2-tailed).

Table 4.3: Coefficient of Pearson correlation

Source: Own survey, 2024

In the above table, it is shown that all of the five explanatory variable have a significant correlation with the organizational performance at p-value of 0.00 which is even less than 0.01 level of significance. The direction of the relationship between the explanatory and dependent variable is linear and positive for all variables. The test statistics further show that three of the explanatory variables that have a strong positive correlation with organizational performance with coefficient value of .886 (determining effective intervention points), .749 (translating strategy into action), and .687 (aligning people with strategy), respectively. However, the remaining two explanatory variable namely setting vision (.537) and developing the strategic capability (.579) roles of leaders had medium but positive and significant relationship with the organizational performance.

From the above analysis it is evidenced that all of the independent variables considered in the study had positive significant relationship with organizational performance. This further indicates that the variables considered as the aspects of strategic leadership possess very strong to medium level correlation with the bank's performance. This finding goes along the words of Nyaberi & Lumumba, (2021) and Jaleha & Machuk (2018) that strategic leaders are the ones behind good organizational performance. They further asserted that strategic leaders set clear organizational vision and align the employees with organizational strategies to realize the vision. When employees become aligned with the organizations compass, followers become easier to coach which transcends performance to a higher standard.

4.4.2 The Effect Of Independent Variable On Dependent Variable

4.4.2.1 Assumption Tests

A. Normality

The study has used the normality plot test which is indicated by histogram to check the normality of the distribution of the data. The histogram is the most commonly graphing tool to measure the distribution of the data. It is used to summarize discrete or continuous data that are measured on an interval scale. It is often used to illustrate the major features of the distribution of the data in a convenient form. Histograms helps to see the center, spread and shape of a set of data. It can also be used as a visual tool to check for normality. It provides a great way to evaluate the distribution of data. They can be used to check data for extreme values, or outliers, and to help understand the distribution of a data. The distribution of a variable is important to understand when selecting appropriate statistical analysis tools. To this end, the normality of the data is ensured as the following histogram indicates that the data has a normal distribution. The figure indicates a bell-shaped picture, which presents a normal distribution.

Figure 4.1: Histogram

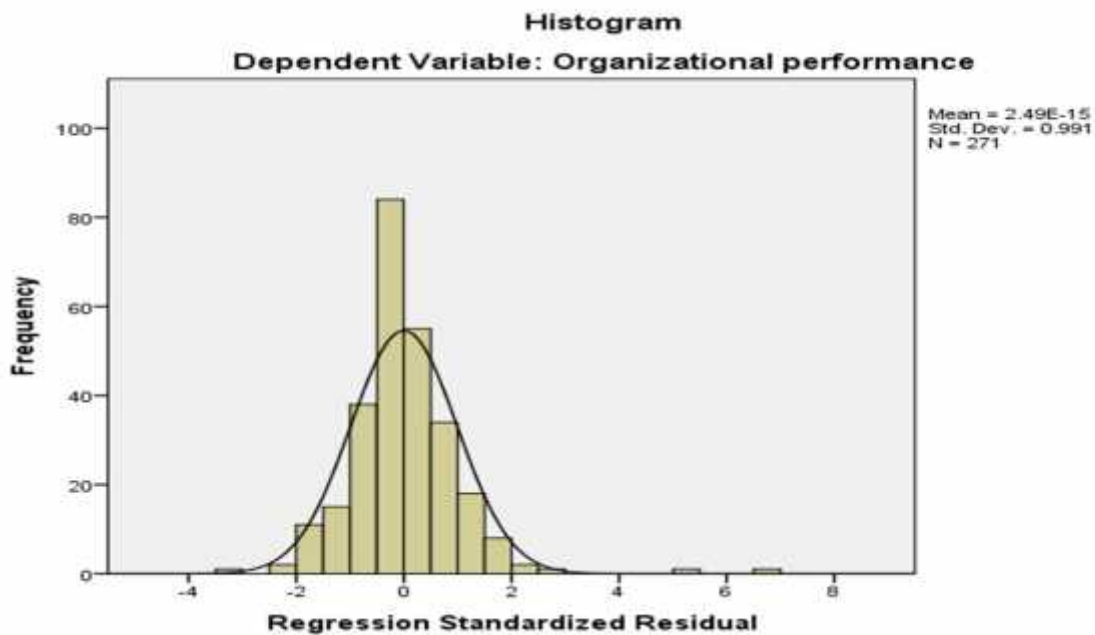


Figure 4.1: Histogram

Source: Own survey, 2024

B. Linearity

Linear regression assumes that the dependent and independent variable have a linear relationship. William et al. (2013) described the linear regression assumes that there is a linear relationship between the parameters of independent variables and the dependent variable Y. If the true relationship is not linear, it is not possible to use the model and the accuracy will be significantly reduced. Thus, it becomes important to validate this assumption. Accordingly, the study has checked the linearity of the relationship between the variables using p-p plot and found that there is a linear relationship between the independent variables and the dependent variables. The following figure shows the result of the test.

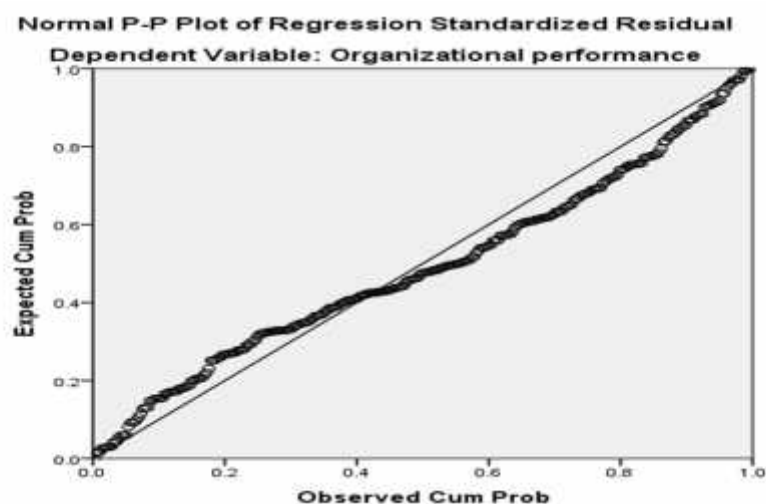


Figure 4.2. Linearity Test Result

Source: Own survey, 2024

C. Homoscedasticity Test

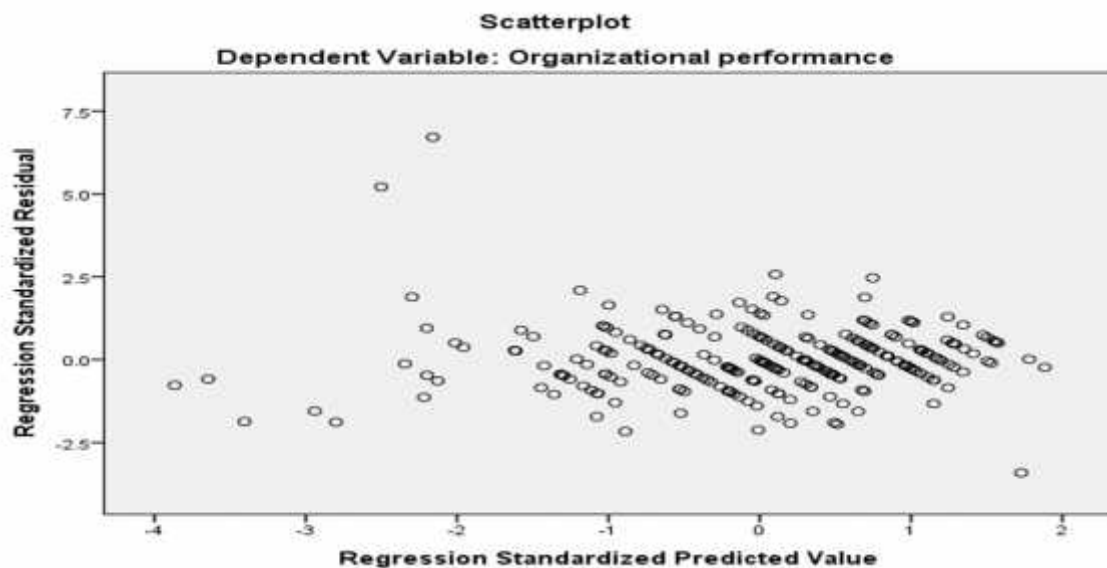


Figure 4.3: Test for Homoscedasticity

Source: Own survey, 2024

According to the assumption of classical linear regression model, the disturbances u_i appearing in the population regression function are homoscedastic; that is, they all have the same variance (Gujarati, 2003). However, if the case is different and the variances of u_i are variable, the problem of heteroscedasticity appears. In this, the study has conducted a statistical test to see the scatter plot of the data and found out that there is no problem of heteroscedasticity. The following figure shows the same.

D. Test for Problem of Multicollarity

The above results of the assumption tests checked for normality, linearity and homoscedasticity and ensured that the data is suitable for linear regression. Finally, the study check whether there is a problem of multicollarity between the independent variables in the model. It is stated in Gujarati (2003) that there should not be multicollinearity among the independent variables included in the regression model. Hence, it is important to check for multicollinearity through statistical test to avoid errors in the decision making process regarding the effect of each of independent variables on the dependent variable in the model.

Multicollinearity is a statistical problem, which occurs when the explanatory variables (independent variables) are much correlated with each other. It means when there is strong correlation among explanatory variables and the existence of r- value greater than 0.80, tolerance value below 0.10 and Variance Inflation Factor (VIF) greater than 10 or less than 1 in the correlation matrix. In Wooldridge (2008), it is indicated that a good regression model should not show correlation between the independent variables nor has multicollinearity problem. Hence, the study has tested multicollinearity based on the VIF value, tolerance level, and R-value.

Variable	Collinearity Statistics	
	Tolerance	VIF
Aligning people with strategy	.521	1.921
Setting vision	.629	1.590
Translating strategy into action	.505	1.982
Determining effective intervention point	.332	3.016
Developing the strategic capability	.641	1.561

Table 4.4: Test for Multicollinearity

Source: Own survey, 2024

4.4.2.2 Multiple Linear Regression

It is stated in the introduction part of the thesis that the study has the objective of examining the effects of strategic leadership on organizational performance taking the case of Bank of Abyssinia. In this the study has included the five major aspects of strategic leadership as an explanatory variables of organizational performance of the bank. These variables were vision setting, aligning people with strategy, translating strategy into action, determining effective intervention point and developing the strategic capability of the organization. To determine the effect of these variables on organizational performance, multiple linear regression is conducted.

According to Gujarati (2003), a linear regression analysis is a technique for using data to identify relationships among variables and use these relationships to make predictions. Multiple linear regression analysis is conducted to see the adequacy and significance of the model through the reading of the regression coefficient or r square and Anova table. Accordingly, the following table shows the model summary.

Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.923 ^a	.852	.849	.28176	1.467

a. Predictors: (Constant), Developing the strategic capability, Translating strategy into action, Setting vision, Aligning people with strategy, Determining effective intervention point

b. Dependent Variable: Organizational performance

Table 4.5: Model Summary Table

Source: SPSS Output, 2024

The above table indicates the model summary of regression in terms of r-square and adjusted r square. From the table it can be seen that the R square and adjusted R square are .852 and .849 respectively. This implies that the model explains that 85.2% of variations in the dependent variable is caused by the independent variable considered in the study. It means that 85.2% of change that happens on organizational performance is caused by those factors considered in the study. The remaining 14.8% of variation in the dependent variable is caused by the variables which are not included in the study. This implies that the model is fit and the independent variables explain the change in the dependent variables significantly.

ANOVA- Model Adequacy

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	120.919	5	24.184	304.634	.000 ^b
	Residual	21.037	265	.079		
	Total	141.957	270			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Developing the strategic capability, Translating strategy into action, Setting vision, Aligning people with strategy, Determining effective intervention point

Table: 4.6: ANOVA- Model Adequacy

Source: SPSS Output, 2024

To confirm the above findings, ANOVA test is conducted and it aimed to predict the regression model on relationship between the independent variables and organizational performance is adequacy or fit. The test statistic indicated in table number 4.6 tells that the model is adequate and fitting in the relationship between dimensions of strategic leadership and organizational performance of the bank since the p-value is 0.000, which is less than 0.05 and even 0.01 of significance level. In conclusion, the model is significant at p value of .00 and it shows that the factors considered as explanatory variables (vision setting, aligning people with strategy, translating strategy into action, determining effective intervention point and developing the strategic capability of the organization) predict the changes in organizational performance at p-value of 0.00%.

Coefficient of Regression

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.411	.127		-3.245	.001
	Aligning people with strategy	.123	.033	.124	3.780	.000
	Setting vision	.090	.029	.092	3.082	.002
	Translating strategy into action	.278	.036	.258	7.761	.000
	Determining effective intervention point	.504	.040	.520	12.669	.000
	Developing the strategic capability	.109	.030	.109	3.687	.000
a. Dependent Variable: Organizational performance						

Source: SPSS Output

Table 4.7: Coefficient of Regression

To determine the effects of each of the independent variables (vision setting, aligning people with strategy, translating strategy into action, determining effective intervention point and developing the strategic capability of the organization) on the dependent variable (organizational performance), reading the regression coefficient table is mandatory. In this, the coefficients of regression for the effects of strategic leadership on organizational performance is indicated in above Table 4.7. It shows that all of the five explanatory variables have statistically significant effect on the dependent variable/organizational performance of the bank/. In view of that, determining effective intervention point by the leaders had the most significant effects (=.504, p-value=0.000), followed by leaders' roles in translating strategy into action (=-.278, p-value=0.000). Leaders' role in aligning people

with the strategy had the third significant effect with ($\beta = .123$, $p\text{-value} = 0.000$) while developing strategic capabilities of the organization had ($\beta = .109$, $p\text{-value} = 0.000$). Setting vision for the organizational had the least significant effect on organizational performance of the bank with ($\beta = .09$, $p\text{-value} = 0.002$).

To sum-up, the study has found out that all of independent variables included in the study had a significant effect on the performance of the Bank of Abyssinia. When the direction of the effect is seen, all of the explanatory variables had positive significant effect on the performance of the bank. Moreover, among those explanatory variables having positive significant, determining effective intervention point by the leaders and leaders' roles in translating strategy into action had the highest significant effect with beta value of .504 and .278 respectively. This implies that by keeping other variables constant, 50.4% and 27.8% of the change on organizational performance of the bank was caused by a unit change in the leaders' commitment to determine effective intervention points and translating strategy into action respectively. In comparison, the extent that leaders set vision had the least positive significant effect with beta value of .09 showing that keeping other variables constant, a unit improvement in leader's attempt to set vision would result in 9% change in the nature of organizational performance of the bank.

4.5 Discussion of Results

This section presents the results indicted by regression analysis and discusses the results of the study in the context of the existing body of literature.

1. Effects of setting clear vision on organizational performance of Bank of Abyssinia

According to Table 4.7 of the above the leaders ability and roles of setting organizational vision had a positive significant effect on the performance of the bank with values ($\beta = 0.090$, $t = 3.082$, and $p < 0.01$). Hence, we can conclude that leaders' ability and roles in setting vision of the bank has a significant effect on the performance of the bank. This result is similar with the findings of a study conducted by Rahman et al., (2018). He examined the effect of strategic leadership on the performance of commercial banks in Kenya Monte Nyangoka and concluded that strategic leaders' roles in defining the vision of the bank has a significant positive effect on the performance organization. Similarly, the study conducted by Dahr et al., (2019) on the effect of strategic leadership on organizational performance through knowledge management gives good insight and understanding to effects of vision setting in enhancing the performance of the organizations. In addition, the study by

Jahandoost, Taleghani, & Alipour (2021) conducted on the role of strategic leadership in banking profitability states that the failure of most organizations to attain profitability targets is due to a limited experience and exposure to strategic leadership. He further asserts that the ability of leaders in setting organizational vision has a strong impact on the profitability of the banks both in the short and long run businesses operations.,

In general, the findings of this study is theoretically justifiable various research works *stressed that strategic leadership concern for setting organizational vision is very vital for the wellbeing and success of business institutions in general and banking institutions in particular. It improves the overall performance of the organizations.*

2. Effects of leaders effort in translating strategy into action on organizational performance of the bank

According to the results presented in the table number 4.7 of coefficient of regression in the above leaders' effort in translating strategy into action had a significant and positive effect on the organizational performance Bank of Abyssinia. The beta value of the variable is 0.278, $t = 7.762$, $p < 0.01$ which shows that ability of translating strategy into action had positive significant effect on organizational performance of the bank. The value of beta showed that one unit improvement in the leaders' ability of translating strategy into action will bring 27.8% changes in organizational performance of the bank. In the literature, Carter, & Greer, (2013) indicated in their research entitled "Strategic Leadership in Enhancing Organizational Performance within the Nigerian Banking Sector: A Theoretical Dimension" that the roles of strategic leaders in translating strategy into action is a major predictor of organizational performance. Specifically, in the banking sector leaders; who actively change strategy into action help their bank succeeded financially. In addition, the result of this study is also consistent with the assertion indicated in the study conducted by Nthini (2013) on the effect of strategic leadership on the performance of commercial and financial state corporations in Kenya. The author has conducted a study and found out that the leader's concern for translating strategy into action has a significant and positive effect on the organizational performance of banks and in turn improves profitability. Similarly, other empirical findings from literature (Jaleha, & Machuki, 2018) and (Rahman et al., 2018) indicate that leaders and employees at the financial institutions perform well, and are most satisfied if the leaders provide adequate concern for translating the organizational strategy into action and supports operations.

3. Effect of aligning people with the strategy on organizational performance of the bank

The results in the coefficient of the multiple regressions presented in Table 4.7 above, shows that leaders ability of aligning employees of the bank with the strategy it applies had a significant positive effect on the organizational performance the bank with values ($\beta = 0.123$, $t = 3.780$, $p < 0.05$). The value of beta showed that a unit improvement in aligning people with the organizational strategy will leads to 12.3% improvement in the performance of the bank. This result is consistent with research findings of Carter & Greer, (2013). They analyzed the roles of strategic leadership: Values, styles, in organizational performance. They concluded that leaders' ability in aligning employees with the tasks they are assigned to perform helps organizations realize their goals. The finding confirmed that when strategic leader align the strategy with employees decisions and actions, it would significantly affect the performance of organizations positively.

Gusmao, Christiananta, &Ellitan (2018) has conducted a study on the influence of strategic leadership and organizational learning on organizational performance and concluded that strategic leadership has positive effects of organizational performance. According to these scholars, employees in general will be satisfied and perform better when leaders provides them direction and integrate their effort with the strategy of the organization. This shows that aligning employees with the strategy of the bank has positive effect on the performance of the bank. Furthermore, research indicates that employees who perceive that leaders align them with the strategy and tasks of the organizational process are most likely to experience higher job performance that in turn improve organizational performance. According to Njenga&Odollo (2023) study conducted on "Strategic leadership practices and performance of listed commercial banks in Kenya" strategic leadership provide opportunities for followers' to align themselves with organizational strategy and implement it properly and adequately.

4. Effects of determining effective intervention point by leaders on Organizational Performance of BOA

According to the result indicated in the coefficient table 4.7, leaders' ability of determining an effective intervention point while dealing with organizational processes had a positive and significant effect on the performance of the bank with values ($\beta = 0.504$, $t = 12.669$, $p < 0.01$). This indicates that when the roles of leaders in determining an effective intervention points in the bank's operation increase by one unit, there would be 50.4% change in the performance of the bank. This is one of the most significant effects of strategic leadership in the bank's performance. Dahir et al., (2019), in this context suggested that when leaders identify appropriate interventions while dealing with organizational problems and gaps employees feel comfortable with their workplace and reduce feelings of insecurity and uncertainty and this will improve organizational performance.

Similarly, the study conducted by Bayo, Onyenma, & Uhuru (2023) on the title "strategic leadership in enhancing organizational performance within the Nigerian banking sector: a theoretical dimension" suggested that leader's engagement in identifying an effective interventions areas that help the organization provide solutions to a problem and improve overall performance. In addition, the study conducted by Joel (2014) on the relationship between strategic leadership and organizational performance taking the case of commercial banks in Kenya showed that the ability of strategic leaders in determining an effective interventions areas in the banking industry has a significant positive effect on the performance of organizations. Another study conducted by Jahandoost, Taleghani, & Alipour, (2021) on the effect of strategic leadership behavior on work performance taking the case of Public and Private Banks in Guilan Province shows that leader's ability to intervene in organizational operation to solve problems and gaps has a significant effect on the operation of the organization.

5. Effect of Leaders ability to develop the strategic capability on the performance of the BOA

The regression coefficient results presented in Table 4.7 above, shows that leaders ability to develop the strategic capability as one dimension of strategic leadership had a significant positive effect on the performance of Bank of Abyssinia with $\beta = 0.109$, $t = 7.761$, $p < 0.01$. This result shows that one unit change in the ability of leaders' to develop the strategic capability would result in 10.9% changes in the organizational performance of the bank. This result is consistent with the findings of Davis, (2010). In this context, Witts, (2016) argues that there are various factors which affect the performance of banks' profitability. In this, it is necessary to take appropriate measurements to make leaders develop the strategic capacity the organization. In addition, Nthini, (2013) in her dissertation work examined the *effect of strategic leadership on the performance of commercial and financial state corporations in Kenya and concluded that* there is a strong relationship between the ability of leaders' develop the capability of the organization to improve the sustainability of organization profitability. He concluded that when leaders develop the capacity of the organization, it would improve organizational performance and increases employee performance.

Kehinde, Jegede, &Akinlabi, (2012), examined the impact of leadership skill and strategies on banking sector performance considering the survey of selected consolidated banks in Nigeria. They concluded in the study that successful leadership inspires enthusiasm and commitment, enhancing both s and organization performance. Accordingly, it can adequately concluded that the strategic leaders' ability to develop the strategic capabilities of employees and the organization significantly alter the performance of the organizations. To this end, the study concluded that ability to develop the strategic capabilities of the organization has a significant effects on the performance of organizations.

Chapter Five

Summary of Major Findings, Conclusions, and Recommendations

5.1. Summary of Major Findings

This research work has analyzed the effects of strategic leadership on organizational performance of the Bank of Abyssinia. Accordingly, the study has collected data from sampled employees of the bank and made analysis and interpretation of the data. Accordingly, the study has arrived at the following major results which are summarized and presented in the subsequent section.

Results of the Descriptive Analysis

The mean value for the extent of leaders' roles in setting the vision of the organization was 3.96 with a standard deviation of 0.74 that indicates the majority of the respondents agreed and strongly agreed that the leaders of the bank set vision of the bank properly and clearly. This indicates that the leaders of the bank satisfy the vision setting aspects of strategic leadership and addresses the needs and future interests of the bank.

Strategic leaders translate the strategy of the bank into action. It is shows I the study that the responses form the respondents had a mean score 3.83 and standard deviation of 0.67 indicating a higher value of mean and indicating that the leaders of the bank translates the strategy into action to realize the vision of the bank.

In terms of aligning people with of the strategy of the bank, the calculated mean score and standard deviation was 3.72 and 0.73 which indicates that respondents had a positive perception about the roles of leaders in linking employees with the strategy of the bank.

The calculated mean score for the variable determining effective intervention point while there were problem in the implementation of the strategy was 3.80. This indicates that majority of the respondents had a favorable perception toward the roles of leaders in determining appropriate intervention when need aroused. However, the calculated SD for this variable is .74 showing a larger variation in the responses of respondents about the roles of leaders in determining appropriate intervention.

Concerning the roles of leaders in developing the strategic capability of the bank, a mean score of 3.88 was calculated. From this, it can be inferred that majority of the respondent had a positive view regarding the roles of the leaders in developing the strategic capability which

helped the bank to realize its vision. However, the standard deviation of this variable was .72 that shows a remarkable variation in the responses of respondents.

The study has also attempted to measure the performance of the bank. Accordingly, the results shows that the calculated mean score of organizational performance of the bank was 3.80 showing that majority of the employees had the opinion that the bank performance well during the period of data collection. The mean score was accompanied by a standard deviation of .72 that shows a moderate variation in the responses of respondents concerning the performance of the bank.

In summary, majority of the respondents had a positive and favorable attitude concerning the roles of a strategic leader concerning in improving organizational performance of the bank.

Nonetheless, the higher standard deviation seen on the roles of leaders in setting vision of the organization, determining an effective intervention points, and aligning people who the strategy requires an intervention to narrow the variation on respondents perception regarding the issues considered in the study.

Results of the Inferential Statistics: Effects of Strategic Leadership on organizational Performance of the BOA

The results of Pearson Correlation statistics show that all of the independent variables considered in the study had positive significant relationship with organizational performance of the bank at $p\text{-value} < 0.00$.

The variables considered as aspects of strategic leadership possess very strong to medium level correlation with the performance of the bank. The direction of the relationship between the explanatory and dependent variable is linear and positive.

R square and adjusted R square are .852 and .849 respectively. This implies that the model explains that 85.2% of variations in the dependent variable is caused by the independent variable considered in the study.

The ANOVA test statistic indicated that the model is adequate and fitting in the relationship between dimensions of strategic leadership and organizational performance since the $p\text{-value}$ is 0.000, which is less than 0.01 of significance level.

The coefficient of regression indicates that all of the explanatory variables have statistically significant positive effect on the dependent variable/organizational performance/. Numerically, it is indicated as setting vision ($\beta = .090$, $p\text{-value} = 0.002$), aligning the people with the strategy ($\beta = -.123$, $p\text{-value} = 0.000$), translating strategy into action ($\beta = .278$, $p\text{-value} = 0.00$), determining an effective intervention point ($\beta = .504$, $p\text{-value} = 0.00$), and developing strategic capabilities ($\beta = .109$, $p\text{-value} = 0.00$). Thus, it is concluded that all explanatory variables have a significant positive effect on the performance of the bank.

5.2. Conclusions

The study has analyzed the effects of strategic leadership on the performance organization considering the case of Bank of Abyssinia. In this, it has considered the five dimensions of strategic leadership (setting clear vision, aligning the people with the strategy, translating strategy into action, determining an effective intervention point, and developing strategic capabilities) and analyzed the effects on organizational performance of the bank.

The study has found out from the descriptive analysis that the strategic leadership in BOA fulfills the dimensions of strategic leadership with the mean score of more than 3.5. In this, the majority of the respondents agreed and strongly agreed that the bank leaders exercised the dimensions of strategic leadership that helps the bank perform well. Concerning the results of the Pearson correlation, the study has found that there is a significant correlation between all of the explanatory variables and organizational performance of the bank. The effect analysis shows that the model summary of the regression analysis has significant explanatory power with R square and adjusted R square are .852 and .849 respectively. This implies that the model explains that 85.2% of variations in the organizational performance of the bank. The ANOVA test result of the study indicates that the model is adequate and fitting in the relationship between the explanatory variables and the dependent variable since the p-value is 0.000. This shows that the explanatory variable has a significant effect on the performance of the bank. The study has also found out that all of the explanatory variables significantly effects on the performance of the bank at p value < 0.05 . In this, determining the effective intervention point and setting vision by leaders' had the highest and lowest significant effects on the performance of the bank.

5.3. Recommendations

Based on the findings of the study, the following major recommendations are forwarded.

The study has found out that large number of the respondents had a positive perception about the roles of strategic leadership in the bank. However, there is a higher variation in the perception of respondents concerning the roles of leaders in setting vision, determining an appropriate intervention points and aligning people with the strategy. This indicates that the employees of the bank did not have consistent view regarding these variables. Hence, the bank leaders need to consistently improve the manner they set and communicate vision of the bank. Besides, the bank leadership would better determine an appropriate and effective strategic interventions points to help the bank improve its performances. Moreover, the leadership needs to appropriately develop the strategic capabilities of the bank to improve and sustain its organizational performance.

The results of descriptive statistics shows large number of employees hold a neutral view (see annex 2) concerning the dimensions of strategic leadership. This probably indicates that respondents did not have adequate conceptualization of the aspects of strategic leadership. Hence, the bank strategic leadership is recommended to concretize the values and dimension of strategic leadership in all of leaders and employees engagement.

Respondents had a varied response on the roles of each of the variables of strategic leadership in improving organizational performance. Hence, to maintain uniform application of the dimensions of strategic leadership, leaders needs to remember that all aspects of strategic leadership are important and relevant to make their leadership fruitful. Therefore, all dimensions of strategic leadership should equally be exercised to bring remarkable change on organizational performance in general and profitability of the bank in particular.

Some of the respondents disagree that the bank's leadership was not adequately establishing vision, align strategy with people and translate strategy into action. Hence, the bank leadership needs to check that adequate practices of setting vision and aligning people with the strategy through translating strategy into actions so that employees would efficiently perform their tasks and realize the vision of the bank.

Furthermore, some of the respondents showed their disagreement toward the effectiveness of strategic leadership practices in the bank. Their views suggests that the bank needs to create a more effective strategic leadership system to makes the organization realize its vision.

Finally, the financial institutions are expanding highly and rapidly in the country, hence, maintaining higher organizational performance becomes vital to make these institutions

more productive and profitability. Therefore, the bank is better review the manner it frames its strategic leadership constantly. It also better conduct regular leadership performance review and design to make leadership easily performable.

5.4. Recommendations for Further Studies

Future studies can use this study as a stepping board. Studies on the effects of strategic leadership on employee engagement, employee satisfaction, and motivation and other aspects of bank's issues were not the topic of concern in this study. Hence, other studies need to focus on these topics. Secondly, other research works are required to examine the effects of other organizational factors including leadership style, decision making approach and managerial approach on the level of the performance of the bank. Beyond this, future research works can also go deeper into this subject considering other explanatory variables and other organizational set-up. Finally, this research work has found out that all of the dimensions of strategic leadership have significant effect on the performance of the bank. These findings should also be validated in other settings that requires further research works hence, further research works are required.

References

- Abdulrab, M., Zumrah, A. R., Almaamari, Q., Al-Tahitah, A. N., Isaac, O., & Ameen, A. (2018). *The role of psychological empowerment as a mediating variable between perceived organizational support and organizational citizenship behaviour in Malaysian higher education institutions. International Journal of management and human science (IJMHS)*, 2(3),1-14.<https://ejournal.lucp.net/index.php/ijmhs/article/view/812>
- Alex A. and Vincent N. (2018) *Strategic Leadership and Organizational Performance: A Critical Review of Literature. European Scientific Journal December 2018 edition Vol.14, No.35 ISSN: 1857 – 7881*
- Boal, K. B. & Bryson, J. M. (1988), *Charismatic Leadership: A Phenomenological and Structural Approach*. New York: Lexington.
- Bass, B. M. (2007). *Executive and Strategic Leadership. International Journal of Business*, 12(1), 33 – 52.
- Bass, B. M. (1985). *Leadership and performance beyond expectations*. Free Press; Collier Macmillan.
- Boal, K. B., & Hooijberg, R. (2001). *Strategic Leadership Research: Moving On. Leadership Quarterly*, 11 (4), 515 – 549
- Breene, T., & Nunes, P. F. (2006). *Going the distance: How the world's best companies achieve high performance. The Journal of High- performance business* No. 3.
- Chun, J. S., Shin, Y., Choi, J. N., & Kim, M. S. (2013). *How does corporate ethics contribute to firm financial performance? The mediating role of collective organizational commitment and organizational citizenship behavior. Journal of Management*, 39(4), 853-877.
- Carter, S. M., & Greer, C. R. (2013). *Strategic Leadership: Values, Styles, and Organizational Performance. Journal of Leadership & Organizational Studies*, 20 (4), 375 –393
- Davies, B. (2003) 'Rethinking strategy and strategic leadership in schools', *Educational Management and Administration*, 31(3): 295–312.
- Davies, B. (2002) 'Rethinking schools and school leadership for the 21st century: changes and challenges', *International Journal of Educational Management*, 16(4): 196–206.

- Davies, B.J. and Davies, B. (2004) 'The nature of strategic leadership', *School Leadership and Management*, 4(1): 29–38.
- Davies, B., and Ellison, L. (2003) *The New Strategic Direction and Development of the School*. London: RoutledgeFalmer.
- Davies, B.J. (2004) 'An investigation into the development of a strategically focused primary school', *EdD thesis, University of Hull, Hull, UK*.
- Davies, B.J. and Davies, B. (2004) 'The nature of strategic leadership', *School Leadership and Management*, 4(1): 29–38. De Pree, M. (1993) *Leadership Jazz*. New York: Dell.
- Deeboonmee, W., & Ariratana, W. (2014). Relationship between Strategic Leadership and School Effectiveness. *Procedia - Social and Behavioral Sciences*, 112(Supplement C), 982–985. <https://doi.org/10.1016/j.sbspro.2014.01.1258>
- Dent, F.A. (2005), *Leadership Pocketbook*. Hants: Management pocketbooks.
- Fitza, M.(2017). How Much Do Ceos Really Matter? Reaffirming That the Ceo Effect is Mostly Due to Chance. *Strategic Management Journal*, 38 (3), 802–811
- Fullan, M. (1993) *Change Forces: Probing the Depths of Educational Reform*. London: Falmer Press.
- Fullerton, R. R., & Wempe, W. F. (2009). Lean manufacturing, non-financial performance measures, and financial performance. *International Journal of Operations & Production Management*, 29(3), 214-240.
- Fowler, F.J.(2008). *Survey Research Methods* (4th ed.). Sage. <https://doi.org/10.1032/9781452230184>
- GetuEmmanas (2022) *The impact of strategic leadership on organizational change: the case of Cooperative Bank of Oromia*
- Griffin. (2006). EFFECT OF STRATEGIC ISSUE MANAGEMENT ON ORGANISATIONAL PERFORMANCE. *Transnational Journal of Science and Technology*.
- GUILLOT, W.M. 2003. Strategic leadership: defining the challenge. *Air & Space Power Journal*, Winter 2003.
- Gratton, L. (2000) *Living Strategy: Putting People at the Heart of Corporate Purpose*. London: Financial Times Prentice Hall.

- Grundy, T. (1998) *Harnessing Strategic Behaviour*. London: Financial Times Pitman.
- Hair, J.F., Black, W.C., Babin, B.J. and Anderson, R.E. (2010) *Multivariate Data Analysis*. 7th Edition, Pearson, New York.w
- Hagen, A.F., Hassan, M.T. & Amin, S.G. 1998. *Critical strategic leadership components: an empirical investigation*. *SAM Advanced Management Journal*, 63(3): 39–44.
- Hailemariam Temesgen (2021) *The Role of leadership on Strategy formulation and execution: the case of Abay Bank S.C.*
- Hamel, G. & Prahalad, C.K. 2005. *Strategic intent*. *Harvard Business Review*, 67(3): 148–161.
- Hammonds, K.H. 2001. *Michael Porter's big ideas*. *Fast Company*, 44, March: 150–156.
- Hambrick, D. C., & Quigley, T. J.(2014). *Toward more Accurate Contextualization of the Ceo Effect on Firm Performance*. *Strategic Management Journal*, 35 (4), 473– 491
- Hargreaves, A. (1994) *Changing Teachers: Changing Times*. London: Cassell.
- Harris, A. 2008. *Distributed leadership: Developing Leaders for Tomorrow*. London: Routledge Press.
- Helen Kong, Abdul Basit and Zubair Hassan (2018) *The Impact of Strategic Leadership on Organizational Performance on SMEs in Malaysia*. *Journal of Leadership and Management* 13 (2018) 154-166
- Hitt, M. A. (2008). *Strategic entrepreneurship: Creating value for individuals, organizations and society*. *Academy of Management Perspectives*, 25(2), 57–75.
- HITT, M.A., IRELAND, R.D & HOSKISSON, R.E. 2007. *Strategic management: competitiveness and globalization (7th ed.)* Mason, Ohio: Thomson/South Western.
- Hirschhorn, L. (1997) *Re-Working Authority: Leading and Authority in the Post-Modern Organisation*. Cambridge, MA: MIT Press.
- House et al (1999), *Cultural Influences on Leadership and Organisations: Project Globe*. San Francisco: New Lexington.
- Horner. (1997). *Leadership theory: past, present and future*. *Team Performance Management*.

- House, R. J., & Aditya, R. N. (1997). *The Social Scientific Study of Leadership: Quo Vadis?* *Journal of Management*, 23 (3), 409 – 473
- Ireland, R. D., & Hitt, M. A. (1999). *Achieving and Maintaining Strategic Competitiveness in the 21st century: The Role of Strategic Leadership*. *Academy of Management Executive*, 13 (1), 63 – 72
- James, Richard & Anthony. (2011). *Developing Leadership in Global and Multi-cultural Organizations*. *International Journal of Business and Social Science*.
- Jansen, J. J. P., Vera, D. & Crossan, M. (2009). *Strategic Leadership for Exploration and Exploitation: The Moderating Role of Environmental Dynamism*, *The Leadership Quarterly*, 20 (1), 5–18.
- Jassmy, B. A. K., & Bhaya, Z. M. A. (2016). *Strategic orientation and effects on organizational performance analytical study in real estate banks In Al-Dewaniya Province*. *Proceedings of the International Management Conference*, 10(1), 200-212.
- Jooste, K., & Hamani, M. (2017). *The motivational needs of primary health care nurses to acquire power as leaders in a mine clinic setting*. *Health SA Gesondheid*, 22, 43-51.
- Kaplan, R.S. and Norton, D.P. (2001) *The Strategy-Focused Organization*. Boston, MA: HBS Press.
- Khadem, R. 2008. *Alignment and follow-up: steps to strategy execution*. *Journal of Business Strategy*, 29(6): 29–35.
- Kothari, C.R. (2004), “*Research Methodology: Methods and Techniques*”, New Delhi: Kings Mill .
- Labovitz, G.H. 2004. *The power of alignment: how the right tools enhance organisational focus*. *Business Performance Management*, October: 30–35.
- Lamb, K. (2009). *Ten years of the strategic quarterly: contributions and challenges for the future*. *Strategic Quarterly*, 11 (4).
- Malhotra, N. and Birks, D. (2007) *Marketing Research: An Applied Approach*. Prentice Hall.
- Michael Melaku (2021) *The Role of Strategic Leadership on Organizational Innovation: in case of selected Digital Tech firms in Ethiopia*.

- Misrak Teshome (2023) *Effects of Leadership Practice on Organizational: The Case of Ethiopian Shipping and Logistics Services Enterprise*
- Mutia, P. M.(2015). *Strategic Leadership and its Influence on Church Growth in Kenya. (Unpublished Doctoral Thesis). Chandaria School of Business. United States International University – Africa*
- Nel, C. &Beudeker, N., (2009). *Revolution: How to create a high performanceorganization. Cape Town: The Village of Leaders Products.*
- Nel, C. (2008). *High performing organizations. Unpublished document. Stellenbosch: University of Stellenbosch.*
- Obiwuru Timothy C. Okwu Andy T. (corresponding Author) Akpa, Victoria O. Nwankwere Idowu A. (2011) *Effects of leadership style on organizational performance: A survey of selected small scale enterprises in IKOSIKETU council development area of Logos state, Nigeria, Australian Journal of Business and Management research, Vol.1 No.7[100-111]/October-2011.*
- Oluwatayo, J. A. (2012). *Validity and Reliability Issues in Educational Research. Journal of Educational and Social Research, 2, 391-400.*
- Ogechi Rodgers (2016) *The Effect of Strategic Leadership on The Performance of Small and Medium Enterprises in Kenya.*
- Oladele, P. O. &Akeke, N. I. (2016). *Effect of strategic leadership styles on sales and employment growth in small and medium enterprises in Nigeria. International Journal of Information, Business and Management, 8(2), 1-18.*
- Onyango, W. P. (2015). *Effects of Transformational Leadership Styles on Talent Management: A Case of Micro, Small and Medium Size Enterprises in Migori County, Kenya. development, 10.*
- Özer, F, &Tınaztepe, C. (2014). *Effect of strategic leadership styles on firm performance: A study in a Turkish SME. Procedia-Social and Behavioral Sciences, 150, 778-784.*
- Parikh, J. (1994) *Intuition – The New Frontier of Management. Oxford: Blackwell.*
- Prahalad, C.K. and Hamel, G. (1990) *'The core competencies of the corporation', Harvard Business Review, 68: 79–93.*
- Quigley, T. J., &Graffin, S.D.(2017). *Reaffirming the CEO effect is significant and much larger than chance: A comment on Fitza (2014). Strategic Management Journal, 38 (3), 793– 801.*

- Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). *Measuring organizational performance: Towards methodological best practice*. *Journal of management*, 35(3), 718-804.
- Rowe, W. G. (2001), *Creating Wealth in Organisations: The Role of Strategic Leadership*. *Academy of Management Executive*, 15(1): 81-94.
- Rowe, G., &Nejad, M.H., (2009). *Strategic Leadership: Short- Term Stability and Long-Term Viability*. *Ivey Business Journal*, 73(5), 6–11
- Stalk, G., Evans, P. and Schulman, L. (1992) 'Competing on capabilities the new rules of corporate strategy', *Harvard Business Review*, 70(2) 57–69.
- Saleh, R. M. M., Nusari, M., Habtoor, N., & Isaac, O. (2018). *The effect of leadership style on organizational performance: Organizational commitment as a mediator variable in the manufacturing sector of Yemen*. *International Journal of Management and Human Science (IJMHS)*, 2(4), 13–24. <https://www.academia.edu>
- Serfontein, K., & Hough, J.(2011). *Nature of the Relationship between Strategic Leadership, Operational Strategy and Organizational Performance*. *South African Journal of Economic and Management Sciences*, 14 (4), 393 - 406
- Smoke, P. (2015). *Rethinking decentralization: Assessing challenges to a popular public sector reform*. *Public Administration and Development*, 35(2), 97-112.
- Stoll, L., Bolam, R., Collarbone, P. (2002). *Leading for Change: Building Capacity for Learning*. In: Leithwood, K., et al. *Second International Handbook of Educational Leadership and Administration*. Springer International Handbooks of Education, vol8. Springer, Dordrecht. https://doi.org/10.1007/978-94-010-0375-9_3
- Tichy, T. and Sharman, S. (1993) *Control Your Destiny or Someone Else Will*. New York: Doubleday.
- Tilahun Mamo (2020) *Interaction between strategic leadership behavior & organizational performance the case of WegagenBank S.C*
- Van der Heijden, K. (1996) *Scenarios the Art of Strategic Conversation*. New York: John Wiley.
- Wehrich, H. & Koontz, H. (1993), *Management: Global Perspective (10th ed.)*. New York: McGraw Hill.

- Wang, G., Oh, I. S., Courtright, S. H., & Colbert, A. E., (2011). *Transformational Leadership and Performance across Criteria and Levels: A Meta-Analytic Review of 25 years of Research*. *Group & Organization Management*, 36(2), 223-270.
- Wilson, I. (1997) 'Focusing our organizations on the future: turning intelligence into action', *On the Horizon*, 5(3): 1–6.
- Yukl, G. (2006), *Leadership in Organizations* (6th ed.). Uppers Saddle River: Pearson Prentice-Hall.
- Yamane, T. (1967), "A Simplified Formula to Calculate Sample Size"
- Zaccaro, S.J. & Banks, D. 2004. *Leader visioning and adaptability: bridging the gap between research and practice on developing the ability to manage change*. *Human Resource Management*, 43(4): 367–380.
- Zikmund, W.G. 2003. *Business research methods*. Cincinnati, Ohio: South Western

Annex One

ST MARY'S UNIVERSITY

SCHCOOL OF BUSINESS

MASTERS OF BUSINESSADMINISTRATION

Questionnaire to be filled by respondents

Dear Respondent:-

I am Meaza Minwalkulet, MBA student at St Mary's University. Currently, I am working on my thesis entitled "the Effects of Strategic leadership on organizational performance in the case of bank of Abyssinia". Accordingly, this questionnaire is designed to gather primary data on the topic. The study is conducted for academic purpose for partial fulfillment of the requirements of the degree of Masters of Business Administration.

Dear Madam/Sir it will only take about 15 minutes to complete this questionnaire. Your participation to complete this questionnaire is believed to indicate that you consented to give your personal feeling correctly. We consider it as we have your full attention while filling the questionnaire. Your response will be kept confidential and will be used only for the intended academic purpose.

The questionnaire has three Sections:-

Section I:- deals with demographic characteristics

Section II:- about strategic leadership and

Section III:- deals organizational performance

Please note that:

No need of writing your name

Read each statement carefully

please put your answer by using ' ' sign in the corresponding boxes;

Multiple responses are not possible.

Section I - Demographic Questionnaire

1. Gender:

Female Male

2. Age

20-30 31-40

41-50 51-60

3. Please indicate your highest level of education

Diploma BA/BSC Degree

Master's Degree and above other

4. Service years in the Bank (if year of service below three years)

1-5 6-10

11-15 15 above years

Section II- Strategic Leadership questions

Instruction

For the following statements put () sign for your level of agreement based on the scales below

Key for Scales: 1 = strongly disagree; 2 = disagree, 3 = neutral; 4 = agree and 5 = strongly agree

No	<i>Unique ability of Strategic leadership</i>					
	Setting Clear Vision	1	2	3	4	5
1	The bank currently has a clear and inspiring vision.					

2	The vision provides moral purpose that could be easily converted into reality.					
3	The provided vision clearly shows the desirable outcome expected in the future.					
4	The vision significantly influences and clearly shows the leadership style by making it more collaborative and inclusive.					
5	BOA's vision is "SMART"					
	Translating Strategy into Action	1	2	3	4	5
1	The bank defines specific and measurable objectives.					
2	The bank breaks down the strategy into smaller and manageable chunk.					
3	The bank communicate sthe strategy effectively to the stakeholders.					
4	The bank monitors the strategy as the employees execute it.					
5	The bank evaluates and acknowledge team effort.					
	<i>Aligning people with the strategy</i>	1	2	3	4	5
1	The bank aligns the strategy with the company employees.					
2	The bank ensures that everyone understands the long-term goals and how their contributions fit into the bigger picture is crucial.					
3	The bank provides continuous dialogue and participation regarding any regular strategic reviews with key stakeholders.					
4	The bank discusses the challenges they are facing and the achievements they've made with the employees across the department.					
5	The alignment of strategy is effective to the point that it minimizes any internal confusions and conflicts.					
	Determining effective intervention point	1	2	3	4	5
1	The bank decide on strategic matter that leads to the right decision at the right time.					

2	The bank frequently revise and update its strategies.					
3	The bank is adaptable and flexible to any opportunities and challenges faced in the market.					
4	The bank give priority and emphasize to what should be given first.					
5	When the leaders face challenges, they make the right response within the appropriate time.					
	Developing Strategic Capabilities	1	2	3	4	5
1	The bank have the required knowledge for maintaining strategic capability.					
2	The bank have required skill for maintaining strategic capability					
3	The bank processes the strategic plan efficiently and effectively that is expected from them.					
4	The bank have enough tools that are needed in the process to perform an action.					
5	The bank have an overall strong core competency that helps it to gain competitive advantage in the market.					
	Section II- Strategic Leadership questions	1	2	3	4	5
	Organizational Performance					
1	The bank has achieved the set level of financial profitability.					
2	The bank delivers services that satisfy customers.					
3	The bank aligns performance metrics with its strategic goals.					
4	The bank fosters a culture of continues organizational improvement.					
5	The bank embraces efficient decision making.					

THANK YOU FOR YOUR COOPERATION

Annex Two

Some of the Descriptive SPSS output

The vision provides moral purpose that could be easily converted into reality.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	3	1.1	1.1	1.1
Disagree	13	4.8	4.8	5.9
Neutral	51	18.8	18.8	24.7
Agree	123	45.4	45.4	70.1
Strongly Agree	81	29.9	29.9	100.0
Total	271	100.0	100.0	

The provided vision clearly shows the desirable outcome expected in the future.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	4	1.5	1.5	1.5
Disagree	5	1.8	1.8	3.3
Neutral	60	22.1	22.1	25.5
Agree	111	41.0	41.0	66.4
Strongly Agree	91	33.6	33.6	100.0
Total	271	100.0	100.0	

The bank communicates the strategy effectively to the stakeholders

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	.7	.7	.7
Disagree	9	3.3	3.3	4.1
Neutral	65	24.0	24.0	28.0
Agree	130	48.0	48.0	76.0
Strongly Agree	65	24.0	24.0	100.0
Total	271	100.0	100.0	

The bank defines specific and measurable objectives.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	8	3.0	3.0	3.0
Disagree	21	7.7	7.7	10.7
Neutral	75	27.7	27.7	38.4
Agree	123	45.4	45.4	83.8
Strongly Agree	44	16.2	16.2	100.0
Total	271	100.0	100.0	

BOA's vision is "SMART"

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	3	1.1	1.1	1.1
Disagree	18	6.6	6.6	7.7
Neutral	62	22.9	22.9	30.6
Agree	97	35.8	35.8	66.4
Strongly Agree	91	33.6	33.6	100.0
Total	271	100.0	100.0	

The vision significantly influences and clearly shows the leadership style by making it more collaborative and inclusive.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.4	.4	.4
Disagree	15	5.5	5.5	5.9
Neutral	44	16.2	16.2	22.1
Agree	105	38.7	38.7	60.9
Strongly Agree	106	39.1	39.1	100.0
Total	271	100.0	100.0	

The bank breaks down the strategy into smaller and manageable chunk.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	2	.7	.7	.7
Disagree	19	7.0	7.0	7.7
Neutral	58	21.4	21.4	29.2
Agree	129	47.6	47.6	76.8
Strongly Agree	63	23.2	23.2	100.0
Total	271	100.0	100.0	

The bank monitors the strategy as the employees execute it.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	3	1.1	1.1	1.1
Disagree	20	7.4	7.4	8.5
Neutral	52	19.2	19.2	27.7
Agree	118	43.5	43.5	71.2
Strongly Agree	78	28.8	28.8	100.0
Total	271	100.0	100.0	

The bank evaluates and acknowledge team effort

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	3	1.1	1.1	1.1
Disagree	21	7.7	7.7	8.9
Neutral	59	21.8	21.8	30.6
Agree	125	46.1	46.1	76.8
Strongly Agree	63	23.2	23.2	100.0
Total	271	100.0	100.0	

The bank aligns the strategy with the company employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	6	2.2	2.2	2.2
Disagree	25	9.2	9.2	11.4
Neutral	53	19.6	19.6	31.0
Agree	137	50.6	50.6	81.5
Strongly Agree	50	18.5	18.5	100.0
Total	271	100.0	100.0	

The bank ensures that everyone understands the long-term goals and how their contributions fit into the bigger picture is crucial.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	3	1.1	1.1	1.1
Disagree	21	7.7	7.7	8.9
Neutral	59	21.8	21.8	30.6
Agree	133	49.1	49.1	79.7
Strongly Agree	55	20.3	20.3	100.0
Total	271	100.0	100.0	

The bank provides continuous dialogue and participation regarding any regular strategic reviews with key stakeholders.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	6	2.2	2.2	2.2
Disagree	19	7.0	7.0	9.2
Neutral	83	30.6	30.6	39.9
Agree	121	44.6	44.6	84.5
Strongly Agree	42	15.5	15.5	100.0
Total	271	100.0	100.0	

The bank discusses the challenges they are facing and the achievements they've made with the employees across the department.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	7	2.6	2.6	2.6
Disagree	24	8.9	8.9	11.4
Neutral	70	25.8	25.8	37.3
Agree	130	48.0	48.0	85.2
Strongly Agree	40	14.8	14.8	100.0
Total	271	100.0	100.0	

The alignment of strategy is effective to the point that it minimizes any internal confusions and conflicts.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	9	3.3	3.3	3.3
Disagree	18	6.6	6.6	10.0
Neutral	53	19.6	19.6	29.5
Agree	129	47.6	47.6	77.1
Strongly Agree	62	22.9	22.9	100.0
Total	271	100.0	100.0	

The Bank decides on strategic matter that leads to the right decision at the right time.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	5	1.8	1.8	1.8
Disagree	21	7.7	7.7	9.6
Neutral	69	25.5	25.5	35.1
Agree	131	48.3	48.3	83.4
Strongly Agree	45	16.6	16.6	100.0
Total	271	100.0	100.0	

The Bank frequently revises and updates its strategies.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	4	1.5	1.5	1.5
Disagree	21	7.7	7.7	9.2
Neutral	63	23.2	23.2	32.5
Agree	104	38.4	38.4	70.8
Strongly Agree	79	29.2	29.2	100.0
Total	271	100.0	100.0	

The bank is adaptable and flexible to any opportunities and challenges faced in the market.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	4	1.5	1.5	1.5
Disagree	11	4.1	4.1	5.5
Neutral	74	27.3	27.3	32.8
Agree	126	46.5	46.5	79.3
Strongly Agree	56	20.7	20.7	100.0
Total	271	100.0	100.0	

The Bank gives priority and emphasize to what should be given first.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	6	2.2	2.2	2.2
Disagree	20	7.4	7.4	9.6
Neutral	57	21.0	21.0	30.6
Agree	121	44.6	44.6	75.3
Strongly Agree	67	24.7	24.7	100.0
Total	271	100.0	100.0	

When the leaders face challenges, they make the right response within the appropriate time.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	7	2.6	2.6	2.6
Disagree	18	6.6	6.6	9.2
Neutral	62	22.9	22.9	32.1
Agree	117	43.2	43.2	75.3
Strongly Agree	67	24.7	24.7	100.0
Total	271	100.0	100.0	