



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**FACTORS AFFECTING SUCCESSFUL STRATEGY IMPLEMENTATION
IN PRIVATE COMMERCIAL BANKS: IN CASE OF DASHEN BANK SC.**

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REQUIREMENTS FOR THE MASTERS DEGREE IN BUSINESS
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Declaration

I, Zemenu Tarekegn Bitew, declare that this thesis is my original work, prepared under the guidance of GETIE ANDUALEM (PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for the purpose of earning any degree.

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Endorsement

This thesis, done by Zemenu Tarekegn Bitew, entitled “FACTORS AFFECTING SUCCESSFUL STRATEGY IMPLEMENTATION IN PRIVATE COMMERCIAL BANKS: IN CASE OF DASHEN BANK SC.”, has been submitted to St Marry University, School of Graduate Studies in partial fulfillment of the requirements for the award of a Master’s Degree in Business Administration (MBA) for examination with my approval as a thesis advisor.

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ABSTRACT

The purpose of this study was to examine the factors affecting successful strategy implementation in private commercial banks in case of Dashen Bank SC. The study was guided by a number of research questions, all with regard to Dashen Bank SC: how organizational resource affect strategy implementation; in what ways does organizational culture & structure affect strategy implementation; and to what extent leadership style affect strategy implementation? A descriptive research design was used for the study at a case study of Dashen bank at North Addis district and branches under the district to represent the views of staff with a sample of 136 respondents. The study used primary data. The primary data was collected using questionnaires and an interview. Qualitative data was collected and analyzed with the use of descriptive statistics using Statas the tool of choice and presented through diverse measures that included percentages, means, standard deviations and frequencies for categorical and continuous variables. The study further employed ordered logit model to study the cause-and-effect relationship between dependent and independent variables. The study found that organizational leadership style, organizational culture, organizational resource and structure influence strategy implementation to a great extent in Dashen Bank SC. From the findings leadership style in an organization affects resource allocation, attitude and quality of the leadership team, and delegation of task. The culture of the organization should be monitored to ensure that the organization didn't lose the factors that improve strategy formulation and implementation. Resources were not equally distributed at timely bases and the bank lost experienced employees. Additionally, the finding showed that the current organizational structure didn't invite to implement the stated plan due to the above combined factors. The study recommends that the organization should include its stakeholders in the planning and implementation of strategy, the researcher also recommends that the bank should offer training and development programs for employees. Given the findings, the recommendation of the study was that Dashen bank SC or any Commercial Banks that require to successfully execute a chosen strategy, need to deliberate on their resources, organization structure, and management support. Finally, the study suggested that it would be interesting investigated the factors affecting strategy implementation in another commercial bank that might have undergone strategy implementation findings can then be compared to assess areas of commonalities and unique features. This would create a platform for recommendations and areas of improvement.

Key Terms: *organizational culture, organizational leadership style, organizational resource strategy implementation,*

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

A strategy is an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage (Thompson, Strickland, & Gamble, 2008). Strategic management which is a set of managerial decisions and actions that determines the long run performance of an organization. (Mwende, 2014) indicates that the banking industry has over the past few years enjoyed exponential growth in deposits, assets, profitability and products offering, mainly attributed to automation of services and branch network expansion both locally and regionally. This growth has brought about increasing competition among players and new entrants into the banking sector. As if the current business environment is uncertain; firms must find ways to cope with the dynamic changes in the external environment. (Heracleous, 2000) notes that firms get their input from the external environment to produce their output. To get input that effectively contributes to output, they need to align themselves in a manner that accommodates these pressures from the external environment in order to achieve their mission and vision. To do that banks formulate and implement different strategies. (Hrebiniak, 2006) argued that while strategy formulation is difficult, making strategy work and executing it is even more difficult. Similarly, (Cater & Pucko, 2010) concluded that while 80% of firms have the right strategies, only 14% have managed to implement them well.

According to (Hrebiniak, 2006) strategy implementation entails putting together strategies and policies into action through the development of programs, budgets and procedures. The process might involve changes within the overall culture, structure and management system of the entire organization. (Heracleous, 2000) maintains that successful strategy implementation requires strategic control and the ability to steer the firm through an extended future time period when sudden events and general economic and societal developments will be sources of change not anticipated when the strategy was conceived or initiated. (Homburg & Stock, 2004) mentioned that human resources management plays a pivotal role in the effective implementation of strategic plans. It is important for both organizational departments and employees to be enthusiastic about the strategy implementation. Getting people on board and having a motivating reward system will have a positive influence on the implementation of strategy. In addition, technological

advancement in terms of speedy processes and procedures, as well as design, will also make a positive contribution to the successful implementation of strategies. Beer and Nohria argue that successful implementation of strategy requires having appropriate organizational design and structure to implement the strategy, resource allocation, control, managing change from the process approach, diagnosing barriers to change, managing any issues and communication of change. This is to help the organization to broaden their view of the strategy from the quality of the product to the organizational focus in terms of how to achieve the strategy using the seven categories (Saunders, Mann, & Smith, 2008). However, the area of strategy implementation is significant to the general success or failure of an organization (Dlodlo, 2011). Although many studies accept that strategies often fail not because of insufficient strategy formulation, but because of insufficient implementation, strategy implementation has attracted less research than strategy formulation. (Speculand R. , 2009) argued that nine out of ten strategies fail due to the implementation process. Failure mostly occurs during the implementation of the strategic plan. According to (Kazmi, 2008) “strategy formulation hogs most of the attention of management and strategy thinkers while strategy implementation is sidelined”. (Kazmi, 2008) stated that more than half of the strategies that have been devised by organizations are never implemented. She further claims that this is due to increase in competition and globalization.

Organizations sometimes seem to have difficulties in implementing their strategies. A number of problems in strategy implementation have been revealed by researchers. These include weak management duties in implementation, an absence of communication, a lack of commitment to the strategy, strategy misunderstanding, unaligned organizational resources and systems, poor direction and responsibility sharing, inadequate competences, competing activities, and uncontrollable environmental factors ((Grundy, 1998); (Heide, Grønhaug, & Johannessen, 2002) ; (Beer & Eisenstat, 2000)).

According to (Alexander, 1985), the ten most often occurring strategy implementation difficulties include underestimating the time needed for implementation and key problems surfacing initially not anticipated. In addition to these, there were other uncontrollable factors in the external environment had an adverse impact. With regard to people, the capabilities of employees involved were often not sufficient, leadership and direction and “training and instruction given to lower-

level employees were not adequate” (Alexander, 1985). Although the least recurrent in this study, in a number of cases the information systems used to monitor implementation were inadequate.

Dashen bank strategic plan for the year 2020/2021 up to 2024/2025 sets the foundation for transformation to achieve its vision of being “Best- in- class bank in Africa.” (Dashen Bank, 2020/2021) head quarter in Addis Ababa ,Dashen Bank is one of the largest private bank in Ethiopia ,with an asset base of over ETB 114 billion as at 30 June 2022.The bank intends to continue to build on its past success by depending its market share across all its business segment with a focus of customer and innovation there by taking advantage of the rapidly growing Ethiopian economy During 2019 the bank decided to embark on a detailed corporate strategic planning process in order to establish a revised strategy commensurate with its aim to be the leading private bank in Ethiopia over the next five years. In developing the strategic plan consideration has been given to several factors including but not limited to the volatile macro-economic environment, convergence of the banking and technology industries intensifying competition on from both established players and startup source: (KPMG & DB project analysis). To cope with the current competition in the banking industry, it is important for Dashen bank to understand factors affecting successful strategy implementation. This research will be helpful by investigating factors affecting successful strategic implementation in Dashen Bank.

1.2 Statement of the Problem

Proper implementation of strategies is a requirement for improved quality of services and customer satisfaction. (Beer & Eisenstat, 2000) argued that strategy implementation is a way in which a company creates the organizational arrangement that allowed it to pursued its strategy most effectively. Successful strategy implementation therefore must consider key issues. These included: matching organizational structure, creating a supportive culture, proper leadership and resources (Okumus F. , 2001). According to (David & David, 2003), both managers and employees should be involved in the implementation decision and adequate communication between all parties were important for successful implementation. Elements that require consideration during the implementation process included annual objectives, policies, resource allocation, management of conflict, organization structure, managing resistance to change, and organizational culture (David & David, 2003).

However, the strategic implementation of private commercial banks, including Dashen bank is necessary, it is difficult to implement due to the stiff competition of banks and the rising nature of globalization and technology through time. The most critical factors facing most organizations today is coping up with today's game of business, dynamism. For a past few decades, organizations have been facing fierce competition in their external environment in which they operate (Ayub, Razzaq, Aslam, & Iftekhar, 2013). Failure in strategic management almost always happened during the implementation of the strategic plan. (Okumus F. , 2001) noted that despite the importance that strategy execution process has, more research has been carried out into strategy formulation while few have been carried out with regard to strategy implementation. Communication of the strategic plan has been crucial to the understanding and implementation of the strategic plan. Without the right communication, the entire strategy implementation will be wrongly interpreted and consequently wrongly implemented which leads to lack of achievement of the set objectives (Pearce & Robinson, 2010). 90% of well formulated strategies fail at Implementation stage (Mintzberg H. , 2011). Although formulating consistent strategies seems a difficult task for any management team, making that strategy work through effective implementation was even more difficult (Hrebiniak, 2006).

Hence, according to (Mintzberg H. , 2014) effective implementation of strategy results when organization, resources and actions has tied to strategic priorities and when key success factors were identified and performance measures and reporting was aligned. Communication of the strategic plan was crucial to the understanding and implementation of the strategic plan. Without the right communication, the entire strategy implementation has been wrongly interpreted and consequently wrongly implemented which leads to lack of achievement of the set objectives (Pearce & Robinson, 2010)

Regarding to the factors affecting strategy implementation, several researchers have been done on factors affecting successful strategy implementation locally and globally: (Thompson & Strickland, 2002) studied the challenges of strategy implementation in service firms in United States. The study found that aching between the strategy and capabilities of the firm was the greatest challenge. (Ortega, 2010) argued that lack of resources was a key impediment towards successful strategy implementation. According to the white paper of strategy implementation of Chinese corporations in 2006, that 83 percent of the surveyed companies failed to implement their strategy

smoothly, and only 17 percent felt that they had a consistent strategy implementation process (Cherop, 2015).

Other researchers like (Rajasekar, 2014), who focused on factors affecting effective strategy implementation in a service industry. One important conclusion of this study was that strategy implementation could not be studied in isolation from the country, industry, or organizational culture and environment. (Speculand R. , 2014) addressed bridging the strategy implementation skills gap and his findings reflected those leaders need both the ability to craft the right strategy and skills to implement it.

Generally, the above researchers had their own gaps; like: (Thompson, Strickland, & Gamble, 2008) who saw only strategy and capability were the major challenges of strategy implementation (which were limited variables). (Ortega, 2010) argued resources were a key impediment towards successful strategy implementation (which resource, people/material could not clearly have identified). (Rajasekar, 2014) concluded strategy implementation was related with the countries industry, or organizational culture and environment. (Which did not consider specific industry)? This paper was different from others in terms of; First, adding forgotten variables unlike (Thompson & Strickland, 2002) focus on strategy and capability, (Ortega, 2010) which focused only on resources second, Scope of investigation unlike (Rajasekar, 2014). Third, it used econometrics analysis to see the extent relationship among variables.

In addition to the above gaps there were different implementation problems that affecting successful strategy implementation in any private commercial banks in Ethiopia. So, the study would find the gaps as well as examining the factors which affect successful strategic implementation of Dashen bank so as to continue its leading private bank in Ethiopia by accomplishing its vision and mission through implementing its strategic plan.

1.3 Research Questions

The study would be guided by the following research questions;

- How does the leadership style affect strategy implementation in Dashen bank?
- How does organizational culture affect strategy implementation in Dashen bank?
- How does organizational structure affect strategy implementation in Dashen bank?

- In what way allocation of resources affect strategic implementation in Dashen banks?

1.4 Objective of the Study

1.4.1 General Objective

The main objective of the study is to examine the factors which affect the strategy implementation in private commercial banks in Ethiopia –in case of Dashen bank sc.

1.4.2 Specific Objective

The specific objectives include:

- To assess the effect of leadership style on strategic implementation at Dashen bank SC.
- To examine the effect of organizational culture on strategic implementation of Dashen bank SC.
- To examine the effect of organizational structure on strategy implementation in Dashen Bank SC.
- To investigate the effect of allocation of resources on strategy implementation at Dashen Bank SC.

1.5 Research Hypothesis

Based on the above research objective, the study will test the following hypothesizes

H1₀: the variable organizational resource is significant

H1a: the variable organizational resource is not significant

H2₀: the variable organizational structure is significant

H2a: the variable organizational structure is not significant

H3₀: the variable organizational leadership style is significant

H3a: the variable organizational leadership style is not significant

H4₀: the variable organizational culture is significant

H4a: the variable organizational culture is not significant

1.6 Significance of the Study

This study had been significant for the management of Dashen Bank, stakeholders, policy makers, further researchers and Other Companies and organizations. the research used the management of Dashen bank SC to develop effective strategic plan and implementation process that enable the company survive and succeed in the long term while meeting shareholders' expectations. It enabled them be able to know how to best implement their strategies considering the entire factor. The stakeholders of Dashen bank get to benefit from this study as they would know how their strategies are being implemented. On the policy development, this research would have value whereby recommendations put across would aid in enhancing policy development in the studied organizations and other organizations that practiced strategic management. More specifically, this study should put forth recommendations that will see management teams of organizations take keen interest in cultivating conducive environment for strategy implementation and execution through development of supportive policies. Future scholars and researchers may be able to utilize this research as reference to empower them come up with new aspects that they can research on. In addition to that, Management in other companies tried to achieve competitive advantage has also benefit from this study by applying the results of the study. This was because if the strategy has been successfully implementing the other companies will want same to apply in their organizations'.

1.7 Scope of the Study

This research aimed to assess the strategic implementation practices in private commercial banks in Ethiopia, in the case of Dashen bank.

The reason why the study used this scope because they are manageable by researcher capacity, respondents are relatively homogeneous in knowledge of the job, work environment, training availability etc. Due to these and other reasons the respondents answer was not bias significantly.

On the other hand, because of the scope, the study findings represent only Addis Ababa branches even though, as it is well known Dashen Bank has many branches in different area throughout the country. Meanwhile the study excluded employees working in head office and other sub system because their nature of work different from branch

1.8 Limitations of the Study

The study is delimited to the factors which affect successful implementation of strategic practices of Dashen Bank S.C. The research was limited to Addis Ababa specifically in North Addis district. Therefore, there would be a geographical limitation in the study, since it focuses in Addis Ababa mainly in north district.

1.9. Organization of the Paper

This chapter deals with main factors affecting implementation of strategy which is the resource allocation, organization structure and how to monitor and evaluate the strategy implemented. In chapter two and three of this study present the literature review and research methodology respectively. Chapter four of this study incorporates findings from the respondents and discussions of the study will be presented in graphs and tables. Chapter five of the study has outlined the conclusion of the findings and recommendations for the bank as well as stakeholders on factors to consider in the implementation of strategy.

CHAPTER TWO

2. LITERATURE REVIEW

This chapter reviews both the theoretical and empirical (past studies) frameworks related to implementation of Strategy. The first section of the study reviews literature on theoretical foundations, such as the institutional theory, resource dependency theory, agency theory and innovation diffusion theory. The second part deals the empirical studies like: how leadership style, organizational culture & structure, resources affect the implementation of strategy.

2.2 Theoretical Foundation

This study was anchored by four theories namely: institutional theory, resource dependency theory, agency theory and innovation diffusion theory. The theories have been discussed below as follows:

2.2.1 Institutional Theory

Institutional theory focuses its attention on the role of social influence for social conformity in shaping organizations actions. Because organizations are assumed to be approval-seeking they are susceptible to social influence. One of the main theses of institutional theory is that organizations' act to enhance or protect their legitimacy (Scott, 2004). By adopting strategies in adherence to institutional prescriptions, firms reflect an alignment of corporate and societal values. When organizations conform to societal pressures, they gain legitimacy that secures organizational success and survival.

Thus, concern over legitimacy influences firms by forcing them to adopt certain managerial practices that are expected to be socially valuable. Institutional theory does not directly address efficiency issues or the impact of strategies on performance, since it explains the implementation of practices without obvious economic value. Yet it recognizes the value that these practices provide in terms of legitimacy and its importance for a company's endurance. A gain in legitimacy can benefit an organization since it aids in securing access to valuable resources, provides a license to operate and innovate lowers risk, enhances reputation, and strengthens stakeholder relations (DiMaggio & Powell, 2012).

(Scott, 2004) notes that a conventional argument of institutional theory is that pressure for institutional conformity leads to a company's adoption of the same strategies and structures as

those adopted by other actors within the organization's field. This duplication of practices often leads organizations to resemble each other and beget the classical explanation of homogeneity across companies. Institutional theory has successfully explained how conforming to societal expectations increases legitimacy, reduces uncertainty, and increases standardization. Due to their impact on the natural environment and society, companies tend to be scrutinized more intensely by different stakeholders like government, media, consumers, and activists. Given the increased social awareness of organizational wrongdoing and the explicit environmental demands, institutional theory predicts that companies can gain legitimacy by reducing their impact on the environment and exhibiting good environmental performance (Scott, 2004).

2.2.2 Resource Dependency Theory

According to (Pfeffer & Salancik, 2003) actors lacking in essential resources will strive to establish relationships with others to get the resources. This theory is important to the study because it demonstrates the extent to which a firm can go to acquire resources to execute its plans in order to achieve its goals. Organizations attempt to alter their dependence relationships by minimizing their own dependence or by increasing the dependence of other organizations on them. (Lamb, 1984) indicate that organizations are seen as coalitions altering their structure and patterns of behavior in order to acquire and maintain the required external resource. When a firm obtains the external resources, it reduces the level of its dependence on others and thus increases the extent of dependence by others. This essentially means that the firm is able to develop core competence since it's less dependent on others while other organizations heavily depend on it. This results to competitive advantage of the organization.

The supporters of this theory: (Stern & Stalk, 2011) argue that the firm is assumed to consist of internal and external coalition which emanate from the social exchanges that are formed to enhance and control behavior. The external environment is assumed to consist of scarce and valued resources that are key for an organizational survival. This is because of the uncertainty involved in the external environment in resource acquisition.

Going by these facts, the banking environment is dynamic however; it is characterized by risks and uncertainties due to changes in the external environment. This necessitates the need for adopting strategies to counter challenges in the external environment. According to (Ortega, 2010),

organizations aim to achieve two key objectives namely: control over resources in order to reduce dependence on other firms and gain control over resources that enhance dependence of other firms on themselves.

2.2.3 Innovation Diffusion Theory

According to (Dillon & Morris, 1996); (Rogers, 2003), the strategic factors which influence the diffusion of an innovation include; relative advantage (the extent to which a technology offers improvements over currently available tools), compatibility (its consistency with social practices and norms among its users), complexity (its ease of use or learning), trainability (the opportunity to try an innovation before committing to use it), and observability (the extent to which the technology's outputs and its gains are clear to see). These elements are not mutually exclusive thus unable to predict either the extent or the rate of innovation diffusion. The innovation does not necessarily have to be new in terms of discovery or invention; it only has to be perceived as new by the organization (Zaltman, Duncan, & Holbek, 1973), (Moore & Benbasat, 1991) built on the work of (Rogers, 2003), amongst others (Tornatsky & Klein, 1982) and (Brancheau & Wetherbe, 1990) and expanded the array of innovation characteristics to seven. Three of the seven innovation characteristics are directly borrowed from Rogers: relative advantage, compatibility, and trainability. The fourth characteristic, ease of use, is a close relative to Rogers' complexity. It is worth noting that both relative advantage and ease of use are subjective characteristics since they can be viewed differently depending on an individual's perceptions.

(Fishbein & Ajzen, 1980) concur, attitudes towards an object and attitudes regarding a particular behavior relating to that object can frequently differ. (Moore & Benbasat, 1991) also derived three further characteristics. (Rogers, 2003) included image as an internal component of relative advantage, (Moore & Benbasat, 1991) found it to be an independent predictor of adoption. Image is the self-perception that adopting an innovation could result in enhanced social status.

By analyzing (Rogers, 2003) diffusion of innovation theory through the lens of the Dubbin framework, some gaps in the theory emerge. Organizations are described as a social system, but within organizations, departments or teams can also serve as social systems. Yet the unique issues and elements of departments or teams within a larger organizational context are not addressed in

terms of how these boundaries affect the adoption of innovation. In addition, boundaries are not addressed for instances when diffusion of innovation occurs across organizations.

2.2.4 Agency Theory

An agency relationship arises when one or more principals (for example an owner) engage another person as their agent (or steward) to perform a service on their behalf. A principal and an agent form an agency relationship because they each expect to receive some net benefit. The parties expect that the relationship will lead to an efficient division of labor. Performance of this service results in the delegation of some decision-making authority to the agent. This delegation of responsibility by the principal and the resulting division of labor are helpful in promoting an efficient and productive economy. However, such delegation also means that the principal needs to place trust in an agent to act in the principal's best interests (Walker, 2009).

The relationship between the principal and the agent is called the "agency," and the law of agency establishes guidelines for such a relationship. The formal terms of a specific principal-agent relationship are often described in a contract. A contract made by an agent on behalf of a principal is considered to be the contract of the principal and not that of the agent. It allows the principal to authorize somebody to carry out her duties, either for a specific purpose or generally (to conduct many transactions). Inherent in the Principal-Agent relationship is the understanding that the agent will act for and on behalf of the principal. The agent assumes an obligation of loyalty; that he will follow the principal's instructions and will neither intentionally nor negligently act improperly in the performance of the act. An agent cannot take personal advantage of the business opportunities the agency position uncovers. A principal, in turn, reposes trust and confidence in the agent. These obligations bring forth a fiduciary relationship of trust and confidence between Principal and Agent.

An agent must obey reasonable instructions given by the principal and not do acts that have not been expressly or impliedly authorized by the principal. The Agent must use reasonable care and skill in performing the duties. Most importantly, the Agent must be loyal to the principal. The Agent must refrain from putting himself in a position that would ordinarily encourage a conflict between the agent's own interests and those of the principal. The Agent must keep the principal informed as to all facts that materially affect the agency relationship.

Agency theory is concerned with resolving problems that can exist in agency relationships; that is, between principals and agents of the principals. The two problems that agency theory addresses; the problems that arise when the desires or goals of the principal and agent are in conflict, and the principal is unable to verify (because it difficult and/or expensive to do so) what the agent is actually doing (Investopedia, 2012). Agency theory seeks to explain the relationship in order to recommend the appropriate incentives for both parties to behave the same way, or more specifically, for the agent to have the incentive to follow the principal's direction and also seeks to reduce costs in disagreements between the two. Agency Theory is relevant to this study because it appreciates the role of the agent in achieving a greater goal. According to the theory the delegation of responsibility by the principal and the resulting division of labor are helpful in promoting an efficient and productive economy. The delegation of responsibility in the context of this study is the outreach of financial services from the banking halls to where people live and work ensuring rise in financial inclusion.

2.3. EMPIRICAL FOUNDATIONS

2.3.1 Organization Design and Structure on Strategy implementation

(Johnson, Scholes, & Whittington, 2006) define structural design as the roles, responsibilities and lines of reporting in an organization. It can deeply influence the sources of an organizations advantage, in term of knowledge management. If the organizations' structure does not match the company's strategy it may prove fatal in its implementation. The structural design describes who is responsible for what. It also provides clarity on decision making, communication line and knowledge exchange. This will help employees to easily receive feedback from top and middle management without fear of distortion (Johnson, Scholes, & Whittington, 2006). According to (Pearce & Robinson, 2010), an organizational structure refers to formalized arrangement of interaction between responsibility of tasks, people, and resources in an organization. They also describe an organizational structure as a chart often pyramidal with roles and titles in cascading fashion (Pearce & Robinson, 2010). (Ansoff & McDonnell, 1990) describe organizational structure as a formal grouping of the firm's logistic and managerial activities. They provide the structural alternatives as divisional, multinational, matrix and innovative structures.

There are seven basic structural types mentioned by (Johnson, Scholes, & Whittington, 2006). Functional structure which is based on the activities of the organization such as production, finance

and accounting, marketing, human resources and research and development. Multidivisional structure which is based on products, services or geographical areas. Holding company structure which consists of shareholdings in a variety of separate business operations. Matrix structure which is a combination of structures which take the form of products and geographical divisions or functional and divisional structures operating together. Transnational structure combines the local responsiveness of the international subsidiary with the coordination advantages found in global product companies. Team-based structure combines both horizontal and vertical coordination through structuring people into cross-functional teams. Finally, there is a project-based structure where teams are created to a specific task then dissolved (Johnson, Scholes, & Whittington, 2006). (Tavitiyaman, Zhang, & Qu, 2012) indicate that a type of organizational structures corresponds to different abilities of the company to process information and is distinguished between mechanistic and organic structure. A mechanistic structure is highly formalized, non-participative, hierarchical, tightly controlled and inflexible. An organic structure on the other hand is defined by its informality, decentralization of authority, open channels of communication and flexibility. (Pearce & Robinson, 2010) perspective of organizational structures is similar to those described by (Johnson, Scholes, & Whittington, 2006) but he included product-team structure which seeks to simplify and amplify the focus of resources on a narrow but strategically important product, project, market, customer, or innovation. Some of the highlights when reviewing how organization design and structure affects strategy implementation in this study will be authority, degree of centralization, degree of integration and formalization (Ortega, 2010).

2.3.2 Organization Design, Structure and Authority in Strategy Implementation

(Shetach, 2010) defined authority as the managerial force that enables one to lead the project independently without the need of approval for any decision, move or step, throughout the project. (Martinez-León & Martínez-García, 2011) defined authority as characterized by staffing, coordinating, organizing and reporting relations. In bureaucratic and mechanistic structures, they are well suited for mass production in a stable environment. Mechanic structures are mainly characterized by different hierarchical levels, and the reporting channel is usually from the top management through a long process of downward communication to get to the employees. By the time the information gets to the employees it is filtered and only part of it is communicated. Coordination is also achieved through intense work division, which generates high work

specialization and differentiation with specialized role and responsibilities. This therefore implies that there are functional grouping and rigid departmental separation (Martinez-León & Martínez-García, 2011). In Organic and decentralized structures, the organization is characterized by a flat and horizontal shape with possibly three layers of management between the top and the front line. The company receives knowledge through the employees who operate as independent and separate. Middle level management communicates the continuous interactive process by which knowledge is created. There is therefore decentralization of (Martinez-León & Martínez-García, 2011).

According to (Pearce & Robinson, 2010), in a simple organizational structure the authority is very demanding on the owner of the business. If successful it may give increased attention to day-to-day activities which may be an expense in terms of time invested. In functional organizational structure it differentiates and delegates the day-to-day operating decisions though it limits the development of general managers. In divisional structure, it frees the chief executive officer for broader strategic decisions though it creates a room for potential inconsistency among divisions. In the matrix structure it maximizes efficient use of functional managers as well as gives the middle level managers broader exposure to strategic issues. (Ansoff & McDonnell, 1990) seems to agree with the authority under the structures described above. (Collinson, Narula, Qamar, & Rugman, 2006) however, viewed that in companies with high power distance the leadership tends to be autocratic as they will tend to view others as indecisive and too compromising.

(Tavitiyaman, Zhang, & Qu, 2012) was concerned that many studies have explored the relationships between firm performance and brand image or organization structure and organizational success, but the role played by organization structure and the question of whether a mechanistic or organic structure is more appropriate for business implementation are largely unexamined issues.

2.3.3 Degree of Centralization

In mechanistic organizational structures there is high centralization and relational complexity resulting from the managers' need to coordinate the organizational activities required to develop the vision of their planning control and continuous intervention in problem resolution, decision-making and management (Martinez-León & Martínez-García, 2011). Also organic structures are mainly suited to industries with low rates of technical and market change hence helps management

to monitor cost effectiveness and quality (Tavitiyaman, Zhang, & Qu, 2012). Mechanistic structures are ideal for carrying out particular, unusual tasks that frequently change because the specialization of tasks is based on knowledge. According to (Pearce & Robinson, 2010), in a simple organizational structure the company is reliant on the owner as the central point for all decisions hence can limit development. In a functional structure, it retains a centralized control of strategic decisions hence has a strong potential for inter functional conflicts due to priorities placed in particular functions. In a divisional structure it retains functional specialization within each division though there are higher chances increased costs through duplication of efforts. It is fundamental in an environment characterized by high dynamism, complexity, hostility and uncertainty where the organization has to be guided to continuous change, learning and innovation (Martinez-León & Martínez-García, 2011). From the findings of (Van Tulder, Tavares-Lehmann, & Verbeke, 2011) they concluded that formalization and decentralization have a positive effect on performance.

2.3.4 Degree of Integration

“A leader must investigate the knowledge and alignment needs with the organizational strategy. Leaders must also plan and execute the management strategy to support the value proposition and to define the organization’s mission”. Leadership is widely recognized as being fundamental in the integrations of strategy in an organization. Companies must be able to develop and implement competitive advantages while meeting the expectations of shareholders, employees, suppliers, creditors, clients, institutions, communities and societies in general. Organizations that outline their management strategy in line with the organization structure and design have been improving their performance.

In the implementation process of the company’s organizational strategy, ethics and balance must be considered in the integrations between economic, social, environmental elements and the corporate identity. (Norman & MacDonald, 2003) advise that many companies whether small or large, governments and political parties among others have put into practice the idea of being able to assess companies not only in economic terms but also in social and environmental terms, so that all stakeholders benefit.

2.3.5 Formalization

Formality in Strategic Management refers to the degree to which participant's responsibilities, authority and discretion in decision making are specified (Pearce & Robinson, 2010). In mechanistic structures a high degree of specialization creates room for experts and the high formalization reduces the capacity for improvising and creating new competences. The structure is therefore to assist with routine problems but it is unable to cope with new ideas. This therefore reinforces past behaviors and inhibits rapid response to the competitive environment (Martinez-León & Martínez-García, 2011). It is also more suited to environments where change is rapid and prefers a minimal degree of hierarchy. It is therefore known for the flexibility in staff work activities (Tavitiyaman, Zhang, & Qu, 2012).

2.3.6 Organization Process

Organization structure and organization processes are related as they both pursue a defined strategy. Organization process can help or stop the implementation of strategy into action. Organization process can either be divided into input and output process or direct and indirect controls. Inputs process is based on resource consumed in strategy in particular financial resources and human commitment. The output processes ensure satisfactory results. The direct controls involve close supervision or monitor while indirect controls on the other hand is hands off. An organization may use a blend of these conditions but some will dominate over others according to the strategic challenges (Johnson, Scholes, & Whittington, 2006).

2.3.7 Management Levels, Functions and Operational Systems

Three levels of management and decision making are highlighted as a pyramid to show their hierarchy. Starting from the bottom of the pyramid the levels are operational or functional level, business or administrative level and strategic or corporate level. The Corporate level is the senior or top level of management and they make decisions that have a long-term effect in the direction of the entire organization. The business or middle level managers make tactical decisions that focus on intermediate-term issues to fulfill the organizations missions, objectives and strategy. Finally, the operational or low-level managers, supervisors and workers need detailed data and decision making is for the immediate or day to day activities or operations (Pearce & Robinson, 2010).

2.4 Resource Allocation on Strategy Implementation

(Wang, Lee, & Chung, 2009) provided a breakdown of total company expenditures that are utilized by major stages in the innovation process, and the proportion spent on successful versus failed strategies. They concluded that successful firms spent more on the early stages of implementation. (Okumus F. , 2003) on the other hand, identified that there should be a process of ensuring that all necessary time financial resources, skills and knowledge are made available. Resources are closely linked with operational planning and have a great deal of impact on communicating and on providing training and incentives. In strategy implementation the main areas to look into when allocating resources are the procedures of securing and allocating financial resources for the new strategy, information and knowledge requirements, the time available to complete the process and the political and cultural issues within the company and their impact on resource allocation. Sterling (2003) viewed that some strategies fail because not enough resources were allocated to successfully implement them. As per analysis above, this study looked into factors to consider when allocating resources. Organizations have four key resource areas that is people, information and technology, finance.

2.4.1 People and Strategy Implementation

In understanding people Edmonds (2011) analyzed the resistance to change in organizations, brought largely by the fear of the unknown by people. He further emphasizes that if handled correctly, using known and tested change management techniques, change can be brought successfully, to ensure that the company achieves the set goals and objectives to budget. Serif (2007) however states that the notion that people will resist change is ill founded. This is because; people do not necessarily resist change out of hand. He further states that individuals rarely reject change that has obvious personal gain. He thus advises that we should understand the difference between resistance and readiness. Sterling (2002) interviewed a number of CEOs and they agreed that involving people directly in the strategy process has paid off for them as the people buy-in and feel responsible for it. If your staff and stakeholders don't understand the strategy and fail to engage, then the strategy has failed. To engage the people in the organization for the new strategy we need to prepare them for change. Change is difficult and human tendency is to resist it. This

may cause hurdles in the implementation no matter how good the strategic vision is (Okumus F. , 2003). There is existing literature on how communication affects change management (Heathfield, 2023) and how lack of communication can impact on the satisfaction and engagement of staff in the long term. (Waldersee & Griffiths, 2004) analysis supported that for successful change focused on the work itself, not on abstractions. In their view, social, relationships, attitude and behavioral changes will be pulled along over time by the irreversible structural changes.

(Gibson & Saxton, 2005) agreed that when different stakeholders, from different functional areas or organizations are involved, contradictory interests, assumptions, expectations, knowledge and perceptions may seriously jeopardize decision making and implementation process. In an interview with Dr. David Norton by Kim Foster (Foster, 2006), they agreed that strategy is everyone job. The people at the top are responsible for formulating strategy and seeing it into execution while the executing is done by front line staff. Once the strategy is clear at the top there should be investment to communicate to the workforce and educating them, changing their incentives and increasing their motivation to execute the strategy. Sharma (2011) linked people to the Balanced Scorecard and concluded that it is a management system that focuses the efforts of people, throughout the organization, toward achieving strategic objectives through converting organization mission and vision to action and performance.

2.4.2 Resource Allocation, Finance and Strategy Implementation

Finance and its management are a key determinant of the success of strategy implementation. (Johnson, Scholes, & Whittington, 2006) define the three issues that organization's face in terms of the relation between strategy and finance as managing for value, funding strategic development and financial expectations of stakeholders. (Punniyamoorthy & Murali, 2008) provide Kaplan and Norton's Balance Scorecard which takes account the financial and non-financial in the implementation of strategy. The financial perspective evaluates the profitability element of strategy. Budgetary programs can become so detailed that they are cumbersome and overly expensive. Budgets are used as instruments of tyranny that result in frustration, resentment, absenteeism, and high turnover. To minimize the effect of this concern, managers should increase the participation of subordinates in preparing budgets (David & David, 2003). Lack of financial data would foster a climate of uncertainty, would allow rumors and wrong information to flourish.

According to Kihn (2011), budget targets can be understood as financial plans, forecasts or estimates of the expected future outcomes which has been agreed on by the management team.

Pool (2004) argues that many companies merge their strategy reviews with a discussion of financial statements and inject financial targets during their first phase of strategic planning, though he recommends that organizations must design two separate meetings. While some managers recognize that aggregate financial measures (such as operating income, return on investment, and economic value added) are not perfect by themselves, they claim that financial measures are well understood and provide clear, explicit and objective goals. They report the past actions hence promote short-term behavior which can see through the long term (Papenhausen & Einstein, 2006).

A program is a statement of the activities necessary for accomplishing the strategy that you have chosen. Often, it includes a large number of activities that are undertaken to implement the strategy. A budget is a statement of the program detailing how much it will cost. A budget therefore a tool to be used in implementation, but is also critical in evaluation and control. An accurately designed budget should aid in implementation by identifying expenses and benefits which are expected to be realized in carrying out the organizations program. In this budget is where the organization may realize that some programs, no matter how appropriate they may be out of the organizations reach financially (Katsioloudes, 2002). Some organizations use budgeting as a control of expenditures, where other businesses use it as a tool for planning, a means of communication, or a goal to measure performance. Companies institute budgeting formats in different ways, all companies benefit from its use, and budgeting functions perform an important mechanism in a firm's organizational architecture and business success depends on it.

2.4.3 Resource Allocation, Information and Technology and Strategy Implementation

(Valos & Bednall, 2007) defined CRM as the collection and analysis of customer data (its external role). (Kadiyala & Kleiner, 2005), analyzed information's systems benefits to a business. They advise that CRM provides better management of information hence a business can make strategic decisions with more certainty about the outcome. It also improves services to the customers as well as increase productivity through proper utilization of resources. A good information system allows the firm to reduce costs. Direct communications between suppliers, manufacturers, marketers, and customers can link together elements of the value chain as though they were one organization.

Improved quality and service often result from an improved information system (David & David, 2003).

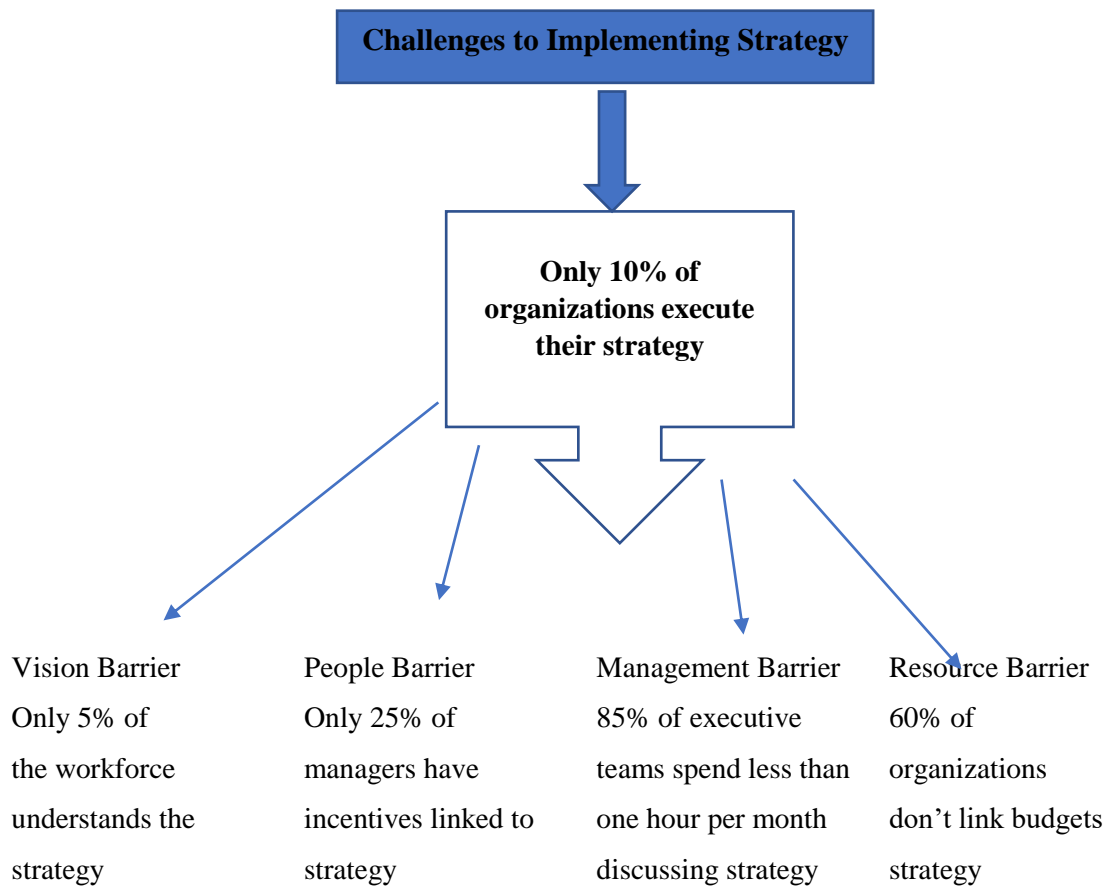
Even if high-level management found opportunity to apply e-business applications, they would need the ability to implement IT effectively (Folta & O'Brien, 2004). Many organizations have introduced innovative IT strategies and e-business applications to improve competitiveness and transform their enterprises. As a result, the development and implementation of IT strategy has become a focus for information management (Khazanchi, 2005).

With Information Technology infrastructure emerging as an important factor in achieving business objectives, firms need to be technologically ready to take on the strategic challenges that can fuel growth. With continual innovation in new technologies, alignment between IT strategy and corporate strategy has become more difficult than previously, even though the process of planning is still the same as in the past. They concluded that if a company has a well-planned IT strategy, it can improve its overall competitiveness to integrate corporate strategy and IT implementation effectively. Enterprises with higher capability are able to deliver IT services to the entire organization. The implementation of strategy is related to the change of market, but also capability of the whole organization hence for the organization to develop its IT capability is one of the critical tasks of e-business (Eikebrokk & Olsen, 2007).

2.4.4 Rewards and Incentives in Strategy Implementation

Many organizations that are implementing or are planning to implement rewards and recognition facilities in the belief that it would help bring about the desired cultural change. These organizations would therefore offer large amounts of money in these types of activities and some managers go to the extent of setting some funds aside from their budgets for this intended purpose. These incentives in turn are meant to encourage employees in terms of loyalty, foster teamwork and Enterprises with higher capability are able to deliver IT services to the entire organization. The implementation of strategy is related to the change of market, but also capability of the whole organization hence for the organization to develop its IT capability is one of the critical tasks of e-business (Eikebrokk & Olsen, 2007). Ultimately facilitate the development of the desired culture which supports knowledge sharing. On the other hand, emphasizes that the relationship between employers and employees is characterized by economic and social exchanges. He further states that “the economic exchange is the formal contractual relationship that is created when the employee is

hired”. In this case the employer provides pay and benefits in exchange for the employee’s skills and efforts. Certain aspects of the relationship are however, beyond the noted economic exchange as repeated interactions generates a set of obligations for both the parties resulting in benefits that are not always in the contract. Azasu claims that this can be referred to as the agency theory where one party (the principle) enters into a contract with another party (the agent) to perform a task that involves specialized skills in exchange for a reward.



Source:

Figure 1: Challenges to Implementing Strategy
(Niven, 2006)

The Vision Barrier: the vast majority of employees did not understand the organization’s strategy. This situation was acceptable at the turn of the twentieth century, when value was derived from the most efficient use of physical assets and employees were literally cogs in the great industrial wheel. However, in

the information or knowledge age in which we currently exist, value is created from the intangible assets—the know-how, relationships, and cultures existing within the organization. Most companies are still organized for the industrial era, utilizing command and control orientations that are inadequate for today's environment.

The People Barrier: in its 2005 Reward Programs and Incentive Compensation Survey, the Society for Human Resource Management found that 69 percent of companies offer some form of incentive compensation to their employees. Like most people, I'm a fan of incentive plans because of the focus and alignment they can drive toward the achievement of a mutually beneficial goal. However, companies take many liberties when constructing these plans, and often the designs leave something to be desired. For example, it's not at all uncommon for incentive plans to link a cash award with the achievement of a short-term financial target, such as quarterly earnings. In fact, in our meet-the-numbers-or-else culture, this evil twin of the effective compensation plan springs up frequently in boardrooms across the globe.

The Resource Barrier: Sixty percent of organizations didn't link budgets to strategy. This finding really should not come as a surprise, because most organizations have separated processes for budgeting and strategic planning. One group is working to forge the strategy that will lead the firm heroically into the future, while independently another group is crafting the operating and capital budgets for the coming year. The problem with this approach is that, once again, human and financial resources are tied to short-term financial targets and not long-term strategy. Recall my days working in a corporate accounting environment for a large company. Was housed on the same floor as the strategic planners and not only did our group not liaise regularly with them, we barely even knew them

The Management Barrier: in a sad yet humorous commentary on modern organizational life, a recent poll of U.S. office workers revealed that 41 percent would rather wash their kitchen floors than attend a management meeting at their company. What exactly is being said at these meetings that employees would rather scrub than attend? Most of the survey respondents would, if pressed, probably report that the management meetings are just plain boring, and in many cases that is undoubtedly accurate. With mind-numbing charts and graphs, sleep-inducing commentaries, and zero conflict, most meetings can be rightly classified as both a waste of time and, unfortunately, a huge lost opportunity. It certainly doesn't have to be that way. When strategy forms the agenda for

a management meeting, new life can be pumped into an antiquated institution, instantly changing the dynamic from dull and rote presentations to stimulating debate and discussion on the factors driving the firm forward.

2.5. Conceptual Framework of the study

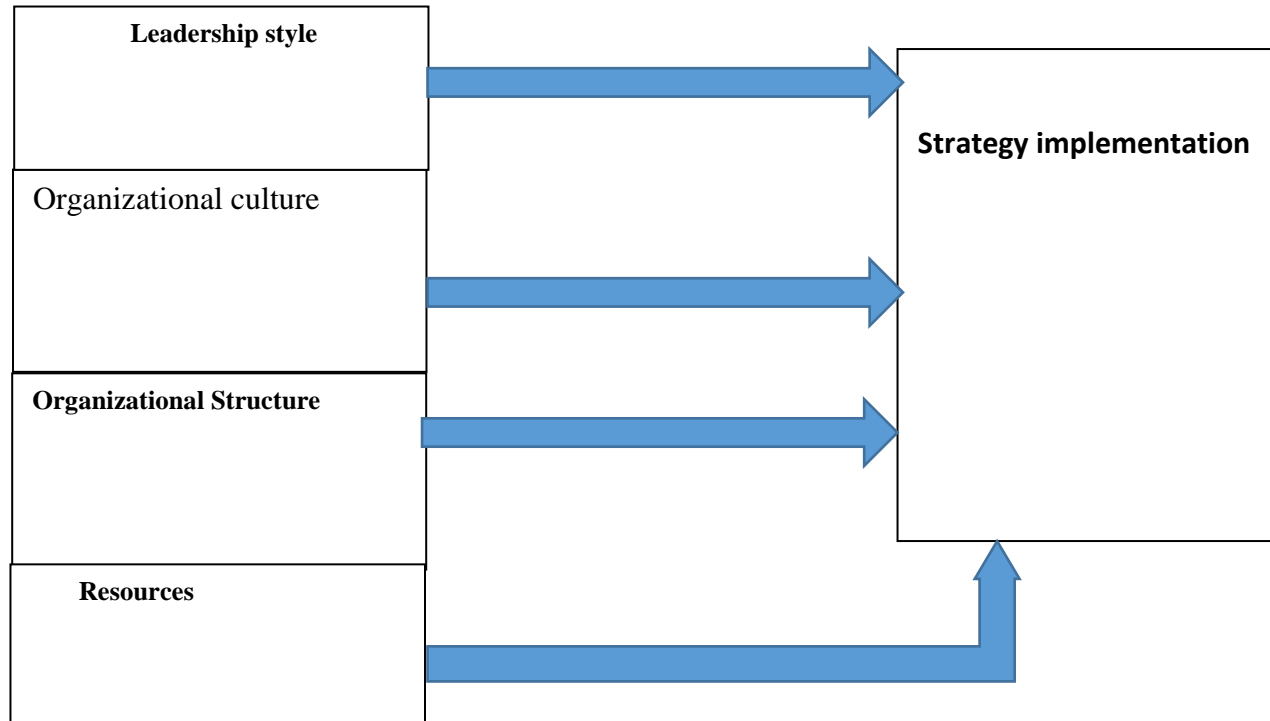


Figure 2: Own Research Model Based on Rigorous Literature Review

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The main objective of this paper is to investigate factors affecting successful implementation of strategic plans in private commercial banks in Ethiopia specifically Dashen bank sc. In this chapter an outline of how the research would have conducted and presented. The research design, data type and source, the methodology for data collection, population, sample selection, size and data analysis will have been presented.

3.2. Research Design

This included how data has been collected, what instruments would employ, how the instruments have used and intended means for analyzing the data that would collect. This study adopted a case study research design..

The case that was the subject of inquiry would be an instance of a class of phenomena that provides an analytical frame of an object within which the study has conducted and which the case illuminated and explicated. In our case the researcher will have been investigated factors which affect successful strategy implementation in Dashen banks SC. The study will gather information from different branches of the organization on strategic plans of Dashen bank SC.

3.3. Population

In this research the target population will be employees of Dashen bank in Addis Ababa at head office (strategic management bodies) for interview, north districts and selected branches in north district at large. From 54branches in north district having more than 850 employees the researcher will take16 branches and took the whole 230 respondents as a sample through census sampling design.

3.4 Sources of Data

In order to achieve the objective of the study, the researcher designed to use appropriate data sources. The researcher is used both primary source and secondary sources. Primary source: this study focuses on the primary sources of data which is collected by questionnaires and interviews. The questions are structured in the Likert scale format. In this technique, the degree of agreement or disagreement is given a numerical value ranging from one to five and easily constructs and takes less time for respondent. Semi-structured interview was used to the high- level management bodies. The sample has been taken from 850 employees in north Addis Ababa district having 54 branches due to different constraints the researcher took only 16 branches employees as a whole to represent Dashen Bank since the case strategic implementation problem has seen all over Dashen Bank.

3.5 Sampling Design

3.5.1 Sampling Frame

A sampling frame is the working population or the list containing the population element of the study. In this study our sampling frame were employees in Dashen bank SC at North Addis district and branches in the district.

3.5.2. Sampling Technique

The researcher has used non probability sampling technique which did not afford any basis for estimating the probability that each item in the population has of being included in the sample. To get better sample which represent the population without bias the researcher used random sampling technique in selection of 16 branches from North Addis district to distribute questionnaire.

3.5.3 Sample Size

The size of sample should neither be excessively large, nor too small. It should be optimal. An optimal sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility. While deciding the size of sample, researcher must determine the desired precision as also an acceptable confidence level for the estimate. (Muganda, 2010) describe the sample size

as a smaller set of the larger population. This study had adopted random sampling technique to assess strategy implementation success in Dashen bank. Why because it was infeasible and difficult to manage and deal with all target branches, this study had limited its size by selecting employees that was only found in Addis Ababa at North Addis district. Due to time and cost constraint the researcher was geographically limited in north Addis district at Addis Ababa. The base of selecting the district was because of every employee that was found in everywhere is equal contribution in strategy implementation. Based on the bank's statistics about number of branches there are 56 branches found in north Addis Ababa district. In this district there are 850 employees and from those 136 respondents were taken as a whole.

3.6. Data Collection Method

To achieve the objective of the study the researcher used primary data. Primary data uses both quantitative and qualitative. The primary data uses questionnaires and an interview guide. Self-administered questionnaires should use to collect information from employees at Dashen bank. The questionnaires had four sections; demographic information and the others will be the factors that affect strategy implementation or objectives of the study. The questions will have variables that will measure in interval. Interval measures, a 5-point Likert-scale (1 – “strongly disagree” to 5 – “strongly agree”) used to measure respondents’ agreement with the concepts under investigation. The study mostly will measure the degree of agreement or disagreement in various areas of interest/opinions on strategy implementation. Majority of the questions will be close ended. Interview guide will use for the chief executives/high level management bodies which is self-developed questions.

3.7. Method of Data Analysis

To ensure easy analysis, the questionnaires had formulated according to each variable of the study and descriptive statistics has been used. According to (Cooper & Schindler, 2011), descriptive analysis involves a process of transforming a mass of raw data into tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data. Quantitative data would analyze by using descriptive statistics which included frequencies and percentages for categorical variables and, mean and standard deviation for continuous variables. Besides the

descriptive analysis, the paper used ordered logit model because there was a cross sectional data and the dependent variable strategic implementation was categorical and it was naturally ordered or ranked.

$$Y = \beta_0 X_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

$$Y = 0.67 X_1 + 0.59 X_2 + 1.07 X_3 + 0.72 X_4 + e$$

Where, Y=strategy implementation

X1=organizational resource

X2=organizational structure

X3=leadership style

X4=organizational culture

e =error term

3.8 Reliability Test

Cronbach's Alpha is a measure of internal consistency, that is, how closely related sets of items are as a group. A construct composite reliability co-efficient (Cronbach alpha) of 0.6 or above, for all the constructs, is considered as always adequate. The acceptable reliability coefficient is 0.6 and above (Nunnally, 1978), if the Cronbach alpha is below 0.6 the reliability of the questionnaire is considered too low and thus the research tool should be amended.

The research tools were tested by using Cronbach's Alpha test.

3.9. Ethical considerations

Ethical considerations have been taken into account throughout the study. Confidentiality and anonymity of the participants are ensured, and informed consents are obtained. The study adheres to ethical guidelines and regulations to protect the rights and well-being of the participants.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter discusses the main findings from the descriptive and econometrics analysis on the factors affecting successful strategy implementation and their relationship between the dependent variable in Dashen bank. The primary data were organized through data collection methods of the questionnaire and interview. The data gathered through questionnaires from the staff of DB are tabulated and presented under this section. Furthermore, in order to reinforce the information gained from the bank staff, interviews were conducted with the chief officers in the strategic planning department at head office of DB. As discussed in chapter three, the data were collected from 136 employees using census sampling technique. From 136 questionnaires distributed to the employees, 119 (87.5%) were collected, yet 7 (5.14%) questionnaires invalidated as they were not filled properly and 10(7.35%) were not collected due to different cases. Hence, 119(87.5%) were used for the study. It was discussed in tables as follows: Response Rate

Table 1: Response Rate

Questioners	Frequency	Percentage
Collected /responded	119	87.5%
Invalidated/not filled properly	7	5.14%
Not collected	10	7.35%
TOTAL	136	100

Table 2: Summery of reliability test

Item	Obsrva.	Sign	Item-test correlation	Item-rest correlation	Average interitem correlation	Alpha
Strategy implementation	119	+	0.7872	0.6169	0.2207	0.5311
Organizational resource	119	+	0.6342	0.3929	0.3046	0.6366
Organizational structure	119	+	0.6940	0.4764	0.2718	0.6089
Leadership style	119	+	0.6650	0.4353	0.2877	0.6177
Organizational culture	119	+	0.5104	0.2335	0.3725	0.7037
Test scale					0.2915	0.6729

Source research survey data, 2022

4.2. The Descriptive Analysis

This part presents main findings on the factors affecting strategic implementation in DB. The following table depicts the descriptive statistics for the main variables used in the discussion part.

4.2.1 Summery Statistics for Categorical Variables

4.2.1.1 Gender of the Respondents

On the gender of the respondents, the study established that 39.5% of respondents were females while males were 60.5%. It depicts therefore that DB employs both genders.

Table 3: Summery statistics for sex

Sex	Frequency	percent	Cumulative
Male	72	60.5	60.5
Female	47	39.5	100
Total	119	100	

Source: own survey, 2022

Education: From the total 119 respondents, 66.39% with frequency of 79 have degree and 31.93% with frequency of 38 were master's degree qualification and those with diploma have a lower share having (1.68%). This implied that people with more education tend to understand and involve in the strategy implementation in the bank more often than those with lower educational background.

Table 4: Summery statistics for Education

<i>Educational level</i>	<i>Frequency</i>	<i>percent</i>	<i>Cum.</i>
<i>Diploma</i>	2	1.68	1.68
<i>Degree</i>	79	66.39	68.07
<i>Masters</i>	38	31.93	100
<i>Total</i>	119	100	

Source: own survey, 2022

Table 5: Summery statistics for working experience

Work experience	Frequency	percent	Cum.
<1year	8	6.72	6.72

1-5yr.	71	56.66	66.39
5-10yr.	28	23.53	89.92
10-15yr.	11	9.24	99.16
Above	1	0.84	100
Total	100	100	

Source: own survey, 2022

From the above table 6.72% were having an experience of less than 1 year, 59.66% were between 1 to 5 years' experience, 23.53% have 5-10 years' experience, 9.24% 10-15 yr. and 0.84% were greater than 15 years of experience. This figure implies that majority of the employees 59.66% & 23.53% have more experience who knew the last five-year strategic plan and the current one which identified the hindrances of the implementation than those who didn't have more experience.

4.1.1.2. Summery Statistics for Continuous Variables

Table 6: Summery statistics for age

Variable	Observation	Mean	Std. deviation	Min.	Max.
Age	119	33.31933	6.224518	22	55

Source: own survey, 2022

Age: The summery statistics for continuous variables for 119 respondents is presented under Table 4.4. The result showed that the mean age of respondents was 33, which showed that majority of the employees has an ability to analyze and having a know how about the strategic plan of the organization. In addition, to that the minimum age of the employee is 22 and the maximum age was 55.

4.1.1.3 Relationship between Dependent Variable and Demographic Characteristics

Table 7: Summery statistics for the relationship between sex, and strategic management

Strat.implem.	Sex		Total
	Male	Female	
Strongly disagree	0	1	2
Disagree	2	0	2
Neither agree nor disagree	15	18	33

Agree	38	21	59
Strongly agree	17	7	24
Total	72	47	119

Source: own survey,2022

Pearson $\chi^2(4) = 7.4128$ $pr = 0.116$

As we have seen from the above table there was no relationship between sex and strategy implementation. Which mean whether male or female didn't affect strategy implementation? Which means the pr.value was greater than 10% which had not an effect on the strategy.

Summery statistics for the relationship between educational level and working experience with the dependent variable

As the researcher has seen from the below table for the relationship between educational level and working experience there was a relation between the dependent variable strategic implementation. And we can conclude that those employees having a lot of experience and know how or knowledge has an ability to understand and give genuine information

Table 8: Summary statistics for the relationship between educational level and working experience with the dependent variable

Strategy implementation	Educational level			Total
	diploma	Degree	masters	
Strongly disagree	0	1	0	1
Disagree	0	1	1	2
Neither-nor	0	21	12	33
Agree	2	37	20	59
Strongly agree	0	19	5	24
Total	1	79	38	119

Strategy implementation	Work experience in current position					Total
	<1yr.	1-5yr.	5-10yr.	10-15yr.	>15yr	
Strongly disagree	0	1	0	0	0	1
Disagree	0	2	0	0	0	2
Neither-nor	3	18	9	3	0	33
Agree	5	32	16	6	0	59
Strongly agree	0	18	3	2	1	24
Total	8	71	28	11	1	119

Source :own survey,2022

4.1.1.4. Analysis of Respondents' Response on the Open-Ended Question.

The following paragraphs present a summarized responses or opinions of respondents for the question, “In your opinion, what would you recommend to be done on the current organizational structure in the company to implement the strategy?”

Participation of employees in planning process; the organization should ensure that all its employees take part in the planning process. This can be achieved by ensuring that employees ‘suggestions take into account all the stakeholders that are affected by the new change in one way or the other. Manage the change process; that involve developing the strategy, clear communication was one of the ways that an organization can use for effective strategy implementation.

4.1.1.5. Analysis of Response on the Interview Guide for Higher Level Management

The interviewees also revealed that they lacked adequate support from the top management which created a hindrance towards strategy implementation. The resources allocated by the top management in terms of human resources and facilities were not enough to accommodate the demands of the set strategy implementation. This was a major challenge to Dashen bank because some of the strategies required a huge resource allocation and the bank lacked adequate capacity to deliberate on strategy implementation. This brought about delays and prolonged the implementation period which attracted a lot of costs. The findings revealed that the bank was not able to meet most of its deadlines. This was attributed to the above findings that have revealed Dashen bank did not provide enough resources and facilities to effectively support strategy implementation. This delayed the process of implementation leading to delays and thus making it difficult to meet the set deadlines.

The findings observed that the bank did have sufficient funds to invest in modern technologies for example mobile banking (AMOLE) which was an essential component in achieving integration but, there was hindered in effective communication and information. The interview also confirmed that the bank did not have a team of implementers who were charged with the responsibility of strategy implementation. Some of the implementers of the study has found and observed that coordination of activities was a problem due to poor communication between the top management and the employees in the bank. The employees were not guided effectively on their duties and responsibilities and the procedures involved in implementation; this affected cooperation and coordination of activities between the top management and the employees at the lower levels hence negatively affected strategy implementation.

The interview revealed that the culture of the organization didn't support strategy implementation. The findings indicated that there was poor communication between the top management and the employees; this negatively affected the culture of team work and togetherness to achieve common goals and objectives. The study findings pointed out that the management did not share its common goals with their employees since they did not involve them in key decisions of the organization.

This demotivated the lower-level employees such that they lost a sense of belongingness as part of Dashen bank.

4.1.1.6 Impact of Organizational Structure on Strategy Implementation

The study showed that, structural stability provided the capacity that an organization required to consistently manage its daily work routines. These results are in tandem with (Ireland & Hoskisson, 2013) who state that, structural stability provides the capacity the firm requires to consistently and predictably manage its daily work routines. The study showed that, structural flexibility provided the opportunity to allocate resources to activities that shaped the competitive advantages of the firm. (Ireland & Hoskisson, 2013) who state that, structural flexibility provides the opportunity to explore competitive possibilities and then allocate resources to activities that will shape the competitive advantages the firm will need to be successful in the future.

The study showed that, today most organizations adopted a network structure that involved outsourcing functional activities. These results are in tandem with (Gasper, Bierman, & Rich, 2010) who state that, many companies today are adopting the network organizational structure where the organization contracts out most functions except administration. The study showed that, functional structure allowed for strong task focus through an emphasis on specialization and efficiency. According to (Gasper, Bierman, & Rich, 2010), functional organizational structure involves structuring an organization around basic business functions such as production and operations, marketing, and finance. It is mainly used by small – to medium-sized businesses and other companies and is relatively straight forward.

The study showed that, strategic business units should be centralized at the corporate office. According to (Kumar & Meenakshi, 2013), organization structure supports effective controls. Accountability for performance is important in decentralized organizations, they further state that, it is important to ensure that every unit has appropriate control over its performance and that, it is important to focus on units with shared responsibilities. The study showed that, early achievement of a strategy-structure fit can be a competitive advantage. According to (Chitale, Mohanty, & Dubey, 2013), organization structure also enables organizations to gain competitive advantage. They state that, the way the organization designs its structure is an important determinant, as well

as, how much value the organization creates depends on organization design, because it is the means of implementing an organization's strategy.

4.1.1.7. Impact of Organizational Culture on Strategy Implementation

The study showed that, culture as a factor in accounting for organizational performance has been ignored because it encompasses the taken-for-granted values. The study showed that, establishment of trust and communication, contributes to more productive outcomes, which can be thought of as an element of organizational strategy and it can help establish expectations, foster trust, facilitate communications, and reduce uncertainty in relationships between human beings. In so doing, it can contribute to more productive outcomes. The study showed that, a system of shared meaning is a critical variable for effective strategy process that organizational culture as a system of shared meaning, it is a critical variable for effective strategy process. Hofstede concluded that organizational culture is a soft, holistic concept with, however, presumed hard consequences. An organization's collective culture influences both the attitudes and subsequent behaviors of its employees as well as the level of performance the organization achieves.

4.1.1.8 The effect of organizational resources on strategy implementation

From the research findings the organization needs to allocate the resources equitably and efficiently to allow the easy implementation of strategy. The organization also needs to have a good reward and recognition system so as to retain the advocates of its strategy. The rewards may also motivate more staff to come up with more strategies and facilitate ownership of the same. There needs to be a way that the organization can track the strategy implemented after the implementation phase to ensure that the same still works due to the dynamism of the business environment and competition in the industry.

The research also established that there is also need for robust upgrade of systems to avoid the downtimes during the implementation of strategy. This could be through buying new computers and installing better software that will complement the strategy

Generally, from the literature review which was done by other researcher, the questioners collected, open ended questions and interviews discussed above the researcher has concluded that for effective implementation of strategies organizational resource, structure, culture and leadership style had a prominent effect that could affect the organization efficiency and effectiveness.

4.3. Inferential Analysis

This paper is aiming to see the extent relationship between the dependent variable strategy implementation and independent variables which include organizational structure, organizational culture, organizational resource and leadership style, education, and age. The paper has as done regressions to answer the research questions in the following analysis.

Ordered logit: coefficient

Table 9: Summary of Ordered logit: coefficient

Strat.implem.	Coef.	Std.error	p> t	Number of observations =119 LR CH2(4) =59.13 Prob> ch2 =0.0000 Pseudo R2 =0.2188
Org.resource	.6655768	.2659827	0.012	
Org.structure	.5948075	.2601104	0.022	
leadership style	1.066789	.2616581	0.000	
Org.culture	.7154946	.2701678	0.008	
/cut1	4.789999	1.723555		
/cut2	6.042584	1.545996		

Source: own survey,2022

In the coefficient table above the order logit model $Y=B_0 + B_1X_1+ B_2X_2+B_3X_3 + e$ can be expressed as $Y= 0.666X_1+ 0.595X_2+1.067X_3 +0.715X_4$

Where Y= strategy implementation, X1= organizational resource, X2= Organizational structure, X3= leadership style X4=organizational culture, B1= 0.0.666, B2= 0.595, B3= 0.1.066 and B4=0.7154

This means that improving organizational resource by one unit, then strategy implementation rate will be improved by 0.666 units, improving organizational culture by one unit improves strategy implementation rate by 0.7154 units ,organizational structure by one unit improves strategy implementation rate by 0.5948 and leadership style by one unit accelerates strategy implementation

by 1.066. This implied that leadership style affects strategy implementation rate of an organization to a greater extent than other predictors of strategy implementation.

As we can see from the above ordered logit model, all independent variables together are significantly affecting the dependent variable which was represented by Prob> chi2 which is less than 1% and when we concluded that all independent variables together are factors affecting strategic implementation. The Pseudo R2 measure had around 21.88% which was less than the standard value of 50% but, those independent variables have the power to explain the dependent variable on average. Regarding to individual significant level, organizational structure, culture, resource and leadership style are significant.

The above table could be interpreted in detail on the following description.

R2 = The variation in the dependent variable strategy implementation can be explained by the variations in the independent variables by 21.88 %.

F test (Prob>F) =

H0: the variable organizational resource is significant

H1: the variable organizational resource is not significant

At five percent of significant level, we can accept the null hypothesis. So, our variables are significantly affecting strategic implementation positively and which is significant at 5% of significant level. The interpretation of the coefficient is that; the predicted strategic plan is implemented by 0.6656 times for a single resource increment.

H0: the variable organizational structure is significant

H1: the variable organizational structure is not significant

At five percent of significant level, we can accept the null hypothesis. So, our variables are significantly affecting strategic implementation positively and which is significant at 5% of significant level. The interpretation of the coefficient is that; the predicted strategic plan is implemented by 0.5948 times for a single structure performed.

H0: the variable organizational leadership style is significant

H1: the variable organizational leadership style is not significant

At five percent of significant level, we can accept the null hypothesis. So, our variables are significantly affecting strategic implementation positively and which is significant at 5% of

significant level. The interpretation of the coefficient is that; the predicted strategic plan is implemented by 1.067 times for a single increment of outstanding leader.

H0: the variable organizational culture is significant

H1: the variable organizational culture is not significant

At five percent of significant level, we can accept the null hypothesis. So, our variables are significantly affecting strategic implementation positively and which is significant at 5% of significant level. The interpretation of the coefficient is that; the predicted strategic plan is implemented by .7159 times for a period of shared values.

Interpretation of odds ratio with coefficients

Organizational resource: If the organization resource were utilized properly each time, the ordered log-odds of being in fully implemented category would increase by 0.66 while the other variables in the model are held constant.

Organization structure: if the organization structure were hierarchically done, the ordered log-odds of being implemented category would increase by 0.595 while the other variables in the model are held constant.

Leadership style: if the organization leaders were a role model and have good communication, the ordered log-odds of being implemented category would increase by 1.067 while the other variables in the model are held constant.

Organizational culture: if the organization culture has shared values and norms, the ordered log-odds of being implemented category would increase by .7155 while the other variables in the model are held constant.

Ordered logit: odds ratio

Table 10: Summary of Ordered logit: odds ratio

Strat.implem.	Odds ratio	Std.err	p> t	Number of obs=119 LR CH2(4) =59.13 Prob> ch2 =0.0000 Pseudo R2 =0.2188
Org.resource.	1.945612	.2659827	0.012	
Org.structure	1.812682	.2601104	0.022	
leadership style	2.906033	.2616581	0.000	
Org.culture	2.045198	.2701678		
/cut1	4.789999	1.723555		
/cut2	6.042584	1.545996		

Interpretation of odds ratio

For a one-year more utilization of organizational resource effectively and efficiently, the odds of fully implemented versus the combined of not implemented categories are 1.9456 times greater, given the other variables are held constant in the model

For a proper structure has done its function well each time in a decentralized way, the odds of fully implemented versus the combined of not implemented categories are 1.8126 times greater, given the other variables are held constant in the model. If there is a democratic leader in the organization, the odds of fully implemented versus the combined of not implemented categories are 2.9060 times greater, given the other variables are held constant in the model. And if there is a team work or shared values /culture, the odds of fully implemented versus the combined of not implemented categories are 2.0451 times greater, given the other variables are held constant in the model

Interpretation of cut points

_cut1 – This is the estimated cut point on the latent variable used to differentiate not implemented 1 from the other 4 when values of the predictor variables are evaluated at zero. Strategic plans that had a value of 4.7899 or less on the underlying latent variable that gave rise to our strategic implementation variable would be classified as not implemented given the other variables have zero value.

CHAPTER FIVE

5.1. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter included conclusions mainly from the econometrics analysis and descriptive analysis and recommendations which should give an indication to improve the organization efficiency and effectiveness. Generally, it provides a clear connection between the objectives of the study and the findings.

5.2 Conclusion

From the descriptive analysis mainly demographic parts the study found that for the implementation of the strategy working experience and education level have been direct effect as it had shown from the cross tabulation. As the researcher has assessed and investigated from the econometrics analysis by using order logit model all the independent variables organizational culture, organizational structure, organizational resources and leadership style affects strategic implementation positively. This showed that the organizational culture didn't focus to develop a culture that supports innovation. Employees shouldn't be encouraged to share values, ideas, and principles by creating an environment that tolerates failure. Tolerance for failure opens space for sharing of new ideas, which can be useful in improving the performance of organization which needs a serious attention. The culture of the organization should be monitored to ensure that the organization didn't lose the factors that improve strategy formulation and implementation.

Organization structures reveal that there was sufficiently ownership of strategy however the respondents feel that the people who came up with the strategy mostly leave the organization at the implementation stage which was a major problem. This indicated that currently the structural stability, flexibility, functionality and the people who lead the overall activity at the business unit couldn't work well.

From the resources perspective (human and financial) the researcher was concluded that the information systems used to monitor the implementation process were inadequate and there were not proper mechanisms for measuring and rewarding the staff who have been involved in the implementation of strategy. There were no refresher training for the sake of new and existing staff to ensure that the change was not only implemented but enforced and also there wasn't sufficient IT teams or professionals to monitor the implementation process of the strategy.

From the finding the organization also had a leadership problem and didn't follow a clear type of leadership style. The leadership style in an organization affects resource allocation, attitude and quality of the leadership team, and delegation of task. Generally, the study concludes that factors affecting successful strategy implementation at Dashen bank SC were organizational structure whereby the structure of the organization was not compatible with the strategic goals. Failure to allocate adequate finances to support strategy implementation, resistance to change was also a key challenge that was caused by lack of communication; most employees were not informed whether there were changes taking place in the bank leading to resistance. The findings also indicated that there were no proportional rewards or any other form of recognition to motivate and inspire employees to work harder and realize strategic goals and objectives.

5.3 Recommendations

- From the findings, the study recommends that organizational structure should not be bureaucratic in order to enhance organizational flexibility in strategy implementation.
- The study recommends that the need to communicate and how decisions are made to fill that need was key to a successful implementation.
- The study recommends that the bank should offer training and development programs to teach and educate the employees on what strategy implementation entails, how to go about implementation, the challenges involved and ways of overcoming these challenges. The employees should be guided on all the activities involved, the roles and responsibilities and expectations in each and every stage of implementation process.
- Since the strategy has implemented by the employee's the researcher recommends that salary and benefits gave prioritization in the strategic plan to implement effectively.

- The study recommends that there should be enough IT professionals to support the new technology.
- This study has focused on factors influencing the implementation of successful strategic plans in private commercial banks with in a case of Dashen bank sc. It has explored the impact of organizational structure, organizational culture, leadership style and organizational resources. It thus suggests that further studies be carried out on external factors like the organizational environment and other additional internal factors to give a better aspect of these factors. The study also recommends that similar studies be carried out on other banks within the country for comparative analysis.

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APPENDIX I: QUESTIONNAIRE AND INTERVIEW

Saint Marry University

Dear Respondents,

The purpose of the questioner is to collect data for research on **Factors Affecting Successful Strategy Implementation in Private Commercial Banks: -In Case of Dashen Bank**. The research is designed to identify factors which affect successful strategy implementation in Dashen Bank SC. The research outcomes are important for the organization to accomplish its mission and vision and also helps to take corrective action by showing directions. Your genuine and honest response is very important for the success of the research and the researcher would like to say thank you for your cooperation in advance.

Note: for any clarification or question please don't hesitate to contact the researcher through the following address.

Name: Zemenu Tarekegn Bitew, phone no.0930288729

email:zemenu22@gmail.com.

Part I: General background information.

Age _____

Gender _____

Educational level _____

Work experience in the current position _____

Thank You for your cooperation!

Section A: Leadership style

	Items	Opinion				
		1	2	3	4	5
16	The organization allows democratic Leadership which communicates strategic plans and its implementation across the business.					
17	There are autocratic leaders/managers in the organization.					
18	There is clear type of leadership style the organization follows.					

Section B: Organization Culture

	Items	Opinion				
		1	2	3	4	5
7	The Bank has a unique culture that is difficult to imitate and encourages strategic thinking.					
8	The organization shows respect for a diverse range of opinions, ideas, and people (allows employee participation in decision making).					
9	Stability of organizational culture enhances employee commitment to strategy implementation.					
10	Existing personnel embody shared values and norms that help to ensure cultural compatibility, as major changes are implemented.					
11	A system of shared meaning is a critical variable for effective strategy process.					
12	Social interaction ultimately determines how effective an organization can be at applying knowledge.					
13	Establishment of trust and communication, contributes to more productive outcomes.					
14	The culture in the Bank is sensitive to ethical considerations.					
15	Team synergy is embraced at Dashen bank during strategy implementation.					

Section C: Organization Structure

Listed below are a series of statements that represent the effect of organization structure on strategy implementation in Dashen Bank SC. With respect to your own feeling about the organization structure of Dashen Bank which is currently used please, indicate the degree of your agreement or disagreement with each statement by putting a tick mark (✓) on one of the five alternatives. *Responses are measured on 5- point scales with the following verbal anchors: Strongly Disagree (1), Disagree (2), Neither Disagree nor Agree (3), Agree (4) and Strongly Agree (5).*

No.	Items	Opinion				
		1	2	3	4	5
1	Structural stability provides the capacity an organization requires to consistently manage its daily work routines					
2	Structural flexibility provides the opportunity to allocate resources to activities that will shape the competitive advantages of the firm					
3	Functional structure allows for strong task focus through an emphasis on specialization and efficiency					
4	Strategic Business Units should be centralized at the corporate office					
5	The current statures of the organization enhance strategy implementation					
6	To enhance strategic implementation success, the organization selects the right people for key positions					

6. In your opinion, what would you recommend to be done on the current organizational structure in the company to implement the strategy?

Section D: Organization Resources

Section D: Organization Resources

	Items	Opinion				
		1	2	3	4	5
Human resource						
19	Employees are trained to use the available technology to facilitate in the creation of innovative solutions					
20	The Bank encourages sharing of resources across the bank's units, especially the employees 'knowledge and skills					
21	The Bank accumulates, combines and exploits the human capital resources to develop competitive advantage and create value					
22	There is more learning from failure than from success					
23	The skills acquired contribute to the creation of new ideas					
24	Employees perform as professionalism.					
Financial resources						
25	The Bank allocate enough financial resources towards building new capabilities, which develop into core competencies					
26	The top management body clearly communicate about the financial cases to introduce new technology					

Section E: Strategy implementation

	Items	Opinion				
		1	2	3	4	5
27	The higher-level management bodies expect, as a whole the strategy is implemented fully in Dashen bank SC.					

Thank you for your cooperation!!!

Interview Guide

1. In your own opinion, does organization culture influence successful strategy implementation in Dashen Banks?
2. In what ways do you think organization culture influence successful strategy implementation?
3. In your own assessment, do you think that banks align by their mission, vision and value of the organization? Would you say that vision, mission and values are clear among employees throughout the organization? If, no why?
4. Is there a notable power distance between upper and lower managers in the organization? Do you think this affects successful strategy implementation in Dashen Bank?
5. What type of organizational structure is used in the organization?
6. Is there clear chain of authority in the organization that are understandable to all employees in relation to the strategy?
7. In all positions, do you think that the organization has competent employees? How does this impact on strategy implementation?
8. Do you think that resources are vital for the implementation of strategy?

APPENDIX II: SAMPLE DATA ANALYSIS RESULTS

Analysis outputs

Output results

sex	Freq.	Percent	Cum.
male	72	60.50	60.50
female	47	39.50	100.00
Total	119	100.00	

. tab edulev

edu.lev	Freq.	Percent	Cum.
deploma	2	1.68	1.68
degree	79	66.39	68.07
masters	38	31.93	100.00
Total	119	100.00	

```
. tab wor ex
```

wor ex	Freq.	Percent	Cum.
<1yr.	8	6.72	6.72
1-5	71	59.66	66.39
5-10	28	23.53	89.92
10-15	11	9.24	99.16
above	1	0.84	100.00
Total	119	100.00	

```
. sum age
```

Variable	Obs	Mean	Std. Dev.	Min	Max
age	119	33.31933	6.224518	22	55

```
. tab stgemp sex, chi2
```

stgemp	sex		Total
	1	2	
strongly disagree	0	1	1
disagree	2	0	2
niether disagree nor	15	18	33
agree	38	21	59
strongly agree	17	7	24
Total	72	47	119

Pearson chi2(4) = 7.4128 Pr = 0.116

```
. tab stgemp edulev, chi2
```

stgemp	edu.lev			Total
	1	2	3	
strongly disagree	0	1	0	1
disagree	0	1	1	2
niether disagree nor	0	21	12	33
agree	2	37	20	59
strongly agree	0	19	5	24
Total	2	79	38	119

Pearson chi2(8) = 4.7570 Pr = 0.783

```
. tab stgemp wor ex, chi2
```

stgemp	wor ex					Total
	1	2	3	4	5	
strongly disagree	0	1	0	0	0	1
disagree	0	2	0	0	0	2
niether disagree nor	3	18	9	3	0	33
agree	5	32	16	6	0	59
strongly agree	0	18	3	2	1	24
Total	8	71	28	11	1	119

Pearson chi2(16) = 11.3390 Pr = 0.788

.

```
. ologit stgemp orgresour organistr leadsty cult, or
```

```
Iteration 0: log likelihood = -135.09665
Iteration 1: log likelihood = -107.32346
Iteration 2: log likelihood = -105.54948
Iteration 3: log likelihood = -105.53253
Iteration 4: log likelihood = -105.53252
```

```
Ordered logistic regression               Number of obs   =          119
                                          LR chi2(4)       =           59.13
                                          Prob > chi2      =           0.0000
Log likelihood = -105.53252              Pseudo R2       =           0.2188
```

stgemp	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
orgresour	1.945612	.5174993	2.50	0.012	1.155185	3.276885
organistr	1.812682	.4714974	2.29	0.022	1.088718	3.018061
leadsty	2.906033	.7603873	4.08	0.000	1.74011	4.853158
cult	2.045198	.5525466	2.65	0.008	1.204393	3.472982
/cut1	4.789999	1.723555			1.411892	8.168106
/cut2	6.042584	1.545996			3.012487	9.072681
/cut3	9.810276	1.655119			6.566302	13.05425
/cut4	13.01668	1.870834			9.349914	16.68345

.

Ordered logistic regression

Number of obs = 119

LR chi2(4) = 59.13

Prob > chi2 = 0.0000

Log likelihood = -105.53252

Pseudo R2 = 0.2188

stgemp	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
orgresour	.6655768	.2659827	2.50	0.012	.1442603	1.186893
organistr	.5948075	.2601104	2.29	0.022	.0850005	1.104614
leadsty	1.066789	.2616581	4.08	0.000	.5539485	1.57963
cult	.7154946	.2701678	2.65	0.008	.1859755	1.245014
/cut1	4.789999	1.723555			1.411892	8.168106
/cut2	6.042584	1.545996			3.012487	9.072681
/cut3	9.810276	1.655119			6.566302	13.05425
/cut4	13.01668	1.870834			9.349914	16.68345

```
. alpha stgemp orgresour organistr leadsty cult, asis casewise detail item label std
```

```
Test scale = mean(standardized items)
```

Item	item-test			item-rest		interitem		alpha	Label
	Obs	Sign	corr.	corr.	corr.	corr.	corr.		
stgemp	119	+	0.7872	0.6169	0.2207		0.5311		
orgresour	119	+	0.6342	0.3929	0.3046		0.6366		org.resour.
organistr	119	+	0.6940	0.4764	0.2718		0.5989		organi.str
leadsty	119	+	0.6650	0.4353	0.2877		0.6177		
cult	119	+	0.5104	0.2335	0.3725		0.7037		
Test scale					0.2915		0.6729		mean(standardized items)

```
Interitem correlations (obs=119 in all pairs)
```

	stgemp	orgresour	organistr	leadsty	cult
stgemp	1.0000				
orgresour	0.3850	1.0000			
organistr	0.4168	0.5003	1.0000		
leadsty	0.4914	0.1937	0.2481	1.0000	
cult					1.0000

Sample size calculation

$N_0 = \frac{z^2 pq}{e^2}$ z 95% level of confidence is 1.96

$$\frac{(1.96)^2 (0.5)(0.5)}{e^2} = 385$$

$$(0.05)^2$$

For Finite Population

$$n_0 = \frac{n}{385}$$

$$1 + \frac{(n-1)}{N} = 1 + \frac{(385-1)}{850} = 1.453$$
 136 samples will be selected

$$N = 850$$

WHERE

p = maximum variability

$$q = 1 - p$$

e = standard error

n = adjusted population

N = population