ST. MARY'S UNIVERSITY

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DEPARTMENT OF MARKETING MANAGEMENT

ASSESMENT OF STRATEGIC MANAGEMENT PRACTISE: IN THE CASE OF COCA-COLA COMPANY ADDIS ABABA

A THESIS SUBMITTED TO THE DEPARTMENT OF MARKETING MANAGEMENT SCHOOL OF GRADUATE STUDIES, ST. MARY'S UNIVERSITY IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ART IN MARKETING MANAGEMENT

BY: KIDIST NEGASH

ADVISOR: ZEMENU (Asst. prof)

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Declaration

I, **Kidist Negash**, the under signed, declare that this proposal entitled: "The assessment of strategic management practice in the case of Coca-Cola Company Addis Ababa**"** is my original work. I have undertaken the research work independently with the guidance and support of my advisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

Declared by Name____________________________

Signature: __________________________________

Department _________________________________

Date_______________________________________

Endorsement

The thesis has been submitted to Saint Mary University, school of graduate study for examination with my approval as university advisor.

Research Advisor

Zemenu Aynadis (Asst. Prof)

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Signature and Date

Certificate of Approval School of Graduate Studies St. Mary's university

This is to certify that a proposal prepared by Kidist Negash entitled "Assessment of strategic management practice in the case of Coca Cola Company Addis Ababa" and submitted in partial fulfillment of the requirements for the degree of masters of art in marketing management complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

Name of Candidate: Kidist Negash Signature: _______________Date: _____________.

Name of Advisor: Zemenu (Asst. Prof) Signature: _____________Date: _____________.

Signature of Board of Examiner`s:

External examiner: ____________________Signature: ____________Date: _____________.

Internal examiner: ____________________Signature: ____________Date: _____________.

Dean, SGS: __________________________ Signature: ____________Date: _____________.

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LIST OF ACRONYMS

EABSC	East Africa Bottling Share Company
SABCO	Coca-Cola South African Beverages Company
IGOs	Inter-governmental organizations
SMA	Strategic Management Accounting

Abstract

The study was sought to assess the strategic management practice of Coca Cola Company, Addis Ababa. Basic specific objectives surrounded; strategic formulation, strategic implementation and strategic evaluation. The study was focused on the descriptive type of research design. 151 samples were choosed at the company who are directly and indirectly responsible to strategic management to get reliable and valid information about the study respondents. Stratified sampling method was employed for the study. Quantitative research approach were employed and data was collected through the use of questionnaires, descriptive analysis were done through the use of statistical packages for social sciences version 20. The result of the study indicated that there is good strategic management practices at Coca Cola Company, Addis Ababa. Strategy formulation, implementation, and evaluation were found to have exercised at the organization. However Coca-Cola Company in Addis Ababa currently faces several strategic management challenges, including technological scarcity, governmental support issues, supply chain disruptions, and employee motivation influenced by leadership style. These challenges impact the company's operational efficiency, compliance with regulations, ability to meet customer demand, and overall workforce productivity Based on these findings, the is recommends that Coca Cola Company should prioritize enhancing its strategic evaluation mechanisms by establishing a comprehensive strategic evaluation system anchored by clearly defined key performance indicators (KPIs) and should implement systematic monitoring and assessment procedures. Furthermore, it is essential to create detailed implementation roadmaps that outline clear steps and timelines for each initiative and incorporating more data-driven decision-making into the strategy formulation process.

Keywords*: Strategic Management, Strategic Formulation, Strategic Implementation, Strategic Evaluation/ Control, Coca-Cola Company Addis Ababa.*

CHAPTER ONE INTRODUCTION

This chapter deals about background of the study; statement of the problem; objectives of the study; significance of the study; scope of the study; limitations of the study; operational definition of key terms, and organization of the study.

1.1 Background of the study

First the study focus on strategic management practice of Coca Cola Company Addis Ababa. The history of strategic management is a rich tapestry that dates back to ancient times. Early examples of strategic thinking can be found in Sun Tzu's "The Art of War," written around 500 BC, which emphasized the importance of planning, deception, and efficient resource use. Similarly, Moses' hierarchical delegation of authority during the exodus from Egypt around 1491 BC is an early example of strategic management in practice. These ancient strategies laid the groundwork for modern strategic management practices. The modern concept of strategic management began to take shape in the mid-20th century. During the 1960s and 1970s, strategic planning emerged as a key tool for corporate success, with companies like General Electric leading the way in developing strategic business units (SBUs) and other strategic frameworks. This period saw the rise of influential models such as the Boston Consulting Group's growth-share matrix and the experience curve. These frameworks helped companies align their resources and strategies to achieve long-term objectives Investopedia, (2024).

The context of the study on strategic management practices at Coca-Cola Company in Addis Ababa aims to explore how the company formulates, implements, and evaluates its strategies to sustain market leadership and achieve growth. By examining the strategy formulation process, the study seeks to understand how Coca-Cola identifies market opportunities and threats, sets long-term goals, and develops plans to achieve them. The research also investigates the implementation phase, analyzing how the company aligns its resources, communicates strategies to employees, and ensures effective execution. Finally, the study looks into the strategy evaluation and control mechanisms used by Coca-Cola to measure performance, make necessary adjustments, and ensure continuous improvement. This comprehensive analysis provides valuable insights into the strategic management practices that contribute to Coca-Cola's success in the Ethiopian market.

The broader research area of the study on strategic management practices focuses on understanding how organizations formulate, implement, and evaluate their strategies to achieve competitive advantage and long-term success. Recent research, such as the 2023 article "Platform ecosystems as meta-organizations: Implications for platform strategies" by Tobias Kretschmer and colleagues, highlights the evolving nature of strategic management in the context of strategic management process ecosystems. Tobias Kretschmer and colleagues, 2023

Strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. As this definition implies, strategic management focuses on integrating management, marketing, finance/accounting, production/operations, research and development, and information systems to achieve organizational success. The term strategic management is used synonymously with the term strategic planning. The latter term is more often used in the business world, whereas the former is often used in academia. Sometimes the term strategic management is used to refer to strategy formulation, implementation, and evaluation, with strategic planning referring only to strategy formulation. The purpose of strategic management is to exploit and create new and different opportunities for tomorrow; long-range planning, in contrast, tries to optimize for tomorrow the trends of today (Daudi & Mbugua, 2018).

The strategic-management process consists of three stages: strategy formulation, strategy implementation, and strategy evaluation. Strategy formulation includes developing a vision and mission, identifying an organization’s external opportunities and threats, determining internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing particular strategies to pursue (Fred, 2007).

Strategy-formulation issues include deciding what new businesses to enter, what businesses to abandon, how to allocate resources, whether to expand operations or diversify, whether to enter international markets, whether to merge or form a joint venture, and how to avoid a hostile takeover. Because no organization has unlimited resources, strategists must decide which alternative strategies will benefit the firm most. Strategy-formulation decisions commit an organization to specific products, markets, resources, and technologies over an extended period of time. Strategies determine long-term competitive advantages. For better or worse, strategic decisions have major multifunctional consequences and enduring effects on an organization. Top managers have the best perspective to understand fully the ramifications of strategy-formulation decisions; they have the authority to commit the resources necessary for implementation. Strategy implementation requires a firm to establish annual objectives, devise policies, motivate employees, and allocate resources so that formulated strategies can be executed. Strategy implementation includes developing a strategy-supportive culture, creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information systems, and linking employee compensation to organizational performance (Fred, 2007)

Strategy implementation often is called the "action stage" of strategic management. Implementing strategy means mobilizing employees and managers to put formulated strategies into action. Often considered to be the most difficult stage in strategic management, strategy implementation requires personal discipline, commitment, and sacrifice. Successful strategy implementation hinges upon managers' ability to motivate employees, which is more an art than a science. Strategies formulated but not implemented serve no useful purpose. Interpersonal skills are especially critical for successful strategy implementation. Strategy-implementation activities affect all employees and managers in an organization. Every division and department must decide on answers to questions, such as "What must we do to implement our part of the organization's strategy?" and "How best can we get the job done?" The challenge of implementation is to stimulate managers and employees throughout an organization to work with pride and enthusiasm toward achieving stated objectives. (Fred, 2007)

Strategy evaluation is the final stage in strategic management. Managers desperately need to know when particular strategies are not working well; strategy evaluation is the primary means for obtaining this information. All strategies are subject to future modification because external and internal factors are constantly changing. Three fundamental strategy-evaluation activities are (1) reviewing external and internal factors that are the bases for current strategies, (2) measuring performance, and (3) taking corrective actions. Strategy evaluation is needed because success today is no guarantee of success tomorrow! Success always creates new and different problems; complacent organizations experience demise. Strategy formulation, implementation, and evaluation activities occur at three hierarchical levels in a large organization: corporate, divisional or strategic business unit, and functional. By fostering communication and interaction among managers and employees across hierarchical levels, strategic management helps a firm function as a competitive team. Most small businesses and some large businesses do not have divisions or strategic business units; they have only the corporate and functional levels. Nevertheless, managers and employees at these two levels should be actively involved in strategic-management activities (Fred, 2007).

Organizations operate within an interactive framework where they influence their environment and at the same time they are also influenced by elements within their environment. A multitude of factors can affect the performance of organizations. These factors can be broadly classified into two as internal and external factors based on the level of control that the organization exercises over them. Those factors on which the organization has significant influence are called internal factors while those on which the organization enjoys little to no control are called external factors. Some of the external factors are political and legal frameworks, socio-economic conditions, infrastructure, culture etc. Similarly, some of the internal factors that can affect organizational performance are employee morale and attitude, organizational culture, managerial proficiency, the skill and capabilities of staff etc. (Kennedy, 2020).

The Coca-Cola Company has a long and storied history in Ethiopia, dating back to 1959 when it first began bottling operations in Addis Ababa. The Ethiopian Bottling Share Company, which later became the East Africa Bottling Share Company (EABSC), was established to handle these operations. Over the years, Coca-Cola expanded its presence in the country, opening additional plants in Dire Dawa in 1965 and Bahir Dar. In 1996, the company transitioned to private ownership, and in 2001, Coca-Cola South African Beverages Company (Coca-Cola SABCO) increased its shares to 61%, renaming the company to EABSC. The Coca-Cola Company, a global leader in the beverage industry, has a significant presence in Addis Ababa, Ethiopia. The company's strategic management practices in this region are crucial for maintaining its market dominance and ensuring sustainable growth. Coca-Cola's strategic management involves a comprehensive approach to planning, implementing, and evaluating strategies to achieve long-term objectives. This includes understanding market dynamics, consumer preferences, and competitive forces in the Ethiopian market.

In recent years, Coca-Cola has focused on enhancing its strategic management practices to adapt to the changing business environment. The company has implemented various initiatives to improve operational efficiency, foster innovation, and strengthen its supply chain. These efforts are aimed at maintaining a competitive edge and meeting the evolving needs of consumers in Addis Ababa. The strategic management practices also emphasize corporate social responsibility, with initiatives aimed at promoting environmental sustainability and community development.

The study on strategic management practices at Coca-Cola Company in Addis Ababa aims to provide insights into the effectiveness of these strategies. By analyzing the company's approach to strategy formulation, implementation, and evaluation, the study seeks to identify best practices and areas for improvement. The findings of this study can contribute to the broader understanding of strategic management in the beverage industry and offer valuable lessons for other companies operating in similar markets.

Recent research, such as the study conducted by Sebelewonegel Woldesemayate in 2020, highlights the factors affecting consumer soft drink brand preference in Ethiopia, including Coca-Cola. This study underscores the importance of strategic management practices in influencing consumer behavior and market performance. By examining these factors, the current study aims to build on existing knowledge and provide a comprehensive analysis of strategic management practices at Coca-Cola Company in Addis Ababa.

Existing studies on strategic management practices often highlight several gaps, particularly in the areas of strategy formulation, implementation, and evaluation. One significant gap is the theory-practice divide, where academic theories do not always align with practical applications in real-world scenarios. Additionally, there is a lack of comprehensive research on the dynamic and adaptive nature of strategy implementation, especially in rapidly changing markets. Another gap is the insufficient focus on the role of decision-making styles and their impact on organizational performance. Recent research, such as the 2023 article by Sinnaiah, Adam, and Mahadi, emphasizes the need for a more integrated approach that considers these factors to enhance strategic management practices. Finally this study on strategic management practice of Coca Cola Company Addis Ababa try to fill the gap by addressing strategic management process of the organization by understanding its ecosystem.

1.2 Statement of the problem

The importance of strategic management has been growing overtime due to the unpredictable nature of the current business environment. Some factors that can be attributed to this unpredictable nature are rapid technological advancement, globalization, the rise of competition both from domestic and international markets, etc. As a result, the responsibility of managers to lead their organizations on the right path has never been more complex (Lopez and Martin, 2008). Strategic management can be defined as a set of managerial decisions that determine the long-term performance of an organization (Fred, 2007)

Organizations can get many benefits by practicing strategic management. These benefits can be broadly divided into two as financial and non-financial benefits. Financially, strategic management enables organizations to improve sales, profitability and market orientation which is associated with the tendency of such firms to analyze and identify opportunities and threats in their environment. These businesses are more likely to anticipate unexpected future shocks which put them in a better position to respond to these shocks compared to their competitors. In addition to financial benefits, strategic management also provides non-financial benefits to organizations. Some of these are building capacity to prevent or solve problems, reducing resistance to change among employees, ensuring higher productivity associated with better performance-reward linkage, creating higher organizational commitment due to better communication etc(Fred, 2007).

Nowadays, company across the world face many challenges such as rising global competition, government regulation, competition from such as telecommunication companies, growing and ever-changing demand from customers, security risks etc. In addition to the above listed issues, company in developing nations such as Ethiopia have to deal with certain factors, which are characteristic of such countries that can affect their performance. Some of these factors are lack of adequate infrastructure such as telecommunication and electricity, lack of basic literacy among the population, recurrent political instability etc. Companies in Ethiopia use strategic management as a tool to overcome these challenges (Wubishet, 2018). Thus, this study aims to assess strategic management practices by focusing on Coca-Cola Company Addis Ababa.

This research on assessment of strategic management practice in the case of Coca-Cola Company Addis Ababa can fill a significant gap by focusing on recent developments and references. Here's how it can approach. First for strategic formulation the research assess how Coca-Cola has adapted its strategies to recent market trends, consumer preferences, and competitive landscape. For example, you can reference recent studies on Coca-Cola's sustainability initiatives and how they align with global environmental goals. Second for strategic implementation the research examined how Coca-Cola executes its strategies across different markets, especially in light of recent global economic changes. Look into their marketing and innovation efforts, and how they have adjusted to the pandemic's impact on consumer behavior. Finally for strategic evaluation the study assessed how Coca-Cola measures the success of its strategies and makes adjustments based on performance metrics. Recent financial reports and market analyses can provide insights into their financial performance, market share growth, and customer satisfaction.

There are a limited number of studies that have been conducted in the area of strategic management in Ethiopia. And most of these studies focus on analyzing the strategic management practices of organizations which are other than Soft Drink Company. And those that consider this implication focus on organizations other than Coca Cola Company. Hence, this study aims to fill this gap by analyzing the effect of strategic management practices of Coca-Cola Company Addis Ababa focus on strategic formulation, strategic implementation and strategic evaluation.

1.3 Research question of the study

The primary research questions to be addressed in this study are as follows

- ✓ How is the strategy formulation process conducted at Coca-Cola Company in Addis Ababa?
- ✓ How is the strategy implementation process conducted at Coca-Cola Company in Addis Ababa?
- ✓ How is the strategy evaluation and control process conducted at Coca-Cola Company in Addis Ababa?

1.4 Objectives of the study

1.4.1 General Objective

The general objective of this study is to assess strategic management practice of Coca-Cola Company Addis Ababa.

1.4.2 Specific Objective

The specific objectives of this study are:

- ✓ To assess strategy formulation practice of Coca-Cola Company Addis Ababa.
- ✓ To assess strategy implementation of Coca-Cola Company Addis Ababa.
- ✓ To assess the strategy evaluation/ control of Coca-Cola Company Addis Ababa

1.5 Significance of the study

Benefits would be accrued from conducting the study and the relevance of the problem both to the practice and to theory is that its findings will assist managers, sellers and customers deal with important, complex, and sometimes-conflicting issues and trends. It shall help them in deciding on which business strategy tools and techniques are most important for the commercial company.

Dealing with rapid, complex, and often discontinuous change requires leadership and the right mix of strategic management. Successful business institutions have leaders who understand the nature and implications of external change, the ability to develop effective strategies that account for change, and the will as well as the ability to actively manage the momentum of the institution.

The study on the strategic management practices of Coca-Cola Company in Addis Ababa is significant as it offers valuable insights into how a global corporation adapts its strategies to local market dynamics. By examining Coca-Cola's approach to leadership, employee motivation, and organizational culture within the context of Addis Ababa, the study highlights the importance of understanding and integrating local cultural and economic factors. This understanding not only enhances the company's operational effectiveness but also fosters a more inclusive and diverse workplace, crucial for maintaining its position as a market leader.

Moreover, the study emphasizes the necessity of strategic adaptation and stakeholder engagement in achieving long-term business success. By exploring Coca-Cola's methods of managing ethical issues, regulatory conflicts, and engaging with various stakeholders, the study provides a comprehensive view of how multinational companies can balance global business strategies with local realities. This knowledge is invaluable for other businesses aiming to navigate the complexities of diverse markets and underscores the critical role of strategic management in fostering sustainable growth and resilience.

The research also hopes to be of significance to researchers and academicians on the strategic management practice of Coca Cola Company Addis Ababa and to hopefully aid in bridging the gap in the scarce information on the research. Further, the thesis could be a good insight for other researchers who was interested in the topic in the future. It can serve as a future reference for researchers on the subject matter. Hence, scholars and academicians will use the study result in advancing the knowledge in the subject area.

1.6. Scope of the Study

The study was conducted on Coca-Cola Company Addis Ababa found in Lideta sub city. The populations that would eligible for enrollment into the study are Marketing, Finance and Operations as the study respondents. Questioners and SPSS software was employed in collecting and analyzing the data. The study conducted between August 2024 to November 2024. The researcher's investigation considered mainly the strategic management practice of the Coca Cola Company. Specifically, it concerned with assessing strategic formulation, strategic implementation and strategic evaluation.

1.7 Organization of the study

The research organized in five chapters. The first part, which is chapter one deals with introduction part, includes background of the study, Statement of the problem, objective of the study, Significance of the study and scope of the study. Chapter two deals with literature review and the third chapter deals with methodology of the study. Chapter four deals with results and discussion and chapter five contain conclusion and recommendations.

1.8. Definitions of key terms

Strategic management:- is the formulation, implementation and evaluation of the major goals and initiatives taken by an organization's managers on behalf of stakeholders, based on consideration of resources and an assessment of the internal and external environments in which the organization Investopedia, (2024)

Strategic formulation:- is the analytical process of selecting the best suitable course of action to meet the organizational objectives and vision. Business Jargon, (2024)

Strategic implementation:- refers to the execution of the plans and strategies to accomplish the long-term goals of the organization. Business Jargon, (2024)

Strategic evaluation:- is the process of assessing the effectiveness of the strategies implemented by an organization Investopedia, (2024).

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter covers review of the existing literature on strategic management and its variables. This chapter discusses in depth the relation between strategic thinking, strategic planning and strategy implementation and the three strategic management process namely strategic formulation, strategic implementation and strategic evaluation.

2.2. Conceptual review

2.2.1 Strategic management

Strategic management is the process of defining the long-term goals and initiatives of an organization, based on an assessment of both internal and external environments, and allocating resources to implement the plans designed to achieve these goals. It involves setting objectives, analyzing competitive environments, and ensuring that management rolls out new approaches across the company. Strategic management also define as the ongoing process of formulating, implementing, and evaluating actions that enable an organization to achieve its long-term objectives. This involves analyzing internal and external environments, setting strategic goals, and allocating resources to execute plans effectively. By continuously adapting strategies to the changing landscape, organizations can maintain competitive advantage and drive sustainable growth Investopedia. (2024).

2.2.2 Strategic formulation

Strategic formulation is the analytical process of defining an organization's direction and making decisions on allocating resources to pursue this direction. It involves identifying the company's mission, vision, and objectives, analyzing the internal and external environments, and determining the best course of action to achieve its goals. This process includes assessing strengths, weaknesses, opportunities, and threats (SWOT analysis), setting long-term objectives, and developing policies and plans to achieve competitive advantage. Business Jargon, (2024)

2.2.3. Strategic implementation

Strategic implementation is the process of executing the plans and strategies developed during the strategic formulation stage to achieve an organization's long-term goals. It involves converting strategic plans into actionable steps, utilizing resources effectively, and integrating the organization's structure, culture, and people to follow the strategies. This phase ensures that the formulated strategies are put into practice efficiently and effectively to gain a competitive edge in the market Business Jargons. (2024).

2.2.4. Strategic evaluation

Strategic evaluation is the process of assessing the effectiveness and efficiency of an organization's strategic plan. It involves analyzing performance metrics, reviewing progress towards strategic goals, and determining whether the implemented strategies are yielding the desired outcomes. This evaluation helps identify areas of improvement, ensuring that the organization remains on track to achieve its objectives Quantive. (2023).

The necessity of evolution in governmental and privately held organizations and companies is the inevitable consequence of not only global changes but also of citizen and customers' expectations of the organizations. Despite the existence of performance management in the public sector for a quarter of century, there are still major problems and the expected improvements in performance, accountability, transparency, and the quality of services have not been made (Fryer et al., 2009). Today, setting and defining goals as well as producing and assessing performance are the major challenges of top managers (Tesfaye, 2019). Attaining the best performance and achieving desired results is not possible if there is not a formulated plan in an integrated system. This system should be able to plan the performance, devise and implement its plans through an appropriate administrative system, and assess the results using evaluation procedures in order to improve the performance (Muogbo U .S., 2013). There are different views on performance. It can be only regarded as the obtained results. Individually, it refers to the success and achievements of a person

(Phina, 2020). Performance is "the record a person has which is gained regardless of the goal, it is also defined as results of work because they have the strongest connection with the strategic goals of organization, customer satisfaction, and financial gains. One of the factors that affect an organization reaching its goals is the employees' thinking and commitment to the company.

2.2.5 Strategic thinking

Strategic thinking is a representation of attitude and results from the person' value system. In recent decades, strategic thinking has received a lot of attention and it is claimed that it distinguishes successful organizations from non-successful ones. In fact, the considerable success of thriving companies stems from some powerful intangible factors in their organizational culture and employees' beliefs and values (Sidhi, 2021).

Strategic thinking is considered as a very valuable and important component in the macro management of organizations and businesses. Generally, strategic thinking is "an understanding of and insight into the current situation and seizing opportunities". This vision helps with the proper and timely understanding of the market and its rules so that creative and effective solutions would be suggested in response. In other words, opportunity involves things that have not been attended to or there is a need for responding to them in the market, and strategy is having suitable plans and vision to achieve the goals of the organization with regard to meeting that need while considering interactions and chaos in the today's relations of business and companies. Strategic thinking enables managers to realize what factors are effective in attaining desired goals. It involves real understanding of the market rules and responding creatively to them; this is very important in the changeable environment of business because without strategic thinking, companies cannot pursue the formulated strategies effectively. The main characteristic of strategic thinking is having a wide perspective on the organization's future and environment. This requires understanding of the relation between different issues and topics as well as of the way a solution to a problem in a certain area influences another area or solution. Based on strategic thinking, a framework would be suggested that enables the organization to reach its goals with a strategic vision and to institutionalize it (Kasera, 2017).

Strategic thinking is a process of utilizing previous experiences in a coherent framework and showing the best reaction in vital situations (DAHIR & NYANG'AU, 2019). However, what may look challenging regarding this issue is the degree of durability and stability of planning and strategic management within the organization, and therefore a strategic thinking of managers and employees is an assurance to the mentioned matter, and creation of strategic thinking in managers of companies plays more important role than presenting strategic plans since existence of such a thinking is a strong support for strategic plans within any company.

Strategic thinking is process, which requires time and effort; it cannot be bought and only can be earned through experience. In simple words, strategic thinking is a logical development of thoughts (Walker, 2013).

Having strategic thinking is advantageous for organizations since: it helps and directs different levels of management in identifying goals, it makes designation of opportunities and threats easier, it reinforces the management's logics regarding the required assets and workforce of company, it replaces the act with react within companies and help business to be prepared for future changes. Like every process, strategic thinking has challenges and obstacles such as: lack of systematic vision, lack of using collaborative management, unavailability of exact information, lack of institutional trust, lack of organizational encouraging culture (Phina, 2020).

Strategic thinking is consisted of several main elements: systems thinking, breaking down organization to smaller systems collaborating with each other, creativity, developing new solutions and business ideas to gain competitive edge, having vision, realizing the reasons of company existence, its values and goals and having long term plans leading to those goals (Branch, 2015). Several templates have been introduced by researchers to implement strategic thinking such as: The Liedtka Model of the Elements of Strategic Thinking (DOVAL, 2020), Leading the Revolution (Hamel G. , 2002), and The Fifth Discipline (DOVAL, 2020). The Fifth Discipline template focuses on internal dimensions of organization and offers a framework that helps institutions to solve problems using systems thinking method.

These five disciplines are as follows: Continue deepening and clarifying mangers vision, mental models refining to have clear picture of our world in order to understand our environment and take proper actions, building shared vision - a practice of unearthing shared pictures of the future that foster genuine commitment and enrollment rather than compliance, team learning starts with dialogue, the capacity of members of a team to suspend assumptions and enter into genuine thinking together, and systems thinking - The Fifth Discipline that integrates the other four (DOVAL, 2020).

The strategic thinking gap is due to a lack of understanding of the concept overall (Nkemchor & Ezeanolue, 2021). Practitioners and theorists wrongly use the terms strategic thinking, strategic planning, and strategic management interchangeably.

This has resulted in significant historical confusion in the literature, with the aforementioned terms being used not only as substitutes but also as both nouns and verbs (Roy, 1998). Strategic thinking has been recognized as an individual activity influenced by the context within which it takes place (Nkemchor & Ezeanolue, 2021)

Research has found a statistically significant and positive relationship between strategic thinking and organizational creativity (Widarti & Pramajaya, 2018). In addition, there is a significant relationship between organizational creativity and the five components of strategic thinking including systems perspective, intent focused, intelligent opportunism, hypothesis-driven, and thinking in time. Monovarian did a descriptive survey titled ‘assessing strategic thinking among managers of the municipality of Tehran’. Using Leidtka’smodel which includes five elements of systems perspective, intent focused, intelligent opportunism, hypothesis driven, and thinking in time, they investigated strategic thinking among managers in the municipality of Tehran. Based on experts’ views and available resources, the researchers created 29 sub-elements and investigated the significance and current condition of all through a questionnaire distributed among the managers in the municipality of Tehran. Analyzing the data through the Friedman test and paired t-test revealed that despite some important measures like preparing strategic documents in the municipality of Tehran, there is a significant gap between the significance of the elements and their current condition in the organization that deserves attention (Guangjin, 2012).

Five components of strategic thinking were specified, and to assess the achievement of companies, the rise in sales in three consecutive years was considered. The findings showed that the top managers' ability to think strategically has a substantial effect on the success of small and medium companies although in practice they do not use it enough (Boyne & Walker, 2010). Research carried out on the crucial factors in strategic thinking. The results suggested 16 key variables in four main dimensions including systems perspective, individual factors, organizational factors, and intuitive ones. All these dimensions are effective in the realization of strategic thinking, so they can be considered for improving and promoting strategic thinking in organizations (Sidhi, 2021).

2.3. Strategic management process

Strategic management is a comprehensive approach used by organizations to achieve their long-term objectives and maintain a competitive advantage. This process involves three main stages: strategic formulation, strategic implementation, and strategic evaluation. Each stage is crucial and interconnected, ensuring that the organization's vision and mission are effectively realized Investopedia, (2024).

2.3.1. Strategic formulation

Strategic formulation is the first stage in the strategic management process. It involves the analytical task of defining the organization's direction and making decisions on how to allocate resources. During this phase, managers identify the organization's mission, vision, and objectives, analyze internal and external environments, and develop a strategic plan. Tools like SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) are commonly used to assess the competitive landscape and inform decision-making. The outcome of strategic formulation is a clear set of long-term goals and strategies to achieve them Investopedia, (2024).

2.3.2. Strategic implementation

Strategic implementation follows the formulation stage and focuses on executing the formulated strategies. This stage involves translating the strategic plan into actionable steps and ensuring that resources are effectively utilized. Key activities during this phase include developing organizational structures, aligning the company's culture with strategic goals, and motivating employees to work towards achieving the desired outcomes. Effective communication, leadership, and change management are essential components of successful strategic implementation. This phase ensures that the organization is moving in the right direction and adapting to any internal or external changes Business Jargon, (2024).

2.3.2. Strategic evaluation

Strategic evaluation is the final stage in the strategic management process. It involves assessing the effectiveness and efficiency of the implemented strategies to determine if they are achieving the desired results. Performance metrics and key performance indicators (KPIs) are used to measure progress towards strategic goals. Regular reviews and feedback mechanisms help identify any deviations from the plan, allowing managers to make necessary adjustments. Continuous evaluation ensures that the organization remains agile and responsive to changes in the environment, thereby maintaining a competitive advantage Investopedia, (2024)

In conclusion, the strategic management process is a dynamic and ongoing cycle that requires careful planning, execution, and assessment. By effectively formulating, implementing, and evaluating strategies, organizations can achieve their long-term goals and remain competitive in an ever-changing business landscape. Each stage plays a crucial role in ensuring that the organization's vision and mission are realized, leading to sustainable growth and success.

2.4. Relation between strategic management and organizational performance

Strategic management plays a crucial role in enhancing organizational performance by providing a structured approach to decision-making and resource allocation. Effective strategic management involves setting clear goals, analyzing competitive environments, and implementing plans to achieve long-term objectives. By aligning organizational resources with strategic priorities, companies can improve efficiency, foster innovation, and gain a competitive edge in the market.

Organizational performance can be categorized into three main types: financial performance, product market performance, and shareholder return. Financial performance includes metrics such as profits, return on assets, and return on investment. Product market performance focuses on sales, market share, and customer satisfaction. Shareholder return measures the value delivered to shareholders, including total shareholder return and economic value added. These types provide a comprehensive view of an organization's effectiveness and success in achieving its goals.

One recent study by Sinnaiah, Adam, and Mahadi (2023) highlights the importance of decision-making styles in strategic management. Their research suggests that intuitive and rational decision-making processes can significantly impact organizational performance. The study proposes a framework that integrates strategic thinking factors, such as systems perspective and focused intent, with decision-making styles to enhance performance.

Moreover, strategic management accounting (SMA) has been identified as a key tool for driving organizational performance. SMA involves the use of management accounting data to develop and monitor business strategies, providing valuable insights for decision-makers. By aligning accounting practices with strategic goals, organizations can optimize resource utilization and improve financial outcomes.

In addition, strategic human resource management (SHRM) has been shown to positively influence organizational performance. SHRM focuses on aligning human resource practices with strategic objectives, ensuring that employees' skills and efforts contribute to overall organizational success. This alignment can lead to improved employee satisfaction, productivity, and retention, ultimately enhancing performance.

Overall, strategic management is essential for achieving organizational success by providing a roadmap for decision-making, resource allocation, and performance improvement. Recent research underscores the importance of integrating strategic thinking, decision-making styles, and accounting practices to maximize organizational performance.

2.5. Theoretical Review

The Resource-Based View (RBV) and Dynamic Capabilities (DC) theories are pivotal in strategic management, offering frameworks to understand how firms achieve and sustain competitive advantage. RBV emphasizes the importance of valuable, rare, inimitable, and non-substitutable resources as the foundation for competitive advantage. Firms that possess such unique resources can leverage them to outperform competitors.

Dynamic Capabilities, on the other hand, focus on a firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. This theory, introduced by Teece, Pisano, and Shuen (1997), highlights the importance of adaptability and continuous innovation in maintaining competitive advantage.

Institutional theory complements these views by examining how organizational behavior is influenced by social norms, values, and beliefs. It suggests that firms not only seek to gain competitive advantage but also strive to conform to institutional pressures to gain legitimacy and acceptance in their environment.

Recent research by Amentie Kero and Bogale (2023) synthesizes empirical studies on RBV and DC, highlighting how firms can cultivate competitive advantage in fluctuating environments. Their systematic literature review identifies key themes such as knowledge-based, human, physical, technological, and organizational resources for RBV, and marketing, operational, innovative, and alliance/integration capabilities for DC.

By integrating RBV, DC, and institutional theory, firms can develop strategies that leverage unique resources, adapt to environmental changes, and conform to institutional norms, thereby enhancing overall organizational performance.

Strategic intent is a term (that) implies a particular point of view about the long-term market or competitive position that a firm hopes to build over the coming decade (Guangjin, 2012). Hence, it conveys a sense of direction. A strategic intent is differentiated; it implies a competitively unique point of view about the future. It holds out to employees the promise of exploring new competitive territory. Hence, it conveys a sense of discovery. Strategic intent has an emotional edge to it; it is a goal that employees perceive as inherently worthwhile. Hence, it implies a sense of destiny. Direction, discovery, and destiny. These are the attributes of strategic intent. (Guangjin, 2012)puts it this way: Strategic intent provides the focus that allows individuals within an organization to marshal and leverage their energy, to focus attention, to resist distraction, and to concentrate for as long as it takes to achieve a goal. In the disorienting swirl of change, such psychic energy may well be the scarcest resource an organization has, and only those who utilize it will succeed. Strategic thinking is fundamentally concerned with, and driven by, the continuous shaping and re-shaping of intent (Phina, 2020).

Strategic thinking is built on the foundation of a systems perspective. A strategic thinker has a mental model of the complete end – to – end system of value creation, and understands the interdependencies within it (Fred, 2007). Lunenburg also stresses the significance of mental models in influencing our behavior. According to him: "New insights fail to get put into practice because they conflict with deeply held internal images of how the world works, images that limit us to familiar ways of thinking and acting. That is why the discipline of managing mental models - surfacing, testing, and improving our internal pictures of how the world works - promises to be a major breakthrough" (Lunenburg, 2011).

The mental model of how the world works must incorporate an understanding of both the external and internal context of the organization. According to James Moore, these mental models must lead to the perception of a business in a context larger than that of the industry in order to facilitate innovation. As he puts it: "I suggest that a company be viewed not as a member of a single industry but as part of a business ecosystem that crosses a variety of industries. In a business ecosystem, companies co-evolve capabilities around a new innovation: they work co-operatively and competitively to support new products, satisfy customer needs, and eventually incorporate the next round of innovations"(Fred, 2007). Thus, the ability to manage in these converging arenas requires that managers think strategically about the alliances they make within these competing networks and how they position themselves within this ecosystem. In addition to understanding the external business ecosystem in which a firm operates, strategic thinkers must also appreciate the inter- relationships among the individual internal parts that, together, constitute the whole, as well as the fact that the whole is greater than the sum of its parts (Nkemchor & Ezeanolue, 2021)

Senge (2006) uses the term systems thinking to describe the same phenomenon, and suggests that it is arguably the most critical of the five disciplines of the learning organization. He advocates that systems thinking are what makes all other types of learning work in harmony and points out that a fundamental problem for business organizations is the failure to see problems as elements of systems failures because "most of an organization's problems are not unique errors but systems issues." The systems perspective enables individuals to clarify their role within the larger system and the impact of their behavior on other parts of the system, as well as on the outcome. This approach addresses, therefore, not only the fit between the corporate, business, and functional levels of strategy, but very importantly, the person level (Muogbo U .S., 2013).

Thus, from a vertical perspective, strategic thinkers see the linkages in the system from multiple perspectives and understand the relationship among the corporate, business, and functional levels of strategies to the external context, as well as to the personal daily choices they make. From a horizontal perspective, they also understand the connections across departments and functions, and between suppliers and buyers (Muogbo U .S., 2013).

The third element of strategic thinking is referred to as thinking in time. Strategy is not solely driven by the future, but by the gap between the current reality and the intent for the future (Fred, 2007). According to him, Strategic intent implies a sizeable stretch for an organization. Current capabilities and resources will not suffice. This forces the organization to be more inventive, to make the most of limited resources. Whereas the traditional view of strategy focuses on the degree of fit between existing resources and current opportunities, strategic intent creates an extreme misfit between resources and ambitions.

Thus, by connecting the past with the present and linking this to the future, strategic thinking is always "thinking in time." (Kimani, 2018) states that: Thinking in time (has) three components. One is recognition that the future has no place to come from but the past, hence the past has predictive value. Another is recognition that what matters for the future in the present is departures from the past, alterations, changes, which prospectively or actually divert familiar flows from accustomed channels. A third component is continuous comparison, an almost constant oscillation from the present to future to past and back, heedful of prospective change, concerned to expedite, limit, guide, counter, or accept it as the fruits of such comparison suggest (Roy, 1998)

In a nutshell, strategic thinking connects the past, present, and future and in this way, uses both an institution's memory and its broad historical context as critical inputs into the creation of its future. This oscillation between the past, present, and future is essential for both strategy formulation and execution. Thinking in time needs both a sense of continuity with the past and a sense of direction for the future to maintain a feeling of control in the midst of change (Lunenburg, 2011)

Like the "scientific method", strategic thinking embraces hypothesis generation and testing as core activities. According to Liedtka (1998), this approach is foreign to most managers. Yet in an environment of ever-increasing information availability and decreasing time to think, the ability to develop good hypotheses and test them efficiently is critical, the ability to work well with hypotheses is the core competence of the best strategy-consulting firms.

Because strategic thinking is hypothesis-driven, it circumvents the analytical-intuitive dichotomy that has dominated much of the debate on the value of formal planning. Strategic thinking is both creative and critical, although accomplishing both types of thinking simultaneously is difficult, because of the requirement to suspend critical judgment in order to think more creatively (Lunenburg, 2011)

Nonetheless, the scientific method is able to accommodate both creative and analytical thinking sequentially through its use of iterative cycles of hypothesis generating and testing. Hypothesis generation poses the creative question, "What if?" Hypothesis testing follows up with the critical question, "If then." and evaluates the data relevant to the analysis.

Taken together and repeated longitudinally this process allows an organization to pose a variety of hypotheses, without sacrificing the ability to explore novel ideas and approaches. The effect is an organization that can transcend simplistic notions of cause and effect and pursue life- long learning (Kimani, 2018). Liedtka (1998) states that, "Taken together, these five elements describe a strategic thinker with a broad field view that sees the whole and the connections between its pieces, both across the four vertical levels of strategy and the horizontal elements of the end-to-end value system.

The process of strategic planning defines where the organization is going and sometimes where it is not going. It defines the organization and provides focus. At the same time, the plan sets direction for the organization and – through a common understanding of the vision and broad goals provides a template for everyone in the organization to make consistent decisions that move the organization toward its envisioned future. Strategic planning, in large part, is a decision-making activity. Although these decisions are often supported by a great deal of quantifiable data, strategic decisions are fundamentally judgmental. Because strategic decisions cannot always be quantified, managers must rely on "informed judgment" in making this type of decision (Kimani, 2018) rather, it must consider the nature of the future environment in which planning decisions and actions are intended to operate.

Planning is a process that does not end when a plan is agreed upon rather, it must be implemented. Also at any time during the implantation and control process, plans may require modification to avoid becoming useless or even damaging, implying that decisions must be made at many points in the planning process. For instance, managers must decide which predictions in such areas as the economy, and the actions of competitions are likely to be most accurate. They must also analyze organizational resources and decide how to allocate them to achieve their goals most effectively (Olusanya, Olumuyiwa, Adelaja, &Chukwuemeka, 2012). Again, Koontz et al (Koontz, O'Donnell, &Weibrich, 1980) introduces an issue known as the nature of planning which can be highlighted by for aspects of planning. These aspects are contributions to purpose and objectives‟ primacy of planning, pervasiveness of planning and efficiency of plans.

2.6 Empirical Reviews

Empirical studies on strategic management practices are crucial for understanding how organizations develop and implement strategies to achieve their goals. These studies often involve collecting and analyzing data from real-world organizations to test hypotheses and develop theories about effective strategic management practices.

Many empirical studies use quantitative methods to analyze strategic management practices. For example, researchers often employ surveys and statistical analyses to examine the relationship between strategic planning and organizational performance. These studies help identify patterns and trends that can inform best practices in strategic management.

In addition to quantitative methods, qualitative approaches are also used in empirical studies of strategic management. These methods include case studies, interviews, and focus groups, which provide in-depth insights into the strategic decision-making processes of organizations. Qualitative studies help uncover the underlying reasons and motivations behind strategic choices.

A recent empirical study by Sinnaiah, Adam, and Mahadi (2023) explored the role of decision-making styles in the strategic management process. Their research found that both intuitive and rational decision-making styles significantly impact organizational performance. This study highlights the importance of considering decision-making styles when developing strategic management practices.

Another empirical study focused on strategic management in inter-governmental organizations (IGOs). The study by Wan, Wang, Saade, Guan, and Liu (2022) examined how institutional pressures influence strategic change in IGOs3. The findings suggest that strategic formulation mediates the relationship between institutional pressures and strategic change.

Strategic management accounting (SMA) is another area of empirical research. A study by Ojra, Opute, and Alsolmi (2021) reviewed the literature on SMA and its impact on organizational performance. The study found that SMA practices can enhance strategic decision-making and improve organizational performance by providing relevant management accounting data.

Empirical studies on strategic management practices continue to evolve, with researchers exploring new methodologies and contexts. Future research may focus on the impact of digital transformation on strategic management, the role of leadership in strategic decision-making, and the integration of sustainability practices into strategic planning.

Strategic formulation at Coca-Cola Company in Addis Ababa involves setting long-term goals and determining the best course of action to achieve them. This process includes analyzing internal strengths and weaknesses, as well as external opportunities and threats (SWOT analysis). Recent studies emphasize the importance of aligning these strategies with the company's mission and vision to ensure coherence and direction.

Strategic implementation focuses on executing the formulated strategies effectively. This involves allocating resources, establishing timelines, and ensuring that all organizational levels are aligned with the strategic goals. Coca-Cola's Company decentralized model allows for flexibility and responsiveness to market variations, which is crucial for successful implementation.

Strategic evaluation is the process of assessing the effectiveness of the implemented strategies. This involves measuring performance against set objectives, analyzing outcomes, and making necessary adjustments. Recent research highlights the significance of continuous evaluation to adapt to changing market conditions and maintain competitive advantage.

Olanipekun, Abioro, Akanni, Arulogun and Rabiu examined the impact of strategic management on competitive advantage and organization performance in Nigerian bottling company. The study used primary data with the aid of a structured questionnaire which was used to elicit information from respondents. The data collected were analyzed using both descriptive statistics such as frequencies, percentages mean, standard deviation and inferential statistics of Chi-square and Analysis of Variance (ANOVA). The findings revealed that indeed the adoption and implementation of strategic management practices makes the organization not only to be proactive to changes but also initiate positive changes that consequently lead to competitive.

Two distinct approaches to strategy making have attracted the attention of practitioners and researchers: the rational approach and the adaptive approach (Daudi & Mbugua, 2018). The adaptive approach, which is a process of making strategy based on intuition, creativity, and learning (Daudi & Mbugua, 2018), is gaining more interest in today's dynamic environment. In contrast, rational strategic planning has been known since the 1950s through the work of Selznick (Selznick, 1957). It is "a systematic process through which an organization agrees on priorities that are essential to its mission and are responsive to the environment" (Allison & Kaye, 2005). Indeed, rational strategic planning is based on the idea that organizations adapt to changes in their environment by making rational decisions (Chaffee, 1985). Rational strategic planning is a formal, logical, systematic, and continuous process (Hough & White, 2003) with the following steps: definition of the mission and long-term objectives of the organization, analysis of its environment, generation and evaluation of strategic alternatives, implementation of the chosen strategy, and finally, monitoring of the results (Crittenden & Crittenden, 2000). It is a normative and rational approach to strategy making (Hough & White, 2003), even though it has been strongly criticized for its uncertain effects on firm performance (Robinson & Pearce, 1983). Indeed, the proponents of the adaptive approach to strategy making criticize rational strategic planning, arguing that it bridles creativity and spontaneity, creates rigidity, and encourages excessive bureaucracy (Aglan et al., 2012) therefore reducing the organization's ability to quickly adapt to change. Nonetheless, rational strategic planning has many proponents (Walker, 2013) According to him, rational strategic planning is much more effective than an informal process because it involves the collection and analysis of pertinent information allowing an organization to make more informed and fact-based strategic decisions and therefore to be more aligned with its environment.

Also, rational strategic planning enables an organization to determine its strategic direction (Nkemchor & Ezeanolue, 2021) identify relevant opportunities and effectively seize them and anticipate change and create strategic options to deal with change. More recently, Casey and Goldman (2010) found that participation in organized strategic planning processes and involvement in developing strategic plans enhances strategic thinking. Also (Bryson, 2010) showed that a comprehensive strategic planning process is a vital tool for improving performance.

The most important organizational decisions, such as entering a market, introducing a new service, or acquiring a competitor, although based on information and analysis, are essentially judgments. Decision consistency is central to strategy; when an organization exhibits a consistent behavior, it has a strategy (Fred, 2007). The requirements of decision consistency suggest that a strategy is the means an organization chooses to move from where it is today to a desired state sometime in the future. Thus, strategy also may be viewed as a set of guidelines or a plan that will help assure consistency in decision-making and serve as a map to the future. Strategic plans indicate what types of decisions are appropriate or inappropriate for an organization. Developing the road map (strategic plan) requires situational analysis, strategy formulation, and planning the implementation of the strategy (Swayne, Duncan, &Ginter, 2006).

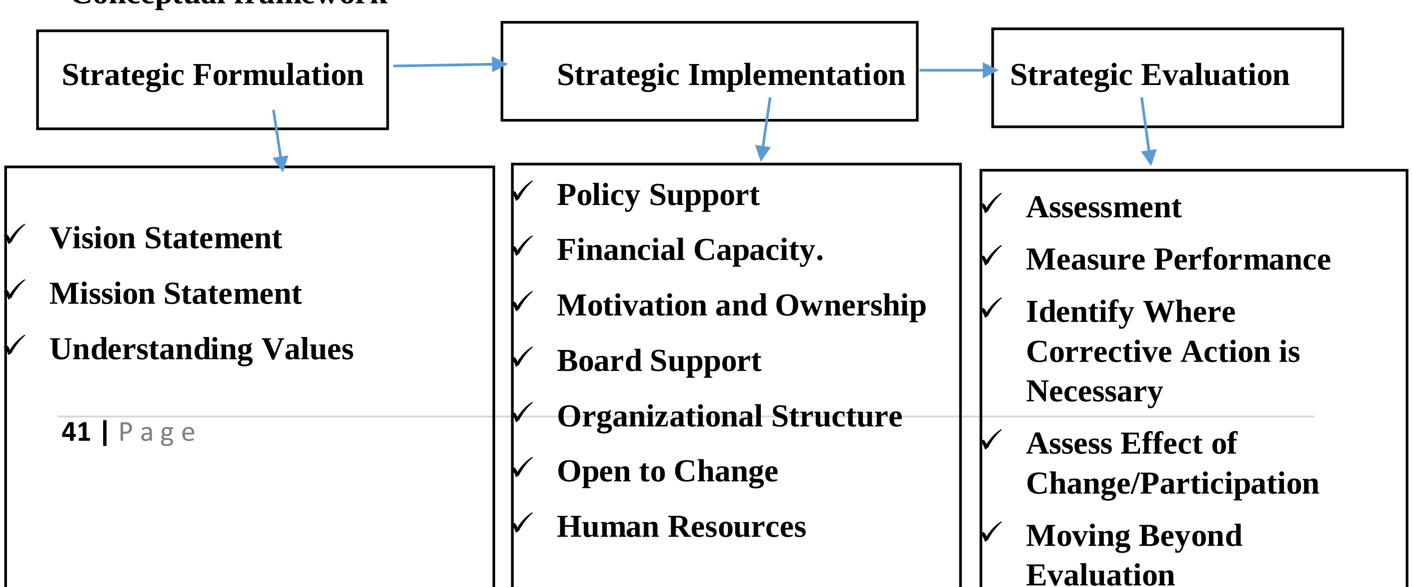
Mohamud, Abdullahi and Bashir investigated the relationship between strategic management and organizational performance in Mogadishu. Emphasis was put on trying to establish the relationship between strategic management and organizational performance in Mogadishu Somalia. The study employed the use of both descriptive and correlation research design to establish the nature of the relationships. To analyze the data, the spearman correlation statistical tool was used with the aim of establishing the relationship between above variables. The findings revealed the existence statistically significant has a positive relationship between strategic management and organizational performance, the study also indicate that there is a statistically significant moderate positive relationship between strategic management and organizational performance. Waweru and Omwenga examined the influence of strategic management practices on performance of private construction firms in Kenya. A total sample of 68 respondents formed the sampling frame. The researcher chose simple random sampling as a sampling technique. Primary data was collected using predetermined questionnaires. The study used questionnaires containing closed ended, open ended, multiple choice and dichotomous questions. Likert scale questions were also used since the responses were easily quantifiable and subjective to computation. The study used both primary and secondary data. Secondary data was cited from library resources and organizational process assets such as company project reports. Statistical Package for the Social Sciences (SPSS) was used as a platform for data analysis. It was established that all three construction firms have employed strategic management practices which in turn increases performance.

Strategic planning has received special attention in strategic management research, particularly in terms of its relationship with financial performance and its role in strategic decision-making (Grant R., 2003). In fact, researchers have made considerable efforts to study the relationship between strategic planning and firm performance because understanding the nature of this relationship is crucial to organizations. However, the results of these studies are considered uncertain and contradictory with no clear conclusions 1994. For instance, Sarason and Tegarden (2003) found a positive relationship between rational strategic planning and firm performance, Fredrickson and Mitchell (1984) a negative relationship, and Robinson and Pearce (Robinson & Pearce, 1983) no significant relationship at all.

2.7 Conceptual Frameworks

Conceptual framework is a foundation of a research problem and it stems from the theoretical framework and emphasizes the sections that will become the basis of the study (Kumar, 2011). For this study, the conceptual framework focuses assessment of strategic management practice of Coca Cola Company Addis Ababa. The conceptual framework is as presented in figure 2.1 below.

Conceptual framework



- ✓ **SWOT Analysis**
- ✓ **Establish Long Term Objectives**
- ✓ **Generate Strategies**
- ✓ **Selecting Strategies to Pursue**

Source Kidist Negash, 2025

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter describes the procedures that the researcher followed in conducting the study. It highlights the methods that used in collecting data to meet the aims and objectives of the study. The chapter explains the research design, the target population, sampling technique, the instruments, and procedures for data collection, analysis and presentation.

3.2. Research Design

The research design is a master plan defining the methods and procedures for collecting and analyzing the needed information (Zikmund, Babin, Carr, & Griffin, 2010). According to Cooper & Schindler (2011), research design is a plan that guides the time scope and gives a practical guideline for the activities that should be implemented in the research process to (or "intending to") answer the research question. Further, the research design gives a clear direction on how to select the various sources and types of information required and defines the relationship between the variables of the study.

The primary objective of this research is to assess strategic management practice of Coca-Cola Company Addis Ababa, for specifying the relationships in the conceptual framework and through a series of theoretically justified research hypotheses. For this study, quantitative approach was mostly employed. Furthermore, to achieve the objectives, the studies employed descriptive research design.

3.3 Research Approach

When conducting a research, there are different ways of approaching the problem. In conducting the research, to study the variables and to test hypothesis the researcher followed the quantitative approach of research. A quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistical data (Creswell, 2009).

3.4 Sampling Method

3.4.1 Target Population

According to Kothari (2004), a population involves all elements which are under consideration or it involves the listing of all items that a researcher wishes to investigate. As it has been stated in the introduction section of this study, the Coca-Cola Company is selected as an area of focus. For this study, the target populations included in Coca-Cola Company Addis Ababa found in Lideta. Hence, the target respondents include employees giving service in study area. The leader of organization represented by top manager, who tends to be the most knowledgeable person about the strategic direction of the firm (Keh et al. 2007; Yang 2008) and is the person who engages in entrepreneurial activities. The target population is 243. For this research marketing, finance and operational workers are taken as sample from.

2.4.2. Sample size Determination and Sampling Technique

The number of elements of the population which are selected to be included in the sample is called sample size. In the process of determining the sample size, it is crucial to make sure that the sample chosen is optimal. Otherwise it might be too small to represent the population or it might be too large and become unmanageable for a researcher. An optimal sample size satisfies the requirements of efficiency, representativeness, reliability and flexibility (Kothari, 2004). The sample size for this study is determined from the target population i.e. Coca-Cola Company Addis Ababa

The sample size for this study was computed using the following formula provided by Yamane (1967).

$$n = \frac{N}{1+N(e)^2} = \frac{243}{1+243(0.05)^2} = 151$$

Where:

n = The sample size N = The population size e = The level of precision with the level of precision equal to 5%.

Sampling can be defined as a process of selecting a small number of elements from a larger group or population in order to make generalizations about the larger group. The purpose of sampling is different in qualitative and quantitative research. In qualitative research the emphasis is on getting an in-depth information. On the other hand, drawing inferences about the population from which the sample has been selected from, is the focus of quantitative research (Kumar, 2011). The study employed stratified sampling technique to select the sample. Stratified sampling is a type of sampling which involves grouping of elements of the population into homogenous groups or strata (Babbie, 2008).

Table 3.1. Proportional sample distribution

S.Nº.	**Divisions**	**No. of employees**	**Sample size**
1	**Marketing**	**30**	**18**
2	**Finance**	**70**	**44**
3	**Operations**	**143**	**89**
	Total	**243**	**151**

Source: (Kidist, 2024)

3.6. Method of Data Collection

A well-structured questionnaire for survey employed as tools of data collections. The questionnaires distributed to selected respondents in order to collect data for main study. The study was collected primary data where close-ended and open-ended questionnaires have used as tools for primary data collection. An open-ended questionnaire is a reformulated written set of question to which respondents record their answers. A close-ended questionnaire is one where respondents are confined to a set of options beyond which they cannot select to respond (Sekaran & Bougie, 2010)

3.7. Method of Data Analysis

To achieve the objectives, the studies was manipulated; descriptive research methods was used. Quantitative data are expected to be acquired in this study. Quantitative data are remarks evaluated on a numerical scale. Quantitative data are those that represent the quantity or amount of something (quang and hong, 2009). Descriptive statistics such as mean and standard deviation are measure the frequency to summarize the quantitatively.

3.8 Variable Description and measurement

The aim of this study is to assess strategic management practice of Coca Cola Company in Addis Ababa. To achieve this objective, different variables have been used. The variables of the study were the elements of strategic management process they are strategy formulation, strategy implementation and strategy evaluation/ control.

Strategy Formulation: is the first step in strategic management process which involves a wide range of activities ranging from developing a mission statement to choosing the right strategies among a set of available choices. To measure strategy formulation, the following indicators are used: vision statement, mission statement, understanding values, SWOT analysis, establish long term objectives, generate strategies, and selecting strategies to pursue.

Strategy Implementation: is a stage where strategies that have been developed in the previous stage are transformed into actions. To measure this process, the following indicators are utilized: policy support, financial capacity, motivation and ownership, board support, organizational structure, open to change, human resources

Strategy Evaluation/ control: is a stage of analyzing the execution of strategies so as to take corrective actions when necessary. To measure this variable, the following indicators was used: assessment, measure performance, identify where corrective action is necessary, Assess effect of change/participation, moving beyond evaluation

3.9. Reliability and Validity

Reliability of an instrument is the measure of the degree to which a research instrument yields consistent results or data after repeated trials (Gendy et al., 2014)). In order to test the reliability of the instrument the researcher was used in the study a pilot study carried out among members who were avoided during the actual study. Internal consistency was checked through the use

Cronbach's Alpha. Cronbach's alpha was used to test the internal consistency of measurements that describe the consistency of a specific sample of respondents across a set of variables. Helms, Henze, Sass & Mifsud, (2006), state that it can help to estimate the reliability of participants' responses to the measurements. The coefficient usually lies between 0 and 1. The closer it is to 1 the higher the level of internal consistency of items. A Cronbach's alpha coefficient of 0.7 or above shows that the instrument under scrutiny is reliable (Cohen, Manion and Morrison, 2007). The result of the cronbach's alpha coefficient test for all items in the questionnaire was displayed in table below.

Table 3.1 Chronbach alpha test

Factors	Number of item	Chronbach alpha coefficients	Sources
Strategic formulation	7	.819	Adonias, 2020
Strategic implementation	7	.777	Adonias, 2020
Strategic evaluation	5	.710	Adonias, 2020

Source: Own Survey (2024)

3.10. Ethical Consideration

The goal of ethics in research is to ensure that no one is harmed or suffers adverse consequences from the research activities. Ethical Considerations the participation of human respondents, specifically human resource professionals, certain ethical issues were addressed. The consideration of these ethical issues is necessary for the purpose of ensuring the privacy as well as the safety of the participants. The researcher was presented all the important details of the analysis, including its objective and purpose, in order to ensure the consent of the selected participants. The respondents were able to understand the significance of their role in the completion of the study by describing these significant details. With this, the participants' wont forced to participate in the research. The confidentiality of the participants will also ensure by not disclosing their names or personal information in the research. Only relevant details that helped in answering the research questions was included.

CHAPTER FOUR RESULT AND DISCUSSION

4.1 Introduction

In this chapter the analysis and discussion of findings from data collected from questionnaires with the aim of assessing strategic management practise in the case of Coca-Cola Company Addis Ababa is presented. Data was collected from company's employees, who were selected using random sampling methods. The collected data was loaded into SPSS Version 20 software to perform different statistical operations. The discussion begins by presenting the response rate of questionnaires which is followed by demographic statistics of respondents such as gender, educational background. Reliability, validity are also part of this chapter.

4.2. Response Rate

In order to collect data to achieve the aim of the study, questionnaires were distributed to employees of Coca-Cola Company Addis Ababa. A total of 151 questionnaires were distributed to employees. Out of this, 132 (87.41%) were returned. Among those questionnaires that have been returned, 7 (4.6%) were discarded because they were either not properly filled or contained missing answers. The response rate of questionnaire for the study is presented in the table below.

Table 4.1: Questionnaire response rate

Sample	Number	Percent
Distributed Questionnaire	151	**100%**
Returned Questionnaire	132	87.4%
Discarded Questionnaire	7	4.6%
Workable Questionnaire	125	82.8%

Source: Own Survey, 2024

4.3 Demographic Characteristics of Respondents

The questionnaire of the study was distributed to the employees of the study area. The demographic profile of respondents in terms of gender, age, educational background, name of organization, years of employment and current organizational position is summarized in table 4.2. A discussion of each demographic variable of respondents is presented after the table.

Table 4.2: Demographic profile of respondents

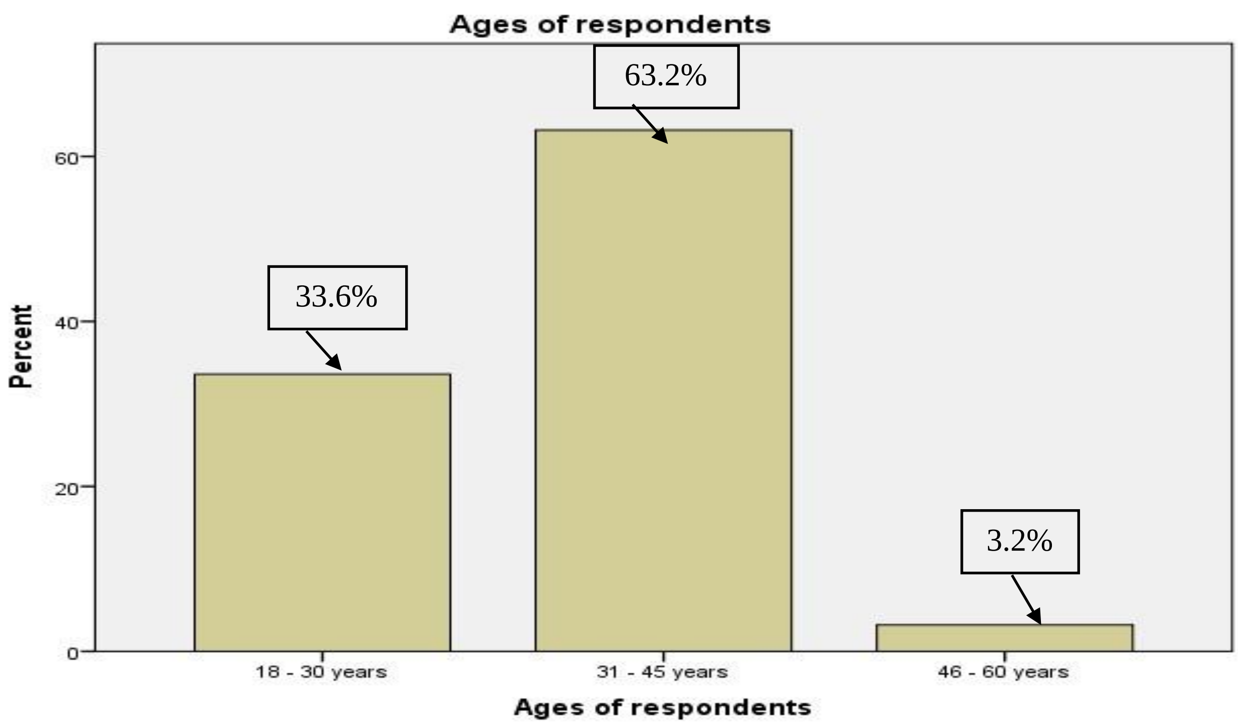
S/N	Characteristics	Categories	Frequency	Percent
1	Gender	Male	98	78.4
		Female	27	21.6
2	Age	18 – 30 years	42	33.6
		31- 45 years	79	63.2
		46 – 60 years	4	3.2
		Above 61 years	0	0
3	Educational Background	College diploma	0	0
		BA degree	80	64
		Postgraduate degree	45	36
4	Years of Service	Less than one year	11	8.8
		1 – 5 Years	48	38.4
		6 – 10 Years	57	45.6
		More than 10 Years	9	7.2
5	Current Position	Clerical & non-managerial	0	0
		Lower Management	42	33.6
		Middle Management	63	50.4
		Top Management	20	16.0

Source: Survey, 2024

As it can be observed from table 4.2 the majority of respondents in the survey are male with a frequency of 98(78.4%) and the remaining 27are female constituting 21.6%. This figure reflects that the employees of the company are dominated by male employees. The fact that the difference between the two genders in the company has reduced as compared to what has been reported by previous researchers (Wubishet, 2018) shows that the company have come a long way in narrowing the gender gap in their workforce. But they still have a long way to go to ensure gender balance in their workforce which in turn can enable the company to reap the benefits associated with having a diversified labor force such as improving creativity, customer relationships and organizational image (Walker, 2013). These in turn can contribute to organizational performance of the company.

4.3.1 Age of Respondents

Figure 4 2: Age distribution of respondents



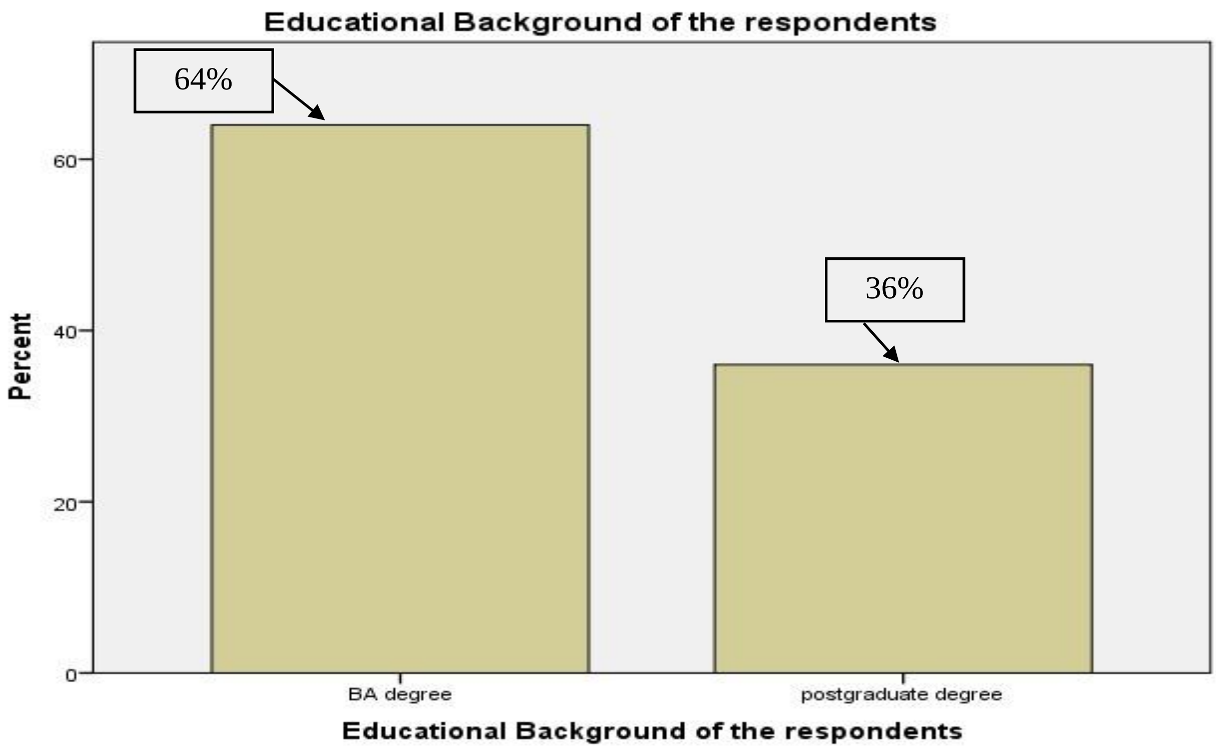
Source: Own Survey, 2024.

From the total number of respondents in the study, the largest age proportion (63.2%) lies within the range of 31 - 45 years old with a frequency of 79 followed by the second largest category of 18 - 30 years old that consists of 42 (33.6%) respondents. This reflects that the managerial positions mainly occupied by employees aged in between 31 &45 years. The third and fourth age categories involve very small number of respondents with

3.2% and 0% respectively. Together the first two categories are comprised of 96.8% of respondents which indicates that the majority of survey respondents are young employees of the company. Considering that almost all respondents are below the age of 45, the company are staffed by a relatively young workforce which has its own advantage in terms of speed, energy and agility but the downside of this could be lack of experience, judgment and work ethic (Phina, 2020).

4.3.2 Educational Background

Figure 4.3: Educational background of respondents.

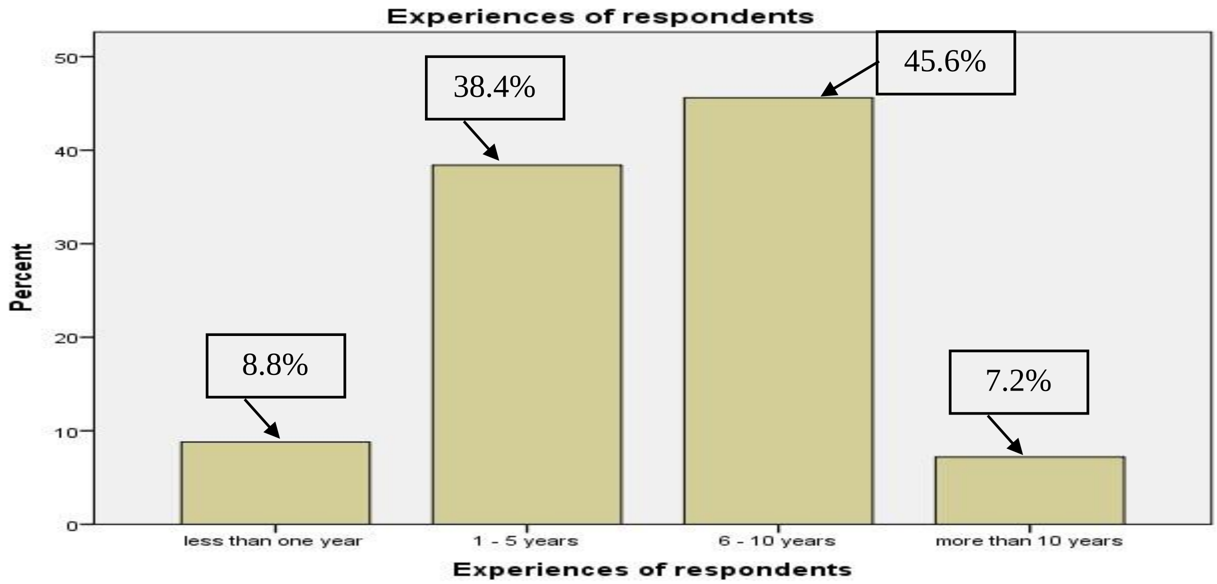


Source: Own Survey, 2024.

Figure 4.3 reflects that majority 80 (64%) of respondents are BA Degree holder while 45 (36%) respondents have post graduate degrees. From the survey there is no employee who has educational status of diploma. The fact that the majority of employees are BA degree and post graduate degree holders signifies that the educational status of most workers in the company is in a good state. However, to further improve their performance, the company need to invest more on building the skill and capability of their employees by offering opportunities for further education, providing on the job and off the job training etc.

4.3.3 Years of Service

Figure 4.5: The years of experience of respondents

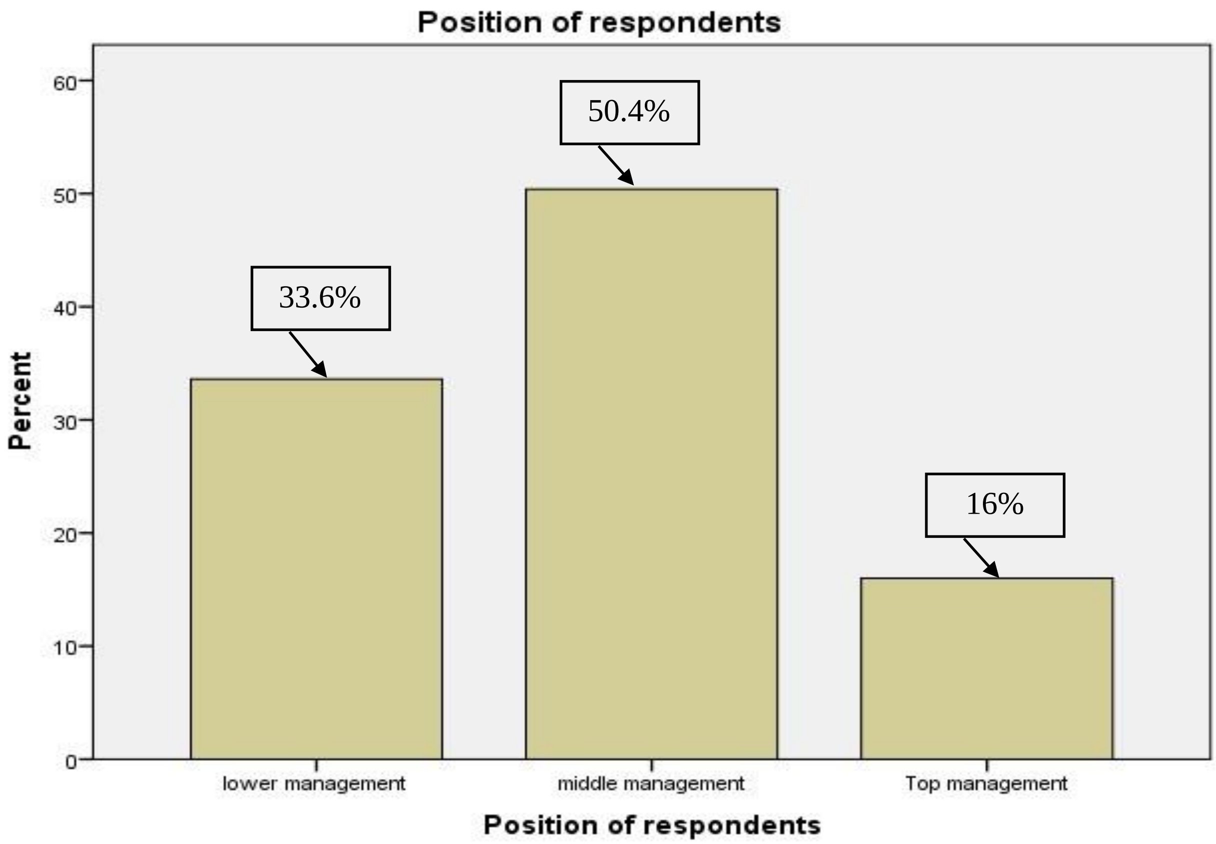


Source: Own Survey, 2024

From the above figure, out of the total respondents, the majority 57(45.6%) have served their organizations from six to ten years. The second largest group 48 employees (38.4%) have been employed in the company in the last five years. 8.8% or 11 employees have service years less than one year. Finally, 9 employees (7.2%) have more than ten years of employment relationship with the company. By combining the first two categories together it is possible to observe that the majority of workers (84%) have employment relationship of one to ten years with their respective organizations. This indicate that the company are considering to create a working environment and conditions that can encourage employees to remain within their organization for long so as to improve their productivity which can in turn improve organizational performance(Victoria et al., 2021).

4.3.4 Current Position

Figure 4.6: Current position of respondents.



Source: Own Survey, 2024

Figure 4.6 shows that, in terms of position that the employees hold in their organizations, the majority (50.4%) of respondents are found at the middle management positions. These are employees that are believed to play significant roles in the implementation aspect of strategic management. Lower and top management employees are the second and third largest group of respondents with 33.6% and 16.0% respectively. Together these two groups comprise of 49.6% of the total respondents. These employees contribute to the implementation (Lower management) as well as formulation (Top management) of strategic management practices.

Due to the challenge of accessing Top management employees only 16% of respondents are from this category. In this study employees at different ranks of the company are included because strategic management is a broad issue that requires the participation of all these employees. It is in fact the lack of understanding and commitment towards strategic management by lower level employees, who directly interact with the customers of organizations, that contributes to the gap between strategic goals and actual performance (Kasera, 2017)

4.4 Descriptive Analysis

Since my study is descriptive research, the mean serves as a powerful measure to summarize your data. Here are some additional criteria to keep in mind for interpreting the mean in your descriptive research. First for data representative sample I make sure my sample accurately represents the population I am studying. This will ensure that your mean is meaningful and generalizable. Second for data visualization I use visual aids such as histograms, bar charts, or box plots to visualize the distribution of my data. This can help me to see how the mean fits within the overall dataset. Third for comparison with other statistics I compare the mean with the median and mode to understand the distribution better. For instance, if the mean and median are close, the data is likely symmetrically distributed. If they are far apart, the data might be skewed. For the fourth consistency across subgroups I check if the mean is consistent across different subgroups within my data. For example, if I am studying different age groups, verify if each group's mean is similar or different. Lastly for contextual interpretation I always interpret the mean within the context of your specific research question. What does the average value tell about my sample in relation to your research objectives?

By considering these criteria, I am able to derive meaningful insights from the mean in my descriptive research.

4.4.1. Strategy Formulations

This section presents descriptive analysis for variables used in the model. Descriptive analysis for the independent variables, and dependent variable, the key independent variable of this study are strategic formulation, strategic implementation, and strategic evaluation.

Table: 4.3 Strategy formulations

No	Variables	Degree of agreement	Frequency	Percent	Mean	Standard deviation
1	The Organization has a clear vision statement.	Strongly disagree	0	0	4.45	0.854
		disagree	2	1.6		
		neutral	9	7.1		
		agree	44	34.9		
		Strongly agree	69	54.8		
2	` The Organization updated vision statement in the last 5 years.	Strongly disagree	10	7.9	3.64	0.994
		disagree	25	19.8		
		neutral	12	9.5		
		agree	31	24.6		
		Strongly agree	47	37.3		
3	The vision statement is relevant to the company's activities and mandate.	Strongly disagree	9	7.1	4.01	0.867
		disagree	10	7.9		
		neutral	13	10.3		
		agree	32	25.4		
		Strongly agree	61	48.4		
4	The Organization has developed a mission statement.	Strongly disagree	5	4.0	3.78	0.922
		disagree	13	10.3		
		neutral	10	7.9		
		agree	36	28.6		
		Strongly agree	61	48.4		
5	The Organization updated mission statement in the last 5 years.	Strongly disagree	11	8.7	3.79	0.911
		disagree	11	8.7		
		neutral	17	13.5		
		agree	39	31.0		
		Strongly agree	46	36.5		
6	The current mission statement is compatible with the activities being carried on by the company.	Strongly disagree	7	5.6	4.02	0.841
		disagree	10	7.9		
		neutral	15	11.9		
		agree	35	27.8		
		7Strongly agree	58	46.0		
7	The stakeholders have participated in developing mission statement.	Strongly disagree	6	4.8		
		disagree	5	4.0		

		neutral	15	11.9	4.19	0.8155
		agree	32	25.4		
		Strongly agree	67	53.2		
8	The company has a defined set of value statements.	Strongly disagree	8	6.3	3.9	0.914
		disagree	5	4.0		
		neutral	44	34.9		
		agree	60	47.6		
		Strongly agree	60	47.6		
9	The company updated value statement in the last 5 years.	Strongly disagree	2	1.6	4.16	0.812
		disagree	4	3.2		
		neutral	15	11.9		
		agree	55	43.7		
		Strongly agree	49	38.9		
10	I have good understanding of my Company's value statements.	Strongly disagree	7	5.6	4.06	0.813
		disagree	10	7.9		
		neutral	11	8.7		
		agree	38	30.2		
		Strongly agree	59	46.8		
11	The company has conducted a SWOT analysis.	Strongly disagree	7	5.6	4.23	0.802
		disagree	4	3.2		
		neutral	9	7.1		
		agree	38	30.2		
		Strongly agree	67	53.2		
12	The company has good competencies in conducting a SWOT analysis.	Strongly disagree	7	5.6	4.23	0.802
		disagree	5	4.0		
		neutral	8	6.3		
		agree	37	29.4		
		Strongly agree	68	54.0		
13	The company gives priority to SWOT analysis process.	Strongly disagree	7	5.6	4.17	0.811
		disagree	6	4.8		
		neutral	12	9.5		
		agree	34	27.8		
		Strongly agree	66	52.4		
14	The SWOT analysis is very important to the effective operation of my company.	Strongly disagree	0	0	4.38	0.789
		disagree	0	0		
		neutral	11	8.7		
		agree	56	44.4		
		Strongly agree	58	46.0		
15	The SWOT analysis has employed in my organization when dealing with significant issues outside of strategic planning.	Strongly disagree	8	6.3	3.98	0.994
		disagree	10	7.9		
		neutral	15	11.9		
		agree	35	27.8		
		Strongly agree	57	45.2		
16	The company has established long term objectives.	Strongly disagree	0	0	4.39	0.789
		disagree	1	0.8		
		neutral	10	7.9		
		agree	53	42.1		
		Strongly agree	61	48.4		

17		Strongly disagree	7	5.6		
	The establishment of long-term objectives has a significant importance for my company.	disagree	9	7.1	4.12	0.899
		neutral	10	7.9		
		agree	35	27.8		
		Strongly agree	64	50.8		
18	Generating strategies to deal with issues has a significant impact on my company's success.	Strongly disagree	7	5.6	4.06	0.866
		disagree	10	7.9		
		neutral	14	11.1		
		agree	32	25.4		
		Strongly agree	62	49.2		
19	Generating strategies is very important in dealing issues for my company.	Strongly disagree	6	4.8	4.30	0.812
		disagree	5	4.0		
		neutral	8	6.3		
		agree	32	25.4		
		Strongly agree	74	58.7		
20	The company selects strategies to address issues that confront the company.	Strongly disagree	8	6.3	3.77	0.789
		disagree	19	15.1		
		neutral	16	12.7		
		agree	33	26.2		
		Strongly agree	49	38.9		
21	Selecting strategic solutions is very important to address issues that confront my company.	Strongly disagree	8	6.3	4.06	0.811
		disagree	9	7.1		
		neutral	10	7.9		
		agree	38	30.2		
		Strongly agree	60	47.6		
	Total				3.2	0.954

Source: Own Survey, 2024

The above table shows that 45.8% of the respondents strongly agreed with the points asked under the strategic formulation, 31.2% of the respondents agreed with the ideas raised as questions concerning strategic formulation in perspective of their organizations. 10.7% of the respondents neither agree nor disagree with the issues explaining strategic formulation of their organizations. The remaining 6.5 % and 4.9 % of the respondents disagreed and strongly disagreed with the questions being asked. Thus the above findings show that majority (45.8%) respondents replied the selected organizations have concerned with the formulations of strategic management. The study also identify the challenges strategic Formulation: Crafting a strategy that effectively aligns with an organization's mission and vision while considering market dynamics and competitive pressures can be complex and demanding.

4.4.2 Strategy implementation

Table: 4.4 Strategy implementation

No	Variables		Frequency	Percent	Mean	Standard deviation
1	The company maintains a policy manual.	Strongly disagree	6	4.8	4.24	0.775
		disagree	5	4.0		
		neutral	11	8.7		
		agree	34	27.0		
		Strongly agree	69	54.8		
2	The company policy is updated in the last 5 years.	Strongly disagree	6	4.8	4.22	0.881
		disagree	8	6.3		
		neutral	9	7.1		
		agree	31	24.6		
		Strongly agree	71	56.3		
3	The company's policies are very relevant to current company activities.	Strongly disagree	7	5.6	4.02	0.925
		disagree	11	8.7		
		neutral	14	11.1		
		agree	33	26.2		
		Strongly agree	60	47.6		
4	The company has a big financial capacity to implement strategies.	Strongly disagree	8	6.3	3.76	1.025
		disagree	20	15.9		
		neutral	14	11.1		
		agree	35	27.8		
		Strongly agree	48	38.1		
5	The company is very committed to provide financial resources to support the implementation of strategic initiatives.	Strongly disagree	8	6.3	4.02	0.844
		disagree	10	7.9		
		neutral	11	8.7		
		agree	39	31.0		
		Strongly agree	57	45.2		
6	The company is very motivated to maintain and support the implementation of strategic initiatives by stakeholders.	Strongly disagree	7	5.6	4.18	0.864
		disagree	6	4.8		
		neutral	9	7.1		
		agree	38	30.2		
		Strongly agree	65	51.6		
7	The stakeholders are good in ownership to implement strategic	Strongly disagree	8	6.3		

	initiatives	disagree	10	7.9	3.94	0.902
		neutral	17	13.5		
		agree	36	28.6		
		Strongly agree	54	42.9		
8	The Organization's boards are very committed to the implementation of strategic initiatives.	Strongly disagree	5	4.0	3.95	0.903
		disagree	14	11.1		
		neutral	14	11.1		
		agree	41	32.5		
		Strongly agree	51	40.5		
9	The Organization's boards are performing well in relates to the delivery of support to strategic initiatives.	Strongly disagree	7	5.6	3.86	0.945
		disagree	11	8.7		
		neutral	19	15.1		
		agree	43	34.1		
		Strongly agree	45	35.7		
10	The current structure of the company is very appropriate to support the implementation of strategic initiatives.	Strongly disagree	2	1.6	4.33	0.842
		disagree	0	0		
		neutral	12	9.5		
		agree	52	41.3		
		Strongly agree	59	46.8		
11	The current governance model is very effective model in relates to the implementation of strategic initiatives.	Strongly disagree	9	7.1	3.85	0.912
		disagree	10	7.9		
		neutral	16	12.7		
		agree	45	35.7		
		Strongly agree	44	34.9		
12	The company is very prepared for organizational change.	Strongly disagree	2	1.6	4.16	0.812
		disagree	4	3.2		
		neutral	17	13.5		
		agree	51	40.5		
		Strongly agree	51	40.5		
13	The company's stakeholders are willing to accept and implement change.	Strongly disagree	7	5.6	4.18	0.813
		disagree	5	4.0		
		neutral	11	8.7		
		agree	37	29.4		
		Strongly agree	65	51.6		
14	The human resources are very capable to manage and implement a change process or new strategic direction.	Strongly disagree	8	6.3	3.92	0.944
		disagree	11	8.7		
		neutral	19	15.1		

		agree	32	25.4		
		Strongly agree	55	43.7		
15	The company's staffs are very competent in planning, managing and implementing strategic initiatives.	Strongly disagree	1	0.8	4.15	0.844
		disagree	4	3.2		
		neutral	19	15.1		
		agree	52	41.		
		Strongly agree	49	38.9		
	Total				3.384	0.869

Source: Own Survey, 2024 The above table shows that 44.6% of the respondents strongly agreed with the points asked under strategic implementations, 31.7% of the respondents agreed with the ideas rose as questions concerning strategic implementations in perspective of their organizations. 11.2% of the respondents neither agreed nor disagreed with the issues explaining strategic implementations of their organizations. The remaining 6.8% and 4.8% of the respondents disagreed and strongly disagreed with the questions being asked. Thus the above findings show that majority (56.2%) respondents replied the selected organizations have concerned with the implementations of strategic management. From the study the researcher identify that strategic implementation ensuring that the formulated strategy is executed effectively requires strong communication, alignment of resources, and overcoming resistance to change within the organization.

4.4.3 Strategic evaluation Analysis

Table: 4.5 Strategic evaluations

No	Variables		Frequency	Percent	Mean	Standard deviation
1	The company's current practices are very high as they relate to the ongoing assessment of strategic initiatives.	Strongly disagree	8	6.3	3.68	0.942
		disagree	22	17.5		
		neutral	17	13.5		
		agree	33	26.2		
		Strongly agree	45	35.7		
2	The company is performing well in communicating assessment results to the stakeholders.	Strongly disagree	8	6.3	3.96	0.932
		disagree	10	7.9		
		neutral	14	11.1		
		agree	40	31.7		
		Strongly agree	53	42.1		
3	The company has developed a set of defined key performance indicators	Strongly disagree	7	5.6		
		disagree	11	8.7		

	or some other form of accountability to track the success of strategic initiatives.	neutral	20	15.9	3.86	0.366
		agree	42	33.3		
		Strongly agree	45	35.7		
4	The company is doing a great job on a regular basis ongoing evaluation practices as it relates to strategic initiatives.	Strongly disagree	6	4.8	3.98	0.934
		disagree	13	10.3		
		neutral	12	9.5		
		agree	40	38.7		
		Strongly agree	54	42.9		
5	The company is very successful in identifying corrective action when strategic initiatives are failing or could be improved.	Strongly disagree	8	6.3	3.74	0.934
		disagree	10	7.9		
		neutral	17	13.5		
		agree	42	33.3		
		Strongly agree	48	38.1		
6	The company actively response when they acknowledge that a strategic initiative is failing.	Strongly disagree	6	4.8	4.02	0.825
		disagree	6	4.8		
		neutral	13	10.3		
		agree	34	27.0		
		Strongly agree	66	52.4		
7		Strongly disagree	9	7.1		0.954
		disagree	11	8.7		
	The company is very effective in evaluating the effect of changes subsequent to initial strategy formulation.	neutral	15	11.9	3.58	
		agree	36	28.6		
		Strongly agree	54	42.9		
8	The company's stakeholders are very involved in strategy evaluation.	Strongly disagree	7	5.6	3.89	0.921
		disagree	5	4.0		
		neutral	15	11.9		
		agree	36	28.6		
		Strongly agree	54	42.9		
9	The company has paid a very good attention to abandoning, adjusting or developing new strategies subsequent to evaluation of the initial strategies.	Strongly disagree	7	5.6	3.76	0.965
		disagree	21	16.7		
		neutral	17	13.5		
		agree	33	26.2		
		Strongly agree	46	36.5		
10	The strategic management model is very relevant and suitable to the company.	Strongly disagree	8	6.3	3.73	0.964
		disagree	11	8.7		
		neutral	14	11.1		
		agree	38	30.2		
		Strongly agree	54	42.9		
11	The company is very committed to Strategic Management as the model of choice.	Strongly disagree	8	6.3		0.845
		disagree	10	7.9		
		neutral	13	10.3		

		agree	36	28.6	4.01	
		Strongly agree	58	46.0		
	Total				3.966	0.911

Source: Own Survey, 2024

The above table shows that 41.7% of the respondents strongly agreed with the points asked under the strategic evaluation, 30.2% of the respondents agreed with the ideas raised as questions concerning strategic evaluation in perspective of their organizations. 13.8 % of the respondents neither agree nor disagree with the issues explaining strategic evaluation of their organizations. The remaining 9.4% and 5.9 % of the respondents disagreed and strongly disagreed respectively with the questions being asked. Thus the above findings show that majority (60.1%) respondents replied the selected organization has concerned with the evaluation of strategic management. The study also identify that there is challenge in strategic evaluation measuring the success of strategic initiatives and making necessary adjustments involves continuous monitoring, accurate data collection, and objective analysis, which can be resource-intensive.

4.5 Challenge associate with strategic management practice of Coca Cola Company Addis Ababa

Strategic management at Coca-Cola Company in Addis Ababa faces several challenges, one of which is technological scarcity. This study identify that the company struggles with outdated technology and insufficient technological infrastructure, which hinders efficient operations and competitiveness. This challenge is exacerbated by the rapid pace of technological advancements in the beverage industry, making it difficult for the company to keep up without significant investment in modern equipment and systems.

Another significant challenge is governmental support. The study highlights that Coca-Cola's strategic management practices are often affected by the lack of supportive policies and regulations from the government. This includes issues related to taxation, import restrictions, and environmental regulations, which can create additional operational costs and compliance burdens for the company. The absence of a conducive regulatory environment can impede the company's ability to implement effective strategic initiatives.

Moreover, supply chain management poses a considerable challenge. The research indicates that Coca-Cola's supply chain in Addis Ababa is often disrupted by logistical issues, such as transportation delays and inadequate warehousing facilities. These disruptions can lead to stakeouts, increased lead times, and higher operational costs, ultimately affecting the company's ability to meet customer demand and maintain market share.

Lastly, employee motivation and leadership style are critical factors impacting strategic management. The study by Estifanos Gezahegn (2020) found that the company's leadership style significantly influences employee motivation. Transformational leadership has a positive effect on motivation, while transactional and laissez-faire leadership styles have negative impacts. Ensuring that leaders adopt the right style is crucial for fostering a motivated workforce and achieving strategic goals.

4.6. Environmental scanning

Environmental scanning is a crucial component of strategic management at Coca-Cola Company in Addis Ababa. This process involves systematically monitoring and analyzing external factors that can impact the company's operations and strategic decisions. Key areas of focus include economic trends, social and demographic changes, technological advancements, legal and regulatory developments, and environmental issues. By staying attuned to these factors, Coca-Cola can anticipate challenges and opportunities, allowing for proactive and informed decision-making.

For instance, this study on Coca-Cola's efforts in this area involve adopting sustainable practices throughout the product lifecycle, from sourcing raw materials to production, distribution, and disposal. However, challenges such as technological scarcity and the need for supportive governmental policies can hinder the effective implementation of these practices. Continuous environmental scanning helps Coca-Cola navigate these complexities and align its strategies with evolving external conditions.

4.7 Discussion

The objective of this study was to assess strategic management practice of Coca-Cola Company. Here's a discussion on the strategic management practices at Coca-Cola Company in Addis Ababa, focusing on strategic formulation, implementation, and evaluation, with recent citations compared to previous research:

Strategic Formulation at Coca-Cola in Addis Ababa

Coca-Cola's strategic formulation in Addis Ababa is centered on understanding local market dynamics and consumer preferences. The company leverages its global brand portfolio while tailoring marketing strategies to resonate with Ethiopian consumers. Recent research highlights Coca-Cola's focus on sustainability and community engagement as key components of its strategic formulation. This approach aligns with the company's broader vision of refreshing the world and making a difference. Previous studies have also emphasized Coca-Cola's commitment to innovation and brand strength, but recent efforts place a stronger emphasis on environmental and social responsibility. This study findings are the same as recent studies.

Strategic Implementation at Coca-Cola in Addis Ababa

The implementation of Coca-Cola's strategy in Addis Ababa involves a robust distribution network and strong partnerships with local bottlers. The East Africa Bottling Share Company (EABSC), a subsidiary of Coca-Cola Beverages Africa (CCBA), plays a crucial role in ensuring efficient production and distribution of Coca-Cola products. Recent research indicates that Coca-Cola's implementation strategy also includes significant investments in technology and infrastructure to enhance operational efficiency. This is a shift from earlier strategies that focused more on market penetration and expansion. The company's emphasis on ethical practices and employee engagement has also been highlighted in recent studies, reflecting a more holistic approach to implementation. This study findings are the same as recent studies.

Strategic Evaluation at Coca-Cola in Addis Ababa

Evaluating the effectiveness of Coca-Cola's strategic initiatives in Addis Ababa involves assessing key performance indicators such as market share, sales growth, and customer satisfaction. Recent research underscores the importance of sustainability metrics and community impact as part of the evaluation process. Coca-Cola's recent sustainability report highlights achievements in water stewardship, packaging recycling, and carbon footprint reduction. These metrics provide a comprehensive view of the company's performance beyond traditional financial metrics. Previous evaluations focused more on financial outcomes and market expansion, but recent approaches incorporate broader environmental and social goals. This study findings are the same as recent studies.

Comparing recent research with earlier studies reveals an evolution in Coca-Cola's strategic management practices. While earlier research emphasized market dominance and brand loyalty, recent studies highlight a shift towards sustainability and corporate social responsibility. This shift reflects changing consumer expectations and global trends towards more environmentally conscious business practices. The integration of technology and data analytics in strategic formulation and implementation is another notable difference, enabling more precise targeting and efficient operations. From this study Coca-Cola's strategic management practices in Addis Ababa have evolved to incorporate sustainability, community engagement, and technological advancements. The company's strategic formulation, implementation, and evaluation processes reflect a balanced approach to achieving both business growth and social responsibility. Recent research provides valuable insights into these practices, highlighting the importance of adapting to changing market conditions and consumer preferences.

CHAPTER FIVE SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the study by summarizing the major findings and providing concluding remarks. Based on the findings and conclusions, recommendations are also presented. Finally, the major limitations of the research and directions for future studies are suggested. This study attempted to find how strategic management practice at Coca-Cola company.

5.2. Summary

The main objective of the study was to assess strategic management practice of Coca-Cola Company. The researcher purposely selected the focusing area. A survey method of data collection was used in order to obtain desired data for the study. The questionnaire involved demogr1aphic, rating and Likert scale questions. The demographic variables include gender, age, educational background, the organization (company) that workers are employed in, years of service and current position. The rating questions asked employees to rate different aspects of their organization related to the topic at hand based on their opinion. And the Likert scale questions provided a scale ranging from 1 to 5 (from strongly disagree to strongly agree) using which employees can express their agreement or disagreement about different statements. The sample size of the study was 151. From the total distributed questionnaire, 132(87%) were returned and were found to be usable. The data collected from the questionnaire was analyzed using Statistical Package for Social Sciences (SPSS) version 20.

Summary of the strategic management practices at Coca-Cola Company in Addis Ababa, focusing on strategic formulation, implementation, and evaluation first for strategic formulation at Coca-Cola in Addis Ababa Coca-Cola's strategic formulation in Addis Ababa is driven by a deep understanding of local market dynamics and consumer preferences. The company leverages its global brand portfolio while tailoring marketing strategies to resonate with Ethiopian consumers. Recent research highlights Coca-Cola's focus on sustainability and community engagement as key components of its strategic formulation. This approach aligns with the company's broader vision of refreshing the world and making a difference. Second for **s**trategic implementation at Coca-Cola in Addis Ababa the implementation of Coca-Cola's strategy in Addis Ababa involves a robust distribution network and strong partnerships with local bottlers. The East Africa Bottling Share Company (EABSC), a subsidiary of Coca-Cola Beverages Africa (CCBA), plays a crucial role in ensuring efficient production and distribution of Coca-Cola products. This research indicates that Coca-Cola's implementation strategy also includes significant investments in technology and infrastructure to enhance operational efficiency. This is a shift from earlier strategies that focused more on market penetration and expansion. Third for **s**trategic evaluation at Coca-Cola in Addis Ababa evaluating the effectiveness of Coca-Cola's strategic initiatives in Addis Ababa involves assessing key performance indicators such as market share, sales growth, and customer satisfaction. Recent research underscores the importance of sustainability metrics and community impact as part of the evaluation process. Coca-Cola's recent sustainability report highlights achievements in water stewardship, packaging recycling, and carbon footprint reduction. These metrics provide a comprehensive view of the company's performance beyond traditional financial metrics.

In conclusion, Coca-Cola's strategic management practices in Addis Ababa have evolved to incorporate sustainability, community engagement, and technological advancements. The company's strategic formulation, implementation, and evaluation processes reflect a balanced approach to achieving both business growth and social responsibility. Recent research provides valuable insights into these practices, highlighting the importance of adapting to changing market conditions and consumer preferences

5.3. Conclusions

In conclusion, Coca-Cola's strategic management practices in Addis Ababa demonstrate a robust approach to strategic formulation, implementation, and evaluation. The company's strategic formulation is well-aligned with local market dynamics and consumer preferences, emphasizing sustainability and community engagement. The implementation strategy leverages a strong distribution network and technological investments, ensuring efficient operations and ethical practices. The evaluation process incorporates both traditional financial metrics and broader sustainability goals, reflecting a comprehensive view of the company's performance. Recent research highlights the evolution of Coca-Cola's practices, with a notable shift towards environmental and social responsibility. Overall, Coca-Cola's strategic management practices in Addis Ababa exemplify a balanced approach to achieving business growth while contributing positively to society.

Coca-Cola's strategic management practices in Addis Ababa are exemplary in terms of strategic formulation, implementation, and evaluation. The company's strategic formulation is well-aligned with local market dynamics and consumer preferences, emphasizing sustainability and community engagement. The implementation strategy leverages a strong distribution network and technological investments, ensuring efficient operations and ethical practices. The evaluation process incorporates both traditional financial metrics and broader sustainability goals, reflecting a comprehensive view of the company's performance. Recent research highlights the evolution of Coca-Cola's practices, with a notable shift towards environmental and social responsibility. Overall, Coca-Cola's strategic management practices in Addis Ababa exemplify a balanced approach to achieving business growth while contributing positively to society.

5.4. Recommendations

Based on the findings and conclusions of the study, Coca-Cola Company should pay attention to strategic evaluation. Strategic evaluation is an important tool for assessing how well the tasks have performed, relative to its goals. It's an important way to reflect on achievements and shortcomings, and is also useful for reexamining the goals themselves, which may have been set at a different time, under different circumstances. The result of the study indicated that strategic evaluation is largely practice at the organization, so the stakeholders of the company should pay attention to strategic evaluation by taking the following action.

Based on the finding the researcher recommends the Coca-Cola Company as follow:

- ❖ Coca-Cola Company should prioritize enhancing its strategic evaluation mechanisms, as this component has demonstrated the strongest influence on organizational performance. The company needs to establish a comprehensive strategic evaluation system anchored by clearly defined key performance indicators (KPIs). These KPIs should be specifically tailored to measure both short-term operational achievements and long-term strategic goals, enabling the organization to track progress effectively across all business dimensions.

- To support this evaluation system, the company should implement systematic monitoring and assessment procedures. This involves regular review sessions, performance audits, and milestone assessments to ensure strategic initiatives remain on track. The assessment process should be structured yet flexible enough to accommodate rapid market changes and emerging challenges. Additionally, developing robust feedback mechanisms is crucial for early detection of strategic gaps and deviations from planned objectives. These mechanisms should facilitate both bottom-up and top-down communication, ensuring that strategic insights flow efficiently throughout the organization.
- Furthermore, Coca-Cola should make substantial investments in personnel development, specifically focusing on strategic evaluation competencies. This includes providing specialized training programs in evaluation methodologies, data analysis, and performance measurement techniques. The company should also modernize its evaluation approach by adopting contemporary tools and technologies, such as advanced analytics platforms and performance tracking software. These technological investments will enhance the accuracy, efficiency, and effectiveness of the company's strategic evaluation processes, ultimately leading to better-informed decision-making and improved organizational performance.
- To effectively implement strategic initiatives, it is essential to create detailed implementation roadmaps that outline clear steps and timelines for each initiative. These roadmaps will serve as a guide, ensuring that all stakeholders understand their roles and responsibilities. Additionally, strengthening the alignment between strategic objectives and operational activities is crucial to ensure that every action taken supports the overarching goals of the organization.
- Improving resource allocation and utilization during strategy execution is equally important, as this ensures that the right resources are available when needed. Furthermore, enhancing communication channels across all organizational levels will facilitate better information sharing and foster collaboration among teams. Providing comprehensive training to employees involved in strategy implementation is vital for equipping them with the necessary skills and knowledge. Finally, establishing clear

accountability mechanisms for strategic initiatives will help define responsibilities and track progress effectively, ultimately leading to successful outcomes.

- ❖ Enhance stakeholder engagement, allowing for diverse perspectives and greater buy-in from those affected by the strategies. Additionally, conducting more thorough environmental scanning and market analysis will provide valuable insights into trends and challenges, ensuring that strategies are well-informed and relevant. Developing more systematic approaches to strategy development will streamline the process, making it more efficient and effective.
- ❖ Furthermore, ensuring greater integration between the formulation and implementation phases is crucial for aligning goals and resources, facilitating a smoother transition from planning to execution. Finally, incorporating more data-driven decision-making into the strategy formulation process will enhance accuracy and reliability, enabling organizations to make informed choices that lead to successful outcomes. Together, these improvements can create a more robust and effective strategy formulation framework.

5.4. Limitations and Directions for Further Research

Due to time and budget constraints, this study was conducted by collecting data from employees of Coca-Cola Company. However, the selected company is among several companies in Addis Ababa. Thus, other researchers could undertake a study in this area by incorporating other companies in Addis Ababa city.

One of the primary limitations in assessing Coca-Cola's strategic management practices is the availability and reliability of internal data. Access to comprehensive and accurate data on strategic formulation, implementation, and evaluation can be challenging due to proprietary concerns and confidentiality agreements. Additionally, the dynamic nature of the beverage industry and external factors such as economic fluctuations and regulatory changes can impact the effectiveness of strategic practices, making it difficult to isolate the influence of specific strategies.

Future research could focus on conducting longitudinal studies to track the long-term impact of Coca-Cola's strategic management practices on its performance and sustainability goals. Comparative studies involving other multinational companies in the beverage industry could provide insights into best practices and areas for improvement. Additionally, exploring the role of digital transformation and data analytics in enhancing strategic decision-making processes could offer valuable perspectives on optimizing strategic management practices. Investigating the impact of cultural differences on the implementation of global strategies in local markets could also provide a deeper understanding of how to tailor strategies effectively.

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ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MARKETING MANAGEMENT

QUESTIONNAIRE

Research Title**:** Strategic Management practice; In the case of Coca-Cola Company Addis Ababa.

A questionnaire to be filled by employees of the company!

Dear respondent, my name is Kidist Negash. I am a marketing management graduating student from St. Mary's University. This questionnaire is designed to collect data which will be used in a research that will be submitted in partial fulfillment of the requirements for Masters in marketing Management. The objective of the questionnaire is to collect data about your opinion regarding the effect of strategic management practice of Coca-Cola Company Addis Ababa. The questionnaire has four parts. Please note that your participation on this questionnaire is voluntary. Your responses gathered through this questionnaire will only be used for academic purposes and will be kept confidential. Please kindly provide your honest responses for all the items in the questionnaires, as your honest answer greatly contributes to the success of the study. I would like to thank you in advance for your participation. If you have any doubt, please do not hesitate to contact me through the following address.

Regards.

Kidist Negash

Tel: +251926761460

Part I: General Information Please use a tick mark (√) to answer the questions below.

1. Gender

Female ☐

Male ☐

2. Age Group

18-30 Years old ☐

31-45 Years old ☐

46-60 Years old ☐

above 61 Years old ☐

3. Educational Background?

College Diploma ☐

BA Degree ☐

Post graduate degrees ☐

5. How long have you worked in Coca-Cola company?

Less than one year ☐ 1 – 5 Years ☐ 6 – 10 Years ☐ More than 10 Years ☐

6. Your Current Position?

Clerical & non-managerial ☐ Lower Management ☐

Middle Management ☐ Top Management ☐

Part II. ***Please respond to the following questions by putting a tick mark among the provided scales based on your opinion. 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree.***

Questions	**Rating**				
	1	2	3	4	5
Part II Strategy Formulation					
1. Vision Statement					
The Organization has a clear vision statement.					
The Organization updated vision statement in the last 5 years.					
The vision statement is relevant to the company's activities and mandate.					
2. Mission Statement					
The Organization has developed a mission statement.					
The Organization updated mission statement in the last 5 years.					
The current mission statement is compatible with the activities being carried on by the company.					
The stakeholders have participated in developing mission statement.					
3. Understanding Values					
The company has a defined set of value statements.					
The company updated value statement in the last 5 years.					
I have good understanding of my company's value statements.					
4. Strengths, Weaknesses, Opportunities and Threats Analysis (SWOT Analysis)					

The company has conducted a SWOT analysis.					
The company has good competencies in conducting a SWOT analysis.					
The company gives priority to SWOT analysis process.					
The SWOT analysis is very important to the effective operation of my company.					
The SWOT analysis has employed in my organization when dealing with significant issues outside of strategic planning.					
5. Establish Long Term Objectives					
The company has established long term objectives.					
The establishment of long-term objectives has a significant importance for my company.					
6. Generate Strategies					
Generating strategies to deal with issues has a significant impact on my company success.					
Generating strategies is very important in dealing issues for my company.					
7. Selecting Strategies to Pursue					
The company selects strategies to address issues that confront the company.					
Selecting strategic solutions is very important to address issues that confront my company.					
Part III. Strategy Implementation					
1. Policy Support					
The company maintains a policy manual.					
The company policy is updated in the last 5 years.					
The company policies are very relevant to current company activities.					
2. Financial Capacity.					
The company has a big financial capacity to implement strategies.					

The company is very committed to provide financial resources to support the implementation of strategic initiatives.					

3. Motivation and Ownership					
The company is very motivated to maintain and support the implementation of strategic initiatives by stakeholders.					
The stakeholders are good in ownership to implement strategic initiatives					
4. Board Support					
The Organization's boards are very committed to the implementation of strategic initiatives.					
The Organization's boards are performing well in relates to the delivery of support to strategic initiatives.					
5. *Organizational Structure*					
The current structure of the company is very appropriate to support the implementation of strategic initiatives.					
The current governance model is very effective model in relates to the implementation of strategic initiatives.					
6. Open to Change					
The company is very prepared for organizational change.					
The company's stakeholders are willing to accept and implement change.					
7. Human Resources					
The human resources are very capable to manage and implement a change process or new strategic direction.					
The company's staffs are very competent in planning, managing and implementing strategic initiatives.					
Part IV. Strategy Evaluation					
1. Assessment					

The company current practices are very high as they relate to the ongoing assessment of strategic initiatives.					
The company is performing well in communicating assessment results to the stakeholders.					
2. Measure Performance					
The company has developed a set of defined key performance indicators or some other form of accountability to track the success of strategic initiatives.					
The company is doing a great job on a regular basis ongoing evaluation practices as it relates to strategic initiatives.					
3. Identify Where Corrective Action is Necessary					
The company is very successful in identifying corrective action when strategic initiatives are failing or could be improved.					
The company actively response when they acknowledge that a strategic initiative is failing.					
4. Assess Effect of Change/Participation					
The company is very effective in evaluating the effect of changes subsequent to initial strategy formulation.					
The company stakeholders are very involved in strategy evaluation.					
5. Moving Beyond Evaluation					
The company has paid a very good attention to abandoning, adjusting or developing new strategies subsequent to evaluation of the initial strategies.					
The strategic management model is very relevant and suitable to the company.					
The company is very committed to Strategic Management as the model of choice.					

Thank you for your cooperation!