
EFFECTS OF ORGANIZATIONAL FACTORS ON STRATEGIC PLAN IMPLEMENTATION IN BUNNA INTERNATIONAL BANK, ETHIOPIA

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ABSTRACT

The purpose of the study is to establish the effects of organization factor on strategic plan implementation in Bunna International Bank S.C. (BIB). This study employed a cross sectional survey design and used a structured questionnaire to gather data from both the Management and employees of BIB. A sample of 54 management employees were selected from 151 population of BIB using stratified random sampling technique. Both descriptive statistics (means, standard deviation) and inferential statistics (regression analysis and correlation analysis) were used in analyzing the data. The hypothesis that organization alignment and organization culture influences strategic plan implementation was found to have significant effect on the organization performance of BIB. Both resource allocation and work environment were found to have significant positive influence on strategic plan implementation, while resource allocation generally had stronger effects than work environment. Organization culture and alignment was found to have insignificant but positive effect on strategic plan implementation. The recommendations are that BIB should need to have organization alignment is good for companies who have long known that for them to be competitive they ought to develop a good strategy first before developing an appropriate realignment of staff, systems operations, directors and employees. It therefore recommends for better use of right person and right position, secondly is elimination of the unnecessary errors of alignment to be made and identifies problems that may arise beforehand, lastly, is the aspect of improved communication between the avoidance employee and the person creating the organizational goals; strict accountability measures for its staff so that all resource allocation decisions are thoroughly inspection and that there is monitoring system for all allocations. This would also ensure that all resource allocation decisions serve the best interest of the organization; consider employees as being the key contributors to the strategic plan implementation and thus there is need to always involve them in the entire organization process so as to introduce a new culture in the organization set up.

KEY WORDS: *Strategic plan, Strategic planning process, Resource allocation, Organization alignment, working environment, Organization culture*



1. INTRODUCTION

1.1 Background of the study

Strategic management is the art and science of formulating, implementing and evaluating cross-functional decisions that enables an organization to achieve its object. As this definition implies, strategic management focuses on integrating management, marketing, finance/accounting, production/operation, research and development, and computer information system to achieve organization success (David, 1998).

Hunger and Wheelen (1998) have defined Strategic management is the management that set of managerial decisions and actions that determines the long run performance of a corporation. It includes environmental scanning (both external and internal), strategy formulation (strategic or long-range planning), strategy implementation and evaluation and control. The study of strategy management therefore, emphasizing the monitoring, and evaluation of external opportunities and external threats in light of a corporation strength and weaknesses. Strategy management, as a field of study, incorporates the integrative concerns of business policy with a heavier environmental and strategic emphasis. Therefore, strategic management has tended to replace business policy as the preferred name of the field. It can be agreed that successful strategy implementation efforts in an organization depends on strategy implementation skills which include leadership skills, communication skills and human resource skill. Strategy implementation is therefore the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives (Pearce & Robison, 20011). Consequently, proper strategic plan implementation is the back bone of an organization to survive in today's business computation, other ways in the present *contemporary* business computations arena no longer possible to continue only with formulating vibrant strategic plan. Therefore, in striving to achieve intended results, good strategies should be properly implemented.

Furthermore, strategy implementation is the processes of transferring strategic plan into action and then into results. This strategic process is a mechanism towards improving a firm's performance. Organizational performance involves the recurring activities to set up organizational goals, control progress toward the goals, and make adjustments to achieve those goals more effectively and efficiently. In order for an organization to remain practical over time, it must be both financially viable and significant to its stakeholders and their changing needs.

According to Alexander (1995) noted that the key reason why implementation fails is that practicing executives, managers and supervisors do not have practical models to guide their actions during implementation. Without adequate models, they try to implement strategies without a good

understanding of the multiple factors that must be addressed, often simultaneously, to make implementation work (Okumus, 2003).

1.2 Statement of the problem

In the recent competitive market most financial business organizations formulate exciting strategic plan to gain above average return in the industry. However, only admirable strategy formulation is not enough for organization to succeed in the chaotic organizational environment but while the organizations have good strategies, successful strategy implementation remains a major challenge. There are numerous studies have been conducted on strategy implementation that have been put forward by many researchers. Several of researches have been done in strategy implementation for profit firms. However, very few researches have been done on strategy implementation in Ethiopia profit organization particularly in the bank industry. This study therefore want to fill that existing research gap by carrying out a study on effects of organizational factors that the implementation of strategic plan in Buna international bank. It explores alternative approaches that can be adopted to facilitate effective implementation of the strategic plans. The study, therefore, seeks to establish the extent to which resources allocation; work environment, organization culture, and organization alignment have influenced Bunna international bank strategic plan implementation as stated in the strategic plan 2016/17-2020/21. Consequently, the following questions were addressed.

1. What is the effect of organization alignment on strategic plan implementation?
2. How does resource allocation affect strategic plan implementation?
3. What is the major effect of working environment on strategic plan implementation?
4. T what extent organizational culture influence strategic plan implementation?

1.3 Research Hypotheses

H1 Organization alignment has significant effect on strategic plan implementation in Buna international bank.

H2 Resource allocation has significant effect on strategic plan implementation in Buna international bank

H3 Working environment has significant effect on strategic plan implementation in Buna international bank.

H4 Organization culture has significant effect on strategic plan implementation in Buna international bank.



2. LITERATURE REVIEW

2.1 The Concept of Strategy Implementation

Strategy formulation refers to the process of determining appropriate courses of action for achieving objectives. It involves analysis, planning, and selecting strategies that increase the chances of achieving organizations objectives. Strategy implementation is a vital component of strategic management. It is that moment in the total decision making process when the choice is transformed from an abstraction into and operational activity (Harrison, 1999). According to Steiner et.al (1979), implementation of policies and strategies is concerned with the design and management of systems so as to achieve the best integration of people, structures, processes and resources in reaching the organizational goals. This is what causes the chosen course of action to be carried out within the organization.

The process of strategy implementation begins during strategy formulation and it results when organizations' resources and actions are tied to strategic priorities and key success factors are identified and performance measures and reporting are aligned (Koskei, 2003). Shifting from strategy formulation to strategy implementation results into three interrelated concerns; these concerns include identification of measurable and mutually determined annual objectives, development of specific functional strategies and communication of concise policies to guide actions (Pearce & Robinson, 2002). In addition to this Thompson & Strickland (1998) argue that strategy implementation impacts every part of the organization structure ranging from the biggest organizational unit to the smallest frontline work group. Ansoff & McDonnell (1990) stated that strategy implementation calls for the alteration of the existing procedures and policies across all organization's levels. They pointed out that problems and challenges of strategy implementation are exceptional to particular organizations in spite of the fact that some of them are common across all organizations. This is vital therefore for those charged with the role of making decisions to pay regular attention to the implementation process so that they can be in a position to focus on any possible difficulties and come up with ways of addressing them.

According to Kazmi (2002) stated that strategy implementation calls for shifts in the responsibility from the strategies to divisional and functional managers. He extends to say that the process calls for the modification of existing procedures and policies. It is important therefore for those charged with strategy implementation to be fully involved in strategy formulation. This will ensure that they will own the process.

Barnat (2007) identified six principal administrative responsibilities that shape manager's action agenda for implementing strategy. These are the specific components of each of the six strategy-implementation responsibilities: Building an organization capable of executing the strategy whereby an organization must have the structure necessary to turn the strategy into reality. It is also necessary for the firm's

personnel to possess the skill needed to execute the strategy successfully. Establishing a strategy-supportive budget is the next task. This is important if the firm is to accomplish strategic objectives, top management must provide the people, equipment, facilities, and other resources to carry out its part of the strategic plan. The other task is to install internal administrative support systems. He explains internal systems as policies and procedures to establish desired types of behavior. These internal systems must support the management process, the way the managers in an organization work together, as well as monitor strategic progress.

2.2 The McKinsey's 7-S framework of strategy implementation

The McKinsey 7-S model is one that can be applied to almost any organizational or team effectiveness issue. If something within your organization or team isn't working, chances are there is inconsistency between some of the elements identified by this classic model. Once these inconsistencies are revealed, you can work to align the internal elements to make sure they are all contributing to the shared goals and values.

In the 8-S framework, the author emphasizes on cross-functional way of thinking about the execution of a revised version of strategy across an organization. Successful organizations spend a great deal of their time on strategy execution and realize that execution of a strategy is just as important, if not more important, than formulating a strategy. So the general tendency here is that how an organization can achieve successful strategy execution that revolves around aligning key organizational factors with strategy.

Strategy: We are well familiar with the hierarchy of strategic intent, which is formulation of corporate, business, functional operational level strategies after evaluating scenarios thru SWOT analyses. In strategy, we go for an analysis about changes in Strategic Intent which can be quantitative or qualitative. And there are three types of strategic levels at which a strategy could be accomplice: corporate, business, and functional levels.

The corporate strategy defines what business or businesses the firm is in or should be in, and how the firm will conduct that business (or those businesses) in a fundamental way. The business strategy describes how a firm will compete in a particular business. Functional strategies support the business strategy. Functional strategies in the areas of marketing, finance, operations, human resources management, R & D, information, and logistics should be aligned with the business strategy. All strategies must all be aligned for strategic performance to be optimal at both intra and inter levels. The distinct aspect of this model is that it talks about the alignment of various strategies at multiple levels and also with deal with alignment issues with other variables explained below. Often such type of alignment is overlooked in the implementation models.



- **Structure:** The structure means job, grouping of jobs, authority and its delegation, field units & Head office, departmentalization, operating procedures, control etc.
- **Systems and Processes:** Organizational systems are designed to get things done from day to day. For example with in Organizational system we have sub systems like strategic planning systems, information systems, capital budgeting systems, manufacturing processes, reward systems and processes, quality-control systems and processes, and performance measurement systems.
- **Style (leadership/management style):** The consistent pattern of behavior exhibited by leaders/managers when relating to subordinate and other employees.
- **Staff:** The staffing means filling positions in the organization structure. The main issue is that how to create an appropriate Management Inventory or Human Asset in an organization and it can be synergized with strategic change or strategic intent.
- **Resources:** The extent to which the organization has adequate resources to achieve its strategy-- people (staff), technology and money are the three most critical.
- **Shared Values (organizational culture):** The values shared by members of the organization that make it different from other organizations.
- **Strategic Performance:** Strategic performance is a derivative of the other seven `S's. Strategic performance is possessed by an organization as a whole, or for profit-based parts of the whole.

2.3 Empirical Review

A research carried out by Vasanji (2015) explored the effect of strategy implementation on competitive advantage for small, medium enterprise in Nairobi central business district. The population of this study was 85 small and medium enterprises in Nairobi central business district. The research methodology used in this research was the descriptive research method. A sample size was drawn based on simple random sampling method. Data collection was carried out via questionnaires made up of structured as well as open ended questions and informal interviews to ensure the primary data collected is accurate. The result shows that there was a positive relationship between strategy implementation and competitive advantage. The study also recognized that organizational culture plays a vital role in strategy implementation. The source of competitive advantage is rooted in strategy implementation skills and organizational structure. Additionally, it established that firm resources and capabilities, are crucial factors in strategy implementation hence having an impact on the competitive advantage of the Small and Medium Enterprises.

2.3.1 Organization Alignment

According to Kotnour, Barton, Jennings & Bridges, (1998) organizational alignment is defined as being focused on completing the right work the right way with the right people at the right time. Addressing



the problem of the right work is a process of flowing requirements down from the mission/vision set forth by senior management. The requirements are based on the current, transformation, and future states of the organization. The right work is a function of activities to 1) meet current mission and customers' requirements, 2) transform the organization, and 3) deliver on future oriented work associated with the vision. The right way includes the processes, resources, and tools by which the work is completed and managed. The right people are derived from understanding how people are organized to complete the work and the tools they use. The right people encompass issues such as skill needs from a process and structure perspective, and number aligned with budget. The right time is the proper timing of doing the work to meet short-term work requirements, short-term actions to ensure long-term success, and long-term work requirements. The aim of organizational alignment is to ensure the right work is completed the right way with the right people at the right time.

Without alignment, the best strategic plan will never be fully achieved because organizational alignment is the glue that makes strategy execution excellence happens. An aligned organization works together as a unit in a new way (i.e. more efficiently, effectively and dynamically) on the right things that deliver the greatest business value. An aligned organization gets things done faster, with less effort and with better results, and is more agile and responsive to changing business conditions (Aaker, 1991).

Organizational alignment relates to the degree to which the components of an organization are arranged to optimally support the intent, objectives and goals of the organization. The components of the organization that must be aligned include: the work being completed (i.e. key business projects and work processes; the goals, skills and capabilities, and the hearts, minds and behaviors of both the people doing the work and the organizational leaders; and the plans (e.g. learning and development/human capital plans), tools and technologies and resources (including budget) that support the work being completed (Krone, 1987).

2.3.2 Resource Allocation

According to Pryor et al. (2007) People are the key strategic resource; therefore it is essential for organizations to effectively utilize the know-how of their employees at the right places. It is the challenge of management to allocate them to their most useful tasks as well as coordinating and integrating activities of participating employees and functions. As written in the formulation and planning part of the Strategy implementation there is also a need to choose the right people for the right responsibility. Important in this context is not to throw away important knowledge by the wrong allocation or by to little connection of employees (Lorange 1998). Thus a certain degree of freedom is necessary to leave room for experiments by the employees and develop creativity to solve challenges (Lorange, 1998). Sometimes adjustments of some resources to improve the process are necessary

(Lorange, 1998), therefore the management should monitor the process closely to intervene at the right time.

The organizational resources include physical, financial and human resources. Though scarce; the competitive advantage of every firm is based on its unique internal resources and competences (Mahoney and Pandian, 1992). Organization resources are viewed in terms of competent human and technical skills. The internal capability of an organization is critical in the strategy formulation because it aids organizations achieve a sustainable competitive advantage in the market. They give an organization a superior performance compared to others in the industry. Effective strategy implementation is a factor of relevant internal skills of execution. Right management and technical skills gives a firm the required competences in pursuit of strategy.

Organizations therefore have to look at the resources they have which are unique and which can give rise to unique competitive advantage. Finances are a crucial resource which each department in an organization requires for them to carry out their functions. Proper budgeting is hence necessary. This is due to the fact that improper budgetary allocation may hamper strategy implementation.

2.3.3 Working Environment

Working environment refers to circumstances, stresses, influences, cultural, economic, natural, political, and competitive, demographic, regulatory, and technological factors (called environmental factors) that effect the survival, growth of an organization and operations. Research has shown that environment has a direct impact on the organization's financial and non-financial performance Boudreau and Ramstad (2007) people to perform at high levels. Related to the environment or culture in which the team operates. Components teams can achieve at unexpected levels. Deprived of them, energetic people lose focus, even the brightest and energy (Tymon, 2010).

According to Yeung (2008), to keep employees satisfied, it takes different approach than it did just a few years ago. One-third of the executives surveyed indicated that employees have different opinions arguing that work environment is the most critical factor in keeping an employee satisfied in today's business world. Work environment preferences can be measured using three dimensions of work environment settings: goal orientation, relationship dimensions and system maintenance. System maintenance refers to how orderly and organized the work setting is, how much control it maintains and how clear it is in its expectations. Goal alignment assesses the degree to which an environment encourages or stifles growth through providing for participation in decision making and autonomy, providing job challenge maintaining a task orientation and expectations for success and accomplishment (Collings, 2011). It is felt in general that improving the work environment increases productivity (McDonnell, 2011).

2.3.4 Organizational culture

Culture is a set of important assumptions that members of an organization share. It plays an important part in individuals because it influences behavior, set a pattern of activities, opinions and actions within an organization. According to Pearce and Robinson (2002), culture can be a positive factor in an organization on condition it supports strategy implementation. This is at times addressed by the adjustment of an organization culture in case of new strategies in order to support them. It is usually a challenge due to resistance to change. Though inevitable, change is a great threat to successful strategy implementation. All staff therefore needs to be involved in the formulation stage of the strategy to avoid change resistance.

Pearce and Robinson (2007), also define organizational culture as a set of important assumptions or shared beliefs and values that organizational members hold in common. These beliefs influence opinions and actions within the organization among its members. Culture involves the learning and transmission of knowledge, beliefs and patterns of behavior over time. It helps in nurturing and dissemination of core values and establishes rules on how people should behave within the organization. Every organization has its own unique culture or work climate which is the product of the core values and business principles that are espoused by the executives. Strong culturally approved behaviors and practices are nurtured and are developed by strong leaders who establish values, principles, and practices that are consistent with the strategic requirements.

2.5 Conceptual Framework

The model of the study is determined in figure 2.1 below. It shows the independent variables: effectiveness of strategy implementation in organizational alignment, strategy implementation in working environment, strategy implementation in organization culture, strategy implementation in resource allocation. The dependent variable is the effect on strategy implementation. If the strategy implementation is well implemented it can result to achieve the organization goal.

Many scholars suggest that there is a positive direct relation between organization alignment and strategic plan implementation. The best strategic plan will never be fully achieved because organizational alignment is the glue that makes strategy execution excellence happens. An aligned organization works together as a unit in a new way (i.e. more efficiently, effectively and dynamically) on the right things that deliver the greatest business value. An aligned organization gets things done faster, with less effort and with better results, and is more agile and responsive to changing business conditions. Resource allocation and strategic plan implementation have positive relation. Mahoney and Pandian (1992) who states that effective strategy implementation is a factor of relevant internal skills of

execution. Right management and technical skills gives a firm the required competences in pursuit of strategy.

Organizational factors

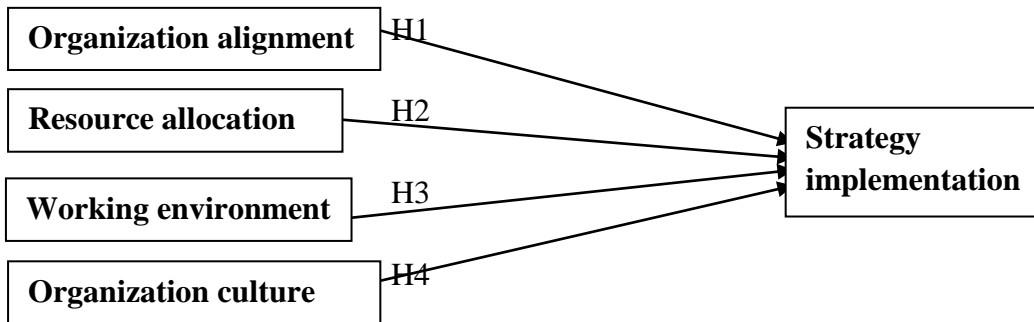


Figure 2.1 Conceptual framework
Source: Literature Review

Finances are a crucial resource which each department in an organization requires for them to carry out their functions. Proper budgeting is hence necessary. This is due to the fact that improper budgetary allocation may hamper strategy implementation. Working environment organization culture also has a positive relation with strategic plan implementation. The connection between environment and performance is also at the team or work group level. The majority of work occurs in information-driven or knowledge-driven organizations. Much more than persons, groups are responsible for innovation and for processes and practices that have the ability to move the organization forward (Vaiman and Holden, 2011). Current worldwide study has shown that there are only three things that have a material impact on the ability of groups of qualified people to perform at high levels. Related to the environment or culture in which the team operates. Components teams can achieve at unexpected levels. Deprived of them, energetic people lose focus, even the brightest and energy (Tymon, 2010).

3. RESEARCH METHODS

This research was adopting descriptive and explanatory research design. The target population of the study was 151 employees working for Bunna International Bank and encompass of top management (31), middle management (33) and lower level supervisors (97). The sample size was determined by using formula. The sample size is 40% of the target population, which resulted in 8, 13, and 39 respectively. To obtain representatives from the sampling frame the researchers used stratified random sampling technique.

$$n = N / (1 + Ne^2)$$

$$n = 151 / 1 + 151(.1)^2$$

$$n = 151 / (1 + 1.51)$$

Where; n is the sample size

N is the total target population

e is the acceptable significance level and 10%



n=151/ (2.51)

will be used.

n=60

Primary data was collected through self-administrated structured questionnaires using 5 point Likert scale with response categories ranging from 1 strongly disagree and 5 strongly agree. The questionnaires were containing both open ended and closed ended questions. A total of 60 questionnaires were distributed out of which 54 (90%) of them were returned. Pilot test was done to validate the instrument and to examine the internal consistency of the data. As a result, Cronbach’s Alpha test scores were: Organization alignment (0.909), Resource allocation (0.795), Work place environment (0.858), and Organization culture (0.864). According to Davidson (1996), a score over 0.70 is considered appropriate for the study. Finally, qualitative and quantitative analyses of data were done.

The study employed one mathematical model.

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

Where:

Y= Strategic plan implementation

β =Beta X1=Organization alignment

a= the constant X2=Resource allocation

X3=Work environment X4= Organization culture

e =error

4. RESULTS AND DISCUSSION

4.1 Descriptive analysis of rating of strategic plan implementation

4.1.1 Rating of Strategic Plan Implementation

The respondents were asked to rate strategic plan implementation in their organization the findings of the study are displayed in table 4.1. According to the analysis of the findings, 63 % of the respondents rated the strategic plan implementations being moderate followed by 35.2% who rated the current condition of strategic plan implementation as being good.

Table 4.1 Rating of strategic plan implementation

Rating of strategy implementation	Percentage
Good	35.2
Moderate	63
Very bad	1.9
Total	100

Source: Filed survey, May 2018

4.1.2 Factors affecting Strategic plan implementation

The study sought to investigate the extent to which the respondents agreed about the strategic plan implementation in their organization. As table 4.2 below shows, majority of the respondents strongly



agreed that working environment is one of the factors affecting strategic plan implementation as shown by a mean score of 3.20 Organization alignment is also a factor affecting strategic plan implementation as shown by a mean of 3.17. In addition, the respondents strongly agreed that resource allocation is factors affecting strategic plan implementation in Bunna International Bank as shown by a mean score of 3.26. Finally, most of respondents strongly agreed that organization culture is a factor affecting strategic plan implementation as shown by a mean score of 3.20. This implied that most of the respondents agreed with the statements about the working environment, organization alignment, resource allocation and organizational culture affect strategic plan implementation in Bunna International Bank.

This argument also strengthen, organizational alignment being focused on completing the right work the right way with the right people at the right time Kotnour, Barton, Jennings, & Bridges, (1998). For Pryor et al. (2007), people are the key strategic resource; therefore it is essential for organizations to effectively utilize the know-how of their employees at the right places. It is the challenge of management to allocate them to their most useful tasks as well as coordinating and integrating activities of participating employees and functions.

Table 4.2: Extent that the Respondent Agree with the Statement about the factors affects strategic plan implementation in their organizations

Statement	Very bad	Bad	Moderate	Good	Excellent	Mean	St.D
Organizational alignment	1	6	31	15	1	3.17	.72032
Resource allocation	1	-	37	16	-	3.26	.55577
Work environment	-	6	32	15	1	3.20	.6553
Organization culture	-	6	28	19	1	3.26	.69035

Source: Filed survey, May 2018

St.D = Standard Deviation

Scullion (2010) asserts that there are interacting factors which affect productivity, including privacy, social relationships, communications, office system organization, management and environmental matters. It is a much higher cost to employ people who work than it is to maintain and operate the building, hence spending money on cultivating the work environment may be the most cost effective way of improving productivity. The results indicate that a highly rated physical working environment results in greater job satisfaction. The study also confirm the result by Alvesson (2002), states Organizational culture refers to the leadership style of managers how they spend their time, what they focus attention on, what questions they ask of employees, how they make decisions; also the organizational culture (the dominant values and beliefs, the norms, the conscious and unconscious symbolic acts taken by leaders (job titles, dress codes, executive dining rooms, corporate jets, informal



meetings with employees). Organizational culture is among the major issues, because the cultural dimension is central to all aspects of organizational behavior.

4.1.3 Effects of organization Alignment on strategic plan implementation

Table 4.3 shows a summary of the descriptive statistics on the organization alignment. The variables exhibited an average mean of 3.01 showing that the respondents agreed with the questions regarding organization alignment on strategic plan implementation. Participant of the research felt organizational alignment is enhanced in strategic plan implementation are more important recording the highest mean of 3.24 in this section of the questionnaire. Adequate alignment between process phase reported a mean of 3.00 signifying that respondents agreed with questions and that its plays a key role during organization alignment. On the other hand The organization alignment is properly organized a mean of 2.98, integrated with its department set goals a mean of 2.96 and strong coordination across functions or divisions revealed a mean of 2.89 which implies that organization alignment is properly organized, integrated with its department set goals and strong coordination across functions or divisions are of essence in the organization alignment process.

Table 4.3: Extent that the Respondent Agree with the Statement about the organizational alignment

Organization alignment items	SD	D	SHA	A	SA	Mean	St.D
The organizational alignment is enhanced in strategic plan implementation	4	3	26	18	3	3.24	.93031
The organization alignment is properly organized to implement organization strategic plan.	4	6	32	11	1	2.98	.83532
The organization alignment is integrated with its department set goals	4	8	29	12	1	2.96	.86794
The organization alignment is strong coordination across functions or divisions	4	9	30	11	-	2.89	.81650
This organization has adequate alignment between process phase	3	8	29	14	-	3.00	.80049

SD=Strongly Disagree D=Disagree SHA=Somehow Agree A=Agree SA=Strongly Agree

The organizational alignment is enhanced in strategic plan implementation revealed the highest standard deviation of 0.93031 which implies that respondents largely varied in their responses to the questions. The organization alignment is integrated with its department set goals had a standard deviation of 0.86794 slightly lower than the organizational alignment enhanced in strategic plan implementation indicating the respondents moderately varied in their responses to the questions. Additionally, the organization alignment is properly organized to implement organization strategic plan and the organization alignment is strong coordination across functions or divisions show 0.83532 and 0.81650 a standard variation respectively. The sub-section with the least standard variation of 0.80049 was this organization has adequate alignment between process phases implying minimal variation to the



responses in this question. The finding confirm with Riel (2007) who noted that organizational alignment is built on business strategy so it must begin here. To be effective, the business strategy must clearly define the primary value proposition, future results destination, and the values and behaviors that will guide actions on the journey to business results achievement.

4.3.4 Effects of resource allocation on Strategic plan implementation

Table 4.4 shows a summary of the descriptive statistics on the organization resource allocation. The variables exhibited an average mean of 3.09 showing that the respondents agreed with the questions regarding organization resource allocation on strategic plan implementation. Participant of the research felt the organization has adapted information technology in its day to day operation needs to be adopted recording the highest mean of 3.35 in this section of the questionnaire. The organization has well trained human resource to support strategic plan implementation reported a mean of 3.22 signifying that respondents agreed with questions and that its plays a crucial role during resource allocation. And also the organization provides for proper utilization of physical resources that are available plays a moderate role during organization resource allocation.

Table 4.4: Extent that the Respondent Agree with the Statement about the organization resource allocation

Organization resource allocation items	SD	D	SHA	A	SA	Mean	St.D
The organization allocates sufficient financial resources for strategic plan implementation.	3	16	18	13	4	2.89	1.03688
The resources allocated are utilized as per the set goals.	3	11	29	10	1	2.91	.83029
The organization provide for proper utilization of physical resources that are available.	2	7	32	10	3	3.09	.83029
The organization has well trained human resource to support strategic plan implementation.	2	10	18	22	2	3.22	.92485
The organization has adapted information technology in its day to day operation.	2	7	19	22	4	3.35	.93481

On the other hand, the organization allocates sufficient financial resources for strategic plan implementation and the resources allocated are utilized as per the set goals revealed a mean of 2.89 and 2.91 which implies that this type of resource allocation are not preferred by many respondents. The organization allocates sufficient financial resources revealed the highest standard deviation of 1.03688 which implies that respondents largely varied in their responses to the questions. The organization has adapted information technology in its day to day operation and the organization has well trained human resource to support strategic plan implementation had a standard deviation of 0.93481 and 0.92485



slightly lower than the organization allocates sufficient financial resources indicating the respondents moderately varied in their responses to the questions.

The sub-section with the least standard variation of 0.83029 was the resources allocated are utilized as per the set goals and the organization provide for proper utilization of physical resources that are available implying minimal variation to the responses in this question. The findings agree with Mahoney and Pandian (1992) who states that effective strategy implementation is a factor of relevant internal skills of execution. Right management and technical skills gives a firm the required competences in pursuit of strategy. Organizations therefore have to look at the resources they have which are unique and which can give rise to unique competitive advantage. Finances are a crucial resource which each department in an organization requires for them to carry out their functions. Proper budgeting is hence necessary. This is due to the fact that improper budgetary allocation may hamper strategy implementation.

4.1.5 Effects of work environment on strategic plan implementation

Table 4.5 shows a summary of the descriptive statistics on the organization work place environment. The variables exhibited an average mean of 3.06 showing that the respondents agreed with the questions regarding organization work place environment on strategic plan implementation. Participant of the research felt that my organization work place promotes my strategic plan implementation motive recording the highest mean of 3.26 in this section of the questionnaire. There has been improvement in the work place environment since I joined this organization and to support strategic plan implementation reported a mean of 3.17 signifying that respondents agreed with questions and that its plays a crucial role during resource allocation. And also my organization management is committed towards improving my work place environment plays a moderate role. On the other hand the work place environment has not changed at all since I joined this organization revealed a mean of 2.81 which implies that this type of work place environment is not preferred by many respondents.

Table 4.5: Extent that the Respondent Agree with the Statements about the Organization work place environment

Organizations work place environment items	SD	D	SHA	A	SA	Mean	St.D
My organization work place promotes my strategic plan implementation motive.	1	7	24	21	1	3.26	.78151
My organization management is committed towards improving my work place environment	5	7	25	17	-	3.00	.91115
There has been improvement in the work place environment since I joined this organization.	4	8	20	19	3	3.17	1.00471
The work place environment has not changed at all since I joined this organization.	6	15	19	11	3	2.81	1.06530

Source: Filed survey, May 2018

The work place environment has not changed at all since I joined this organization revealed the highest standard deviation of 1.06530 which implies that respondents largely varied in their responses to the questions. There has been improvement in the work place environment since I joined this organization and My organization management is committed towards improving my work place environment had a standard deviation of 1.00471 and 0.91115 respectively shows slightly lower than the work place environment has not changed at all since I joined this organization indicating the respondents moderately varied in their responses to the questions. The sub-section with the least standard variation of 0.78151 was my organization work place promotes my strategic plan implementation motive implying minimal variation to the responses in this question. Collings (2011) suggests also that goal alignment assesses the degree to which an environment encourages or stifles growth through providing for participation in decision making and autonomy, providing job challenge maintaining a task orientation and expectations for success and accomplishment.

4.1.6 Effects of organization culture on strategic plan implementation

Strategic plan implementation recording has the highest mean of 3.22 in this section of the questioners. This organizations culture promotes employees strategic plan implementation reported a mean of 3.10 and this organizations culture has impacted positively on strategic plan implementation reported a mean of 3.10 which signifying that respondents agreed with questions and that its plays a crucial role during resource allocation.

Table 4.6 shows a summary of the descriptive statistics on the organization culture. The variables exhibited an average mean of 3.05 showing that the respondents agreed with the questions regarding organization culture on strategic plan implementation. Participant of the research felt that this organization culture is relevant towards enhancing culture is employee growth oriented and this organizations culture has strong strategic plan implementation beliefs and values system both plays a moderate role reported mean 3.02. On the other hand, this organizations culture has ability to overcome resistance to change revealed a mean of 2.88 which implies that this type of organization culture is not preferred by many respondents.

Table 4.6: Extent that the Respondent Agree with the Statement about the organization culture

Organization culture items	SD	D	SHA	A	SA	Mean	St.D
This organizations culture is relevant towards enhancing strategic plan implementation	-	11	25	13	5	3.22	.88310
This organizations culture promotes employees strategic plan implementation	-	13	26	12	3	3.10	.83029
This organizations culture has impacted positively on strategic plan implementation	1	14	22	15	2	3.10	.87775
The organizations culture is employee growth oriented	2	12	23	17	-	3.02	.83532
This organizations culture has strong strategic plan implementation beliefs and values system	1	11	29	12	1	3.02	.76456
This organizations culture has ability to overcome resistance to change.	1	20	19	13	1	2.88	.86975

Source: Filed survey, May 2018

The organization culture relevant towards enhancing strategic plan implementation revealed the highest standard deviation of 0.88310 which implies that respondents largely varied in their responses to the questions. This organizations culture has impacted positively on strategic plan implementation and this organizations culture has ability to overcome resistance to change had a standard deviation of 0.87775 and 86975 respectively shows slightly lower than the organization culture relevant towards enhancing strategic plan implementation. The organizations culture is employee growth oriented a mean of 0.83532 indicating the respondents moderately varied in their responses to the questions. The sub-section with the least standard variation of 0.76456 was this organizations culture has strong strategic plan implementation beliefs and values system my implying minimal variation to the responses in this question. The findings assert agree with Pearce and Robinson (2002), culture can be a positive factor in an organization on condition it supports strategy implementation.

4.2 Correlation Analysis

As table 4.7 depicts work environment has positive correlations with the variables related with organization alignment, resource allocation, organization culture, strategic implementation which were all not significant except strategic plan implementation ($r=0.47, p=0.738$, $r=0.408^{**}$, $p=0.002$, $r=0.240$, $p=0.80$, $r=0.461^{**}$, $p=0.000$, respectively).



Table 4.7 Correlations Analysis between the Variables

		Working environment	Organization alignment	Resource allocation	Organization culture	Strategic Plan Implementation Status
Working environment	Pearson Correlation	1	.047	.267	.239	.476**
	Sig. (2-tailed)		.738	.051	.081	.000
	N	54	54	54	54	54
Organization alignment	Pearson Correlation	.047	1	.408**	.240	.461**
	Sig. (2-tailed)	.738		.002	.080	.000
	N	54	54	54	54	54
Resource allocation	Pearson Correlation	.267	.408**	1	.435**	.800**
	Sig. (2-tailed)	.051	.002		.001	.000
	N	54	54	54	54	54
Organization culture	Pearson Correlation	.239	.240	.435**	1	.567**
	Sig. (2-tailed)	.081	.080	.001		.000
	N	54	54	54	54	54
Strategic Plan Implementation Status	Pearson Correlation	.476**	.461**	.800**	.567**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	54	54	54	54	54

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

Resource allocation had positive correlations with the variables related with organization culture but was not significant ($r=0.435^{**}$, $p=0.001$) and it had positive correlations with the variables related with strategic implementation was significant ($r=0.800^{**}$ $p=0.000$). Organization culture had positive correlations with the variables related with strategic implementation and it was significant ($r=0.567^{**}$, $p=0.000$). More importantly, all independent variables (work environment, organization alignment, resource allocation, and organization culture) have positive and significant relationship with dependent variable (Strategic Plan Implementation Status) with $r=0.476^{**}$, $p=0.000$; $r=0.461^{**}$, $p=0.000$; $r=0.800^{**}$, $p=0.000$; $r=0.567^{**}$, $p=0.000$, respectively.

4.3 Regression Analysis

4.3.1 Multiple regression

As table 4.9 revealed 76.1% of the variation in the overall company strategic implementation (correlation coefficient = 0.882, coefficient of determination = 0.779, and adjusted coefficient of determination=0.761). It was found that the $b_0=-0.368$ implies that without the items Organization

alignment, Resource allocation, Working environment and Organization culture the company strategic implementation performance would suffer.

Table 4.8 All variables Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882 ^a	.779	.761	.28231

a. Predictors: (Constant), Organization culture, Working environment, Organization alignment, Resource allocation

b. Dependent Variable: Strategic Plan Implementation Status

Table 4.9 All variables ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.743	4	3.436	43.108	.000 ^b
	Residual	3.905	49	.080		
	Total	17.648	53			

a. Dependent Variable: Strategic Plan Implementation Status

b. Predictors: (Constant), Organization culture, Working environment, Organization alignment, Resource allocation

Further, each of the elements make a positive contribution to the realization of strategic implementation performance improvement ($b_1=0.265$, $b_2=0.165$, $b_3=0.567$ and $b_4=0.216$) though only work environment and resource allocation were significant (see the tables below).

Table 4.10 All variables Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.368	.291		-1.265	.212
	Working environment	.233	.062	.265	3.750	.000
	Organization alignment	.133	.059	.165	2.233	.030
	Resource allocation	.589	.084	.567	6.977	.000
	Organization culture	.181	.063	.216	2.860	.006

a. Dependent Variable: Strategic Plan Implementation Status

4.3.2 Mathematical model

From the study findings indicates that β coefficient = provided direction of relationships (+ve or -ve). Secondly all coefficient are statistically significant ($t=xy2$, $p < 0.05$). The study conducted a multiple regression analysis so as to assess the effects of organizational factors on strategic plan implementation with reference to Bunna International Bank. The four variables as per the SPSS generated table above, the equation (strategic plan implementation = $\beta_0 + \beta_1$ Organization alignment + β_2 resource allocation + β_3 work place environment + β_4 organization culture + ϵ) becomes:

$$Y = -0.368 + 0.133 X_1 + 0.589 X_2 + 0.233 X_3 + 0.181 X_4$$

Where Y is the dependent variable (challenges affecting talent management in the public sector), X₁ is the Organization alignment variable, X₂ is resource allocation variable, X₃ is working environment and X₄ is organization culture variable. The possible value of Y when all independent variables are equal to zero is 0.368. At 5% level of significance and 95% level of confidence, Organization alignment had a 0.030 level of significance; resource allocation showed a 0.000 level of significance; working environment showed a 0.000 level of significance and organization culture showed a 0.006 level of significance. Therefore, it is concluded that all independent variables have positive and significance effect on dependent variable. Nonetheless, Resource allocation has more significant compared to other independent factors.

4.4 Hypothesis Testing

H1: Organization alignment has significant effects on strategic plan implementation

Organization alignment has positive and significant effect on strategic plan implementation with $b_1=0.165$, $p\text{-value}=0.030$. Similarly, correlation analysis showed a significant positive relationship between organization alignment and strategic plan implementation, which was ($r=0.461^{**}$, $p\text{-value}=0.000$). As a result, one can conclude that there is significant effect of organization alignment on the strategic plan implementation Bunna International Bank. Every change of organization alignment by one unit can cause 0.165 unit change of strategic plan implementation of the Bank.

The finding affirms with that of Aaker, (1991) who argued that without alignment, the best strategic plan will never be fully achieved because organizational alignment is the glue that makes strategy execution excellence happens. An aligned organization works together as a unit in a new way (i.e. more efficiently, effectively and dynamically) on the right things that deliver the greatest business value. An aligned organization gets things done faster, with less effort and with better results, and is more agile and responsive to changing business conditions. Similarly, with Riel (2007) who noted that organizational alignment is built on business strategy so it must begin here. To be effective, the business strategy must

clearly define the primary value proposition, future results destination, and the values and behaviors that will guide actions on the journey to business results achievement.

H2 Resource allocation has significant effect on strategic plan implementation

Resource allocation has positive and significant effect on strategic plan implementation with $b_1=0.567$, $p\text{-value}=0.000$. Similarly, correlation analysis showed a significant positive relationship between organization alignment and strategic plan implementation, which was $r=0.800^{**}$, ($p\text{-value}=0.000$). The finding agrees with Mahoney and Pandian (1992) who states that effective strategy implementation is a factor of relevant internal skills of execution. Right management and technical skills gives a firm the required competences in pursuit of strategy.

H3 Working environment has significant effect on strategic plan implementation

Working environment has positive and significant effect on strategic plan implementation with $b_1=0.265$, $p\text{-value}=0.000$. Similarly, correlation analysis showed a significant positive relationship between organization alignment and strategic plan implementation, which was ($r=0.476^{**}$, $p\text{-value}=0.000$). The finding agrees with Scullion (2010) who argues that there are interacting factors which affect productivity, including privacy, social relationships, communications, office system organization, management and environmental matters. It is a much higher cost to employ people who work than it is to maintain and operate the building, hence spending money on cultivating the work environment may be the most cost effective way of improving productivity. The results indicate that a highly rated physical working environment results in greater job satisfaction. Collings (2011) suggests also that Goal alignment assesses the degree to which an environment encourages or stifles growth through providing for participation in decision making and autonomy, providing job challenge maintaining a task orientation and expectations for success and accomplishment.

H4 Organization culture has significant effect on strategic plan implementation

Organization culture has positive and significant effect on strategic plan implementation with $b_1=0.216$, $p\text{-value}=0.006$. Similarly, correlation analysis showed a significant positive relationship between organization alignment and strategic plan implementation, which was ($r=0.567^{**}$, $p\text{-value}=0.000$). The finding asserts agree with Pearce and Robinson (2002), culture can be a positive factor in an organization on condition it supports strategy implementation.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The study sought to understand the effects of organization factors on strategic plan implementation on Bunna International Bank. Four factors were considered in relation to strategic plan implementation. These were organization alignment, resource allocation, and work environment. Concerning strategic

plan implementation, various strategic objectives of the strategy implementation process were included. All these factors were found to have positive effects on strategic plan implementation and improvements in them leads to better implementation. However, resource allocation and work environment found to have higher effects on strategic plan implementation than organization alignment and organization culture. The organization work environment affects the implementation making it possible for the organization participants to beat the apparently resting strength, initiative and force. But for this to be attained, the bank will need to make attractive to accommodate this strategic renewal initiative. Regarding resource allocation, the study found that resource allocation is important for the bank since they are likely to lead to effective strategy implementation and incorporating of best practice in business processes.

5.2 Recommendations

5.2.1 Recommendations for Bunna International Bank

The study acknowledges that indeed the need to have organization alignment is good for companies who have long known that for them to be competitive they ought to develop a good strategy first before developing an appropriate realignment of staff, systems operations, directors and employees. It therefore recommends for better use of right person and right position, secondly is elimination of the unnecessary errors of alignment to be made and identifies problems that may arise beforehand, lastly, is the aspect of improved communication between the avoidance employee and the person creating the organizational goals.

Bunna International Bank should make an attractive its working environment to ensure easier information flows, more collaboration among the personnel, and team work. This motivate employees are likely to be more satisfied and committed to the organization. This likely to help improve staff understanding of the strategic objectives and align their efforts towards attainment of those goals.

Bunna International Bank needs to provide strict accountability measures for its staff so that all resource allocation decisions are thoroughly inspection and that there is monitoring system for all allocations. This would also ensure that all resource allocation decisions serve the best interest of the organization.

The study recommends to Bunna International Bank need to always consider employees as being the key contributors to the strategic plan implementation and thus there is need to always involve them in the entire organization process so as to introduce a new culture in the organization set up. Additionally Bunna international bank in Addis Ababa need a good balance between the organization culture and the organization processes so as to enhance the strategic plan implementation. This enables employees to offer customers better service, they are willing to take the time to solve difficult problems, their work is of higher quality, and they are more likely to stay with the organization.



5.2.2 Recommendations for Further Studies

The study was restricted within Addis Ababa city Bunna International Bank. While this study successfully examined the conceptual framework, it also presented a rich prospect for other areas to be researched in future. The study recommends that management of Bunna International Bank ensures there is successful organization alignment. Bunna International Bank management should have the right organization alignment, adopt proper resource allocation and embrace a receptive organization culture as well as working environment. The study further recommends that management of Bunna International Bank to make their strategy work, execute or implement throughout the organization. It would however be useful to carry out similar study the effect of organizational factors on strategic plan implementation across heterogeneous industries. Further this study can be repeated with a wider population of study across Addis Ababa so as to get findings that are applicable to Bunna International Bank in Addis Ababa concerning strategic plan implementation.



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