



ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**THE EFFECT OF STRATEGIC PLANNING ON ORGANIZATIONAL
PERFORMANCE IN THE CASE OF NIB INSURANCE SHARE COMPANY**

BY

KALKIDAN KEBEDE

AUGUST, 2020

ADDIS ABABA, ETHIOPIA

**THE EFFECT OF STRATEGIC PLANNING ON ORGANIZATIONAL
PERFORMANCE IN THE CASE OF FNIB INSURANCE S.C**

BY

KALKIDAN KEBEDE

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIRMENTS
FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION
(GENERAL MANAGEMENT)**

AUGUST, 2020

ADDISABABA, ETHIOPIA

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

FACULTY OF BUSINESS

**THE EFFECT OF STRATEGIC PLANNING ON ORGANIZATIONAL
PERFORMANCE IN THE CASE OF NIB INSURANCE SHARE COMPANY**

BY

KALKIDAN KEBEDE

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature

Belete Mebratu, Prof

Mebratu, NK 17/08/2020

Advisor

Signature

Saleamlak Mola(Phd.)



17/08/2020

External Examiner

Signature

Zemenu Aynadis (Ass. Prof)



25/08/2020

Internal Examiner

Signature

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of **Belete Mebratu (PhD.)**. All Sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full in any other higher learning institution for the purpose of earning any degree.

Kalkidan Kebede

Name

Signature

St Mary's University, Addis Ababa

August, 2020

ENDORSEMENT

This thesis has been submitted to St, Mary's University School of Graduate Studies for examination with my approval as a university advisor.

Belete Mebratu(Prof.)

Advisor

St, Mary's University, Addis Ababa

Mebratu, BK

Signature

August, 2020

ACKNOWLEDGEMENT

First and foremost, I would like to express my gratitude to almighty God for helping me in every moment and for giving me the patience, strength and dedication to endure the challenges in this situation. I would also like to thank my advisor Professor Belete Mebratu (PhD.) for his constructive and valuable comments throughout the preparation of this thesis; otherwise it would have been difficult to make it hold this shape. This paper would have never been accomplished without the cooperation of respondents who works at NIB Insurance S.C therefore, I am deeply grateful for all of them. Additionally I would like to appreciate my beloved family and friends who have constantly been encouraging and supporting me throughout my academic development.

KALKIDAN KEBEDE

AUGUST 2020

TABLE OF CONTENTS

ACKNOWLEDGEMENT	iii
List of Tables	vii
List of Figures	viii
LIST OF ACRONYMS	ix
ABSTRACT.....	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 BACKGROUND OF THE STUDY.....	1
1.1.1 Concept of Strategic Planning.....	1
1.1.2 Strategic Planning and Organizational Performance	2
1.1.3 Profile of Nib Insurance S.C	4
1.2 STATEMENT OF THE PROBLEM	5
1.3 RESEARCH QUESTIONS.....	7
1.4 OBJECTIVES OF THE STUDY	8
1.4.1 General Objective	8
1.4.2 Specific Objectives	8
1.5 SIGNIFICANCE OF THE STUDY	8
1.6 LIMITATION OF THE STUDY	9
1.7 DELIMITATION (SCOPE) OF THE STUDY.....	9
1.7.1 Theoretical Scope.....	9
1.7.2 Methodological Scope.....	9
1.7.3 Geographical Scope	10
1.8 DEFINITION OF TERMS	10
1.9 ORGANIZATION OF THE STUDY.....	10
CHAPTER TWO	12
REVIEW OF RELATED LITERATURE	12
2 INTRODUCTION.....	12
2.1 Theoretical Literature Review.....	12
2.1.1 Strategy Definition.....	12

2.1.2	Levels of Strategy	13
2.1.3	Dimensions of Strategic Decisions.....	14
2.1.4	Strategy Implementation	15
2.1.5	The Concept of Planning.....	15
2.1.6	Theories of Strategic Planning	16
2.1.7	Techniques in Strategic Planning	17
2.1.8	Basic Steps of Strategic Planning.....	17
2.1.9	Importance of Strategic Planning	18
2.1.10	Methods of Strategic Planning	19
2.1.11	Organizational Effectiveness	20
2.1.12	Factors Affecting Organizational Effectiveness	21
2.2	Empirical Literature Review	22
2.3	CONCEPTUAL FRAME WORK.....	24
CHAPTER THREE		25
RESEARCH METHDOLOGY		25
3	INTRODUCTION.....	25
3.1	Research Design and Approach	25
3.2	Data Collection Methods.....	26
3.3	Population and Sampling Techniques	26
3.3.1	Target Population.....	26
3.3.2	Sampling Techniques	26
3.4	DATA ANALYSIS.....	27
3.5	VALIDITY AND RELIABILITY	27
3.6	ETHICAL CONSIDERATION.....	28
CHAPTER FOUR.....		29
DATA PRESENTATION, ANALYSIS AND INTERPRETATION		29
4.	INTRODUCTION.....	29
4.1	RESPONSE RATE	30
4.2	RELIABILITY ANALYSIS.....	30
4.3	GENERAL PROFILE OF RESPONDENT'S	31

4.4	DESCRIPTIVE ANALYSIS OF DATA RELATED TO STRATEGIC PLANNING AND ORGANIZATIONAL PERFORMANCE	36
	CHAPTER FIVE	47
	SUMMARY, CONCLUSIONS AND RECOMMENDATION	47
5.	INTRODUCTION.....	47
5.1	SUMMARY OF FINDINGS.....	47
5.2	CONCLUSION	49
5.3	RECOMMENDATIONS	50
5.4	FUTURE RESEARCH DIRECTION.....	51
	REFERENCES	52
	APPENDICES.....	54
	Appendix I.....	54
	Appendix II.....	60

List of Tables

Table 1: sample size in each stratum	27
Table 2: Rule of thumb of Cronbach's Alpha.....	28
Table 3: Response Rate of Questionnaire.....	30
Table 4: Reliability Test Result	31
Table 5: Role in Strategic Planning Process	32
Table 6: Participation in Strategic Planning	32
Table 7: Experience level of Employees	34
Table 8: Current position of the Employees	35
Table 9: Managers Opinion related to Performance Measure	37
Table 10: Managers Opinion related to Techniques to overcome challenges during Strategic Planning	39
Table 11: Managers Opinion related to Process Element.....	41
Table 12: Managers opinion related to Dissemination	43
Table 13: Managers opinion related to Integration with Performance Measurement	44
Table 14: Employees Opinion on Communication.....	45
Table 15: Employees Opinion on Participation.....	46

List of Figures

Figure 1: Different Levels of Strategy	14
Figure 2: The relation between strategic planning and organizational performance.....	24

LIST OF ACRONYMS

NIC- Nib Insurance Share Company

SPSS 20.0- Statistical package for social science

SWOT- Strength, Weakness, Opportunities and Threats

ABSTRACT

The purpose of this study is to examine the effect of strategic planning on organization performance at Nib Insurance S.C. The study adapts a Descriptive research design and it targets the management and employee staff from different departments. The researcher used stratified sampling technique and 123 respondents were selected from Head Office to participate in this study. Primary data was collected from the managers and employees of NIB Insurance SC through structured questionnaires. Out of a total of 123 questionnaires distributed from the 123 questionnaires 49 was filled by managers while 44 was filled and 30 was not filled and returned by the employee. Data was analyzed through descriptive statistics. Findings showed that communication and participation of employees had a positive effect on organizational performance. It was recommended that In the process of designing Strategic Planning, participation of the concerned bodies enhances the pace of improving organizational performance and top-level management at different department in the insurance should involve employees to understand and share the organizational value which helps to create a team-spirit and shared accountability.

Keywords: Communication, Participation, Dissemination, Performance Measure, Integration, Process element, Techniques, Organizational Performance

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The purpose of this study is to explore the impact of strategic planning on organizational performance in the case of Nib Insurance Company S.C. This chapter includes background of the study, the statement of the problem, general and specific objectives of the study, research questions and significance of the study, scope and limitation of the study, operational definition of terms and organization of the paper.

1.1.1 Concept of Strategic Planning

In this dynamic world where there is high competition, strategic plan is a crucial element for an organization to be in a competitive advantage. To achieve its goal, a certain organization should know how to please customers and employees. According to (Scott, 2016), strategic planning is a complex activity and before attempting a definition it is useful to compare its degree of complexity with another complex activity: economic policy making, which has a general similarity with strategic planning in that strategic planning is concerned with running a company and economic policy is concerned with running the economy of a country.

Strategic planning also involves in anticipating the future environment, but the decisions are made in the present. This means that over time, your organization must stay abreast of changes in order to make the best decisions it can at any given point it must manage, as well as plan, strategically. Strategic planning has also been described as a tool but it is not a substitute for the exercise of judgment by leadership. Ultimately, the leaders of any enterprise need to sit back and ask themselves “What are the most important issues we should respond to?” and “How shall we respond?” And they must have answers. Finally, strategic planning, though disciplined in many respects, does not typically flow smoothly

from one step to the next. It is a creative process, and the fresh insight arrived at today might very well cause you to alter the decision made yesterday. Inevitably, the process moves back and forth several times before arriving at the final set of decisions (Kawata).

Many studies have attempted to relate organizational performance to classification of firms with regard to their formal planning practices. The most basic classification scheme is planners to non-planners according (Stanford, 1957) to found that proper planners outperformed from non-planners in regard to growth by earning sales in linking high-growth with low-growth organizations.

Strategic planning practices are the tools that define the routes that when taken will lead to the most likely probability of getting from where the business is to where the owners or stakeholders want it to go. Strategic planning is a process that brings to life the mission and vision of the enterprise.

As a company grows and as the business environment becomes more complex the need for strategic planning becomes greater. There is a need for all people in the corporation to understand the direction and mission of the business. Companies consistently applying a disciplined approach to strategic planning are better prepared to evolve as the market changes and as different market segments require different needs for the products or services of the company. The benefit of the discipline that develops from the process of strategic planning, leads to improved communication. It facilitates effective decision-making, better selection of tactical options and leads to a higher probability of achieving the owners or stakeholders goals and objectives.

1.1.2 Strategic Planning and Organizational Performance

Strategic planning can help in improving the performance of the enterprise for years. This is done by piloting the company to find and focus on the handful of really big issues facing the organization. It is the size and impact of these strategic issues that gives rise to the importance of the strategic plan. Set long term strategic objectives for improved performance of the organization. These objectives should clearly further the enduring purpose of the organization.

This means knowing and spelling out for whom the organization exists, and what benefit the organization seeks to provide this group. Every organization should set out to benefit one clearly defined group of beneficiaries, and a single, long term, verifiable; target figure should be set to reflect what it is trying to do for them. If it cannot set such a target, the organization should be reformed until this becomes possible (Sharder, 1984)

It is conceptualized that firms that have effectively embraced strategic planning, records better performance as compared to those that have not. Carrying out the various steps in the strategic planning process is expected to facilitate the realization of organizational effectiveness. By defining a company's purpose and goals, strategic planning provides direction to the organization and enhances coordination and control of organization activities. The primary goal of strategic planning is to guide the organization in setting out its strategic intent and priorities and refocus itself towards realizing the same. The process of strategic planning shapes a company's strategy choice. It reveals and clarifies future opportunities and threats and provides a framework for decision making throughout a company. It helps organizations to make better strategies through the use of more systematic, logical and rational approach to strategic choice.

According to (Steiner,G.A, 1979)strategic planning stimulates the future on paper and it encourages and permits a manager to see, evaluate and accept or discard a far greater number of alternative courses of action than he/she might otherwise consider. Strategic planning tends to make an organization more systematic in terms of its development and this can lead to a greater proportion of the organization's efforts being directed towards the attainment of those goals established at the planning stage, that is, the organization become more focused. It applies a system approach by looking at a company as a system composed of subsystems. It permits managers to look at the organization a whole and the interrelationships of parts, rather than deal with each separate part alone without reference to others. Therefore, it provides a framework for improved coordination and control of an organization's activities.

Strategic planning provides a basis for other management functions. (Steiner,G.A, 1979) Observes that strategic planning is inseparably linked into the entire fabric of management. It provides a framework for decision-making throughout the company and forces the

setting of objectives, which provides a basis for measuring performance. Managers are able to spend time, efforts and resources in activities that pay off.

Setting of goals and targets on the other hand facilitate evaluation of organization performance. Individuals in an organization will strive to achieve clear objectives that are set.

This study will inspire for the continued growth of the insurance sector and need for the same industry to have a well laid strategy in force. Effective strategic planning not only affects where an organization is going and the actions needed to make progress, but also how it will know if it is successful. Insurance companies that have implemented good strategic plans have since excelled leading a marked trend in the industry striving to catch up and keep up with this trend.

1.1.3 Profile of Nib Insurance S.C

Nib Insurance Company (NIC) was established by 658 shareholders with an authorized capital of Birr 50.0 million and a Paid-Up capital of Birr 14.0 million in May 02, 2002. NIC had 4 branches in Addis Ababa and a total staff size of not more than 50 at the time of its creation. Currently, the paid up capital has reached to Birr 250 million and the number of shareholders increased to 1,014. NIC provides both General (Non-Life) Insurance and Life Assurance Services to its clients.

The Company undertakes its operations through its Head Office, 42 branches and 1 Contact Office (for the General Insurance) and 1 Life Assurance branch where twenty-seven of the branches are located in Addis Ababa. Currently, the number of employees working for NIC has reached to 416.

Mission

To provide reliable and quality insurance service and maximize its profitability, attain sustainable growth, build its assets, invest and support the overall growth of the country.

Vision

To be a first class insurance company preferred by stakeholders for its quality and diversified service.

Values

- Transparency and Accountability in the provision of service, information and also in decision making
- Respect and honesty in dealing with stakeholders
- Integrity at all levels
- Trustworthy and dependable partner to all customers
- Socially responsible
- Preferred by customers for its loyalty and commitment in serving them
- Avoid discrimination of any sort

Company's Structure

The Board of Directors consist 9 renowned entrepreneurs' who are professionals that are providing policy guidance over all the leadership system. The Management is composed of highly qualified and experienced professionals. The company has young and energetic staffs that discharge their responsibilities with exemplary team spirit and sense of ownership.

This study is conducted to explore how a strategic planning affects the organizational performance of Nib Insurance Share Company.

1.2 STATEMENT OF THE PROBLEM

Strategic planning for an organization is an important tool in defining its strategy or direction and making decisions on allocating its resources. It may also extend to control mechanisms which help in implementation of the strategy. According to (Hall F. , 2014)Strategic planning is a management technique that helps organizations set future goals and objectives to achieve more stable and predictable growth. It also identifies the actions required to reach these goals and should comprise mission and vision statements, first, it highlights the importance of a mission statement for the company; explains how the mission will be essential to the company's success. Then, it emphasizes how the vision statement supports the company's mission.

“If a business has little idea where it is headed, it will wander aimlessly with priorities changing constantly and employees confused about the purpose of their jobs. And it could chase strategies that have little or no chance of success” (Hall F. A., 2014, p. 2).

As a compass, a strategic plan points the right directions to drive the company to prosperity. If an organization has no ultimate navigation where it is headed, it will move flighty with no direction as loose cannon. It creates chaos, mismanagement, wrong work flow. Continually changing priorities and confused employees are some examples. Starting a business blindly, with no plan, ideals, goals, or foresight guarantees the business failure (Hall F. , 2014).

The successful strategic planning in organizational performance is very important to support and strength on organizational performance. A good strategic plan perform reduce wastage of time, cost minimize and to use less human resource and the right person to the right position. As a matter of fact, for a business to be successful there needs to be a road map for success. Without that road map provided by a solid strategic plan, decisions are made in a vacuum and/or there is considerable confusion and inconsistency evident within the organization (Drucker, 1985).

Most of the time organization prepares strategic planning to improve the performance of their departments and sector but fail to implement according to the time set, the planned human resource and within the budget framework. Authors offer a number of general causes for Unsuccessful strategic planning management and organizational efficiency failures: Lack of capital, unplanned expansion and management incompetence, lack of human resource management, wastage of time during implementation the strategic planning, all are mentioned as typical reasons for inefficient organization. Nevertheless, each of these challenges may be effectively addressed by strategic planning.

The researcher wants to investigate the implementation of strategic plan in Nib Insurance by checking the procedural process from the formulation step to the final step (action). According to this, the researcher find out there is a problem which was related to the implementation of strategic plan. This is because it has been seen that the plan doesn't get communicated to employees, and they don't understand how they contribute. The goals and

actions generated in the strategic planning session are too numerous because the team failed to make tough choices to eliminate non-critical actions. Employees don't know where to begin. Strategy is only discussed at yearly weekend retreats. Employees must also have the authority, responsibility, and tools necessary to impact relevant measures. Otherwise, they may resist involvement and ownership.

Hence, considering the past five year of the strategic plan (2013/2014-2018/2019) report of the of Nib Insurance the researcher notified gap between the strategic planning and organizational performance in response to this, the study will try to analyze the effect of strategic planning on organizational performance in Nib Insurance S.C at Head office level. To address this issue the study will focus on 3 variables of strategic planning such as communication, performance system and techniques as independent variables while organizational performance will acts like dependent variables.

1.3 RESEARCH QUESTIONS

The study attempts to find answer for the following questions

1. How does Nib Insurance Company S.C carry out its strategic planning?
2. What is the impact of strategic planning on organizational performance at Nib Insurance Company S.C?
3. What are the major challenges encountered while implementing the strategic planning at Nib Insurance S.C?
4. What Techniques did Nib Insurance S.C used to avoid the challenges that had been faced during the last five years (2013/14-2018/19)?

1.4 OBJECTIVES OF THE STUDY

1.4.1 General Objective

The prime objective of this study is to investigate the effect of strategic planning on organizational performance in the case of Nib Insurance Company S.C.

1.4.2 Specific Objectives

1. To assess how Nib Insurance Company S.C implemented its strategic planning
2. To investigate the impact of strategic planning performance at NIB Insurance S.C.
3. To identify the major challenges that NIB Insurance faced while implementing its implementing its strategic planning.
4. To find out what techniques should Nib Insurance needs to implement in order to avoid the challenges that the company faced during the last five years **(2013/14-2018/19)**.

1.5 SIGNIFICANCE OF THE STUDY

Strategic planning is a broad guideline in which organizations operate and move forward in order to achieve the organizational vision, mission and goals successfully. Therefore, this research may help to provide a better understanding and awareness on the problem related to implementation of strategic plan in Nib Insurance company S.C, it contribute its share towards improving the quality of the practice in implementing strategic plan in the insurance activities.

The researcher is also interested to see the effect of strategic planning on organizational performance of a given entity. Since this issue is not given attention and significant academic researches were not done on Nib Insurance, the researcher tries to study the effect of strategic planning in Nib Insurance Company S.C.

This study will also enable Nib Insurance S.C to understand and identify the importance of strategic planning for organizational performance.

It also paves the way for other researchers to further study the relationship between strategic planning and organizational operations from varied perspectives.

In addition, it is also believed that this study would be a plus to the existing literatures in the area of strategic planning and organizational performance.

1.6 LIMITATION OF THE STUDY

Adequate and reliable information is important to undertake any kind of survey precautions. It is also paramount to undertake properly and randomly selected respondents in order to ensure adequate representativeness of the sample population. However, the carelessness of some respondents while filling the questionnaires made it difficult to perform pure random selection among the target population.

The respondents also delayed the in filling and returning back the given questionnaires and interview was not made to the top managers due to COVID-19 and this problem has made its impact on the research report writing process.

1.7 DELIMITATION (SCOPE) OF THE STUDY

The research scope refers to the conditions, under which the research will operate, what the research addresses and is closely associated the problems framing. That the study aims to solve must fit in with those parameters (Simon, K, & Goes, 2013). The scope of this research has three parts. Which are Theoretical Scope, Methodological Scope and Geographical Scope.

1.7.1 Theoretical Scope

Strategic planning affects various aspects of organizations including human resources, finance, organizational cultures and other operational areas. However, this study is confined to investigating the effect between strategic planning on organizational Performance only in Nib Insurance Company S.C at Head Office Level.

1.7.2 Methodological Scope

The study used Descriptive research design to study effect of eight factors of strategic planning on organizational performance. The primary data for the research was extracted from both employees at higher level and middle level of management and managers of

NIC. The information gathered from the employees and managers helped the research to understand what the effect of strategic planning on organizational performance.

1.7.3 Geographical Scope

The study is delimited to the employees and managers located only at Addis Ababa Head Office due to the length of time available and Geographical area for this study. In addition, the study was delimited on the strategic plan implementation process on participation, communication, empowerment of the employees. Lastly the study was delimited to the last five years (2013/2014-2018/2019) strategic plan period of the Insurance.

1.8 DEFINITION OF TERMS

This section will focus on defining the central concepts of this study. In previous research these concepts have been defined in a variety of ways. The definitions presented here have drawn from different diverse studies and have been modified to suit the purposes of this study.

- **Mission:** Mission is the pursuit of a goal that is unique to an organization's competitive advantage—its specific strengths and offerings relative to competitors—while again emphasizing its values (Bowen) .
- **Vision:** It is a goal state embodying a long-term ambition of where an organization would like to be in the future relative to its competitors (Bowen).
- **Strategic Planning:** The process and document by which the leaders of an organization determine what the organization wants to look like at the end of a specified period of time usually three to five (Mosaica, 2001).

1.9 ORGANIZATION OF THE STUDY

The study will be organized in five chapters. The first chapter includes the background of the study, the statement of the problem, the research questions, objective of the study, significance of the study and delimitation (Scope) of the study and ended with definition of terms. Chapter two is concerned on the literature review which enhances the knowledge

area of the study which will be composed of theoretical, empirical and conceptual framework.

Chapter three will deliberate the data methodology which will be adopted for the study that brings relevant justification. Chapter four will present the findings on the effect of strategic planning on organizational performance Nib Insurance S.C. Chapter five will consists the conclusion and recommendation finally references and questionnaire was annexed to the last part of the research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2 INTRODUCTION

The purpose of this study is to explore the impact of strategic planning on organizational performance in the case of Nib Insurance Company S.C and deals with review of literatures that are related to the topic under consideration. The literature relevant to the topic under discussion includes works about strategic planning and Organization performances.

The chapter will be subdivided into three sections: the *Theoretical literature review* covers the review of relevant issues such as the concept of strategy, levels of strategy, Dimensions of strategy, strategy implementation, Concept of planning, theories and techniques of strategic planning. In addition, Basic Steps, importance and methods of strategic planning are reviewed. Finally, the chapter dealt with the organizational effectiveness. The *Empirical literature review* will also deal with effect of strategic plan on the organizational performance in considering the independent variables which will be discussed and finally *Conceptual framework* of the literature will be discussed.

2.1 Theoretical Literature Review

2.1.1 Strategy Definition

The word ‘strategy’ has originated from the Greek word strategos meaning ‘the general art’. The term of strategy is historically associated with military operations. It is explained in the dictionary as ‘military science and art for the general planning and conduct of large scale military operations’. (Berzins, nd)

A strategy is a unified, comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organization.

Strategy is also a course of action to achieve goals and it also consists of mission and objectives. Mission is the basic purpose of an organization. It is the very reason for the existence of an organization. It can't be defined with the reference to a very short time frame whereas objective and goals are more time specific and tangible. (Rao & Jain, 2003)

Strategy is the definition of long-term basic objectives and areas of activity of an organization, allocation of the resources required for their achievement and Strategy is a system of logical, integrating and balanced decisions.

It is also defined as a recognizable set of activities. Which includes:

- establishing and periodically confirming the organization's mission and its corporate strategy (what has been termed "the context for managing")
- setting strategic or enterprise-level financial and non-financial goals and objectives developing broad plans of action necessary to attain these goals and objectives
- allocating resources on a basis consistent with strategic directions and goals and objectives, and managing the various lines of business as an investment "portfolio"
- deploying the mission and strategy, that is, articulating and communicating it, as well as developing action plans at lower levels that are supportive of those at the enterprise level (one very specific method of policy or strategy deployment is known as HoshinKanri, a technique developed by the Japanese and subsequently used successfully by some American businesses, most notably Hewlett Packard)
- monitoring results, measuring progress, and making such adjustments as are required to achieve the strategic intent specified in the strategic goals and objectives
- Reassessing mission, strategy, strategic goals and objectives, and plans at all levels and, if required, revising any or all of them. (Berzins, nd)

2.1.2 Levels of Strategy

There are 3 types of strategic level which are the corporate level, Business level and the functional level of strategy.

- **Corporate level of Strategy:** it is the overall strategy of the corporation which combines the all strategic business unit.

- **Business level of Strategy:** it defines the future of the strategic business unit for its executives.
- **Functional Level of Strategy:** this level of strategy is for functional managers like marketing manager, finance manager, production manager. This strategy helps (guide) them in their decision. (Rao & Jain, 2003)

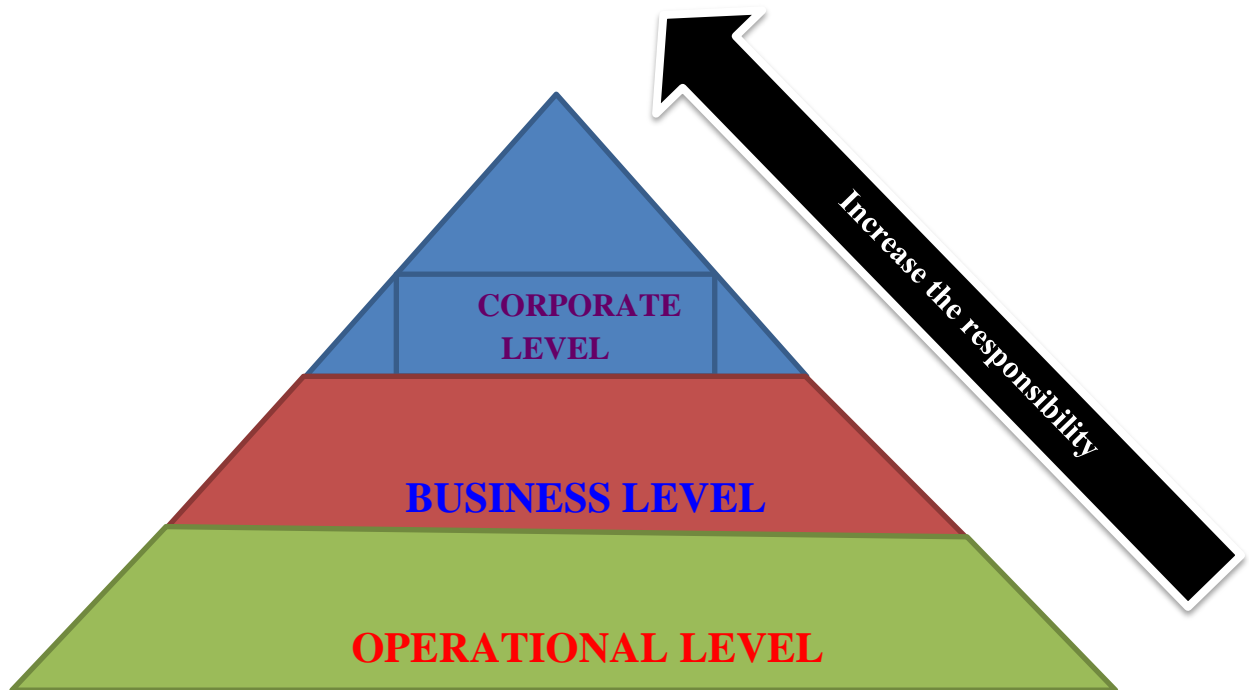


Figure 1: Different Levels of Strategy

2.1.3 Dimensions of Strategic Decisions

Effective strategies are those strategies that are able to achieve their results. The reasons behind their effectiveness are that they are developed on multiple dimensions and are tested on those dimensions. Some of the dimensions, which play a vital role in a success of the strategies, are:

1. **Top Management Involvement:** strategies are framed by top management. They demand complete involvement and dedication of top management and board of directors
2. **Future oriented:** strategy decides the future of the organization.

- 3. Allocation of large resources:** a strategy naturally involves allocation of huge resources which is very important for an organization.

According to Rao & Jane (2003) a strategy affects all aspects of the organization. A strategy should find a fit with all other important factors of the organization. There should be a fit between strategy and structure at the same time there should be a fit between strategy and a value system of the organization.

2.1.4 Strategy Implementation

Strategy Implementation deals with doing what you have planned. This means changing the product, services, organization structures, systems, resources and style as per strategy. Implementation must be monitored at regular intervals and deficiencies must be sorted out. (Rao & Jain, 2003)

Strategy implementation happens when a firm accepts organizational policies and practices that are consistent with its strategy. There are about three specific organizational policies and practices that are particularly important in implementing a strategy which is

- A firm's formal organizational structure,
- Its formal and informal management control systems and
- Its employee's compensation policies.

A firm that adopts an organizational structure, management control, compensation policy that are consistent with and reinforce its strategy is more likely to be implement those strategies than a firm that adopts an organization structure, management controls and compensation policies that are inconsistent with its strategies. (Barney & Hesterly, 2010)

2.1.5 The Concept of Planning

Planning can be defined as the organization's process of defining its objectives, due diligence and the development of its strategic, tactical and operational activities'. In other words, planning is the designing of the desirable future and of effective ways for its achievement. In fact, planning is selection, therefore, planning is plausible and possible only when alternative options for action occur. An organization operates successfully if its management is capable of predicting future events.

As Berzins, (nd) distinguished the four main objectives of planning as a function are:

- Prevention of the adverse effect of uncertainty and change;
- Focusing on the main objectives;
- Provision of the economic functioning of the system;
- Creation of possibilities for control and its streamlining.

2.1.6 Theories of Strategic Planning

Strategic planning is a methodology by which a specific roadmap is recognized for growing a doable, coherent and strong business or organization. The concept of strategic planning, on the other hand, is defined as an instrument that allows making long-term plans in consideration of the risks and opportunities faced by the organization, and improving efficiency by acting in line with these plans. (Hall F. , 2014)

It is also a periodic process that provides a structured approach to strategy formulation, implementation, and control. The purpose of strategic planning is to influence an organization's strategic direction for a given period and to coordinate and integrate deliberate as well as emerging strategic decisions. Strategic planning comprises a range of different activities designed to fulfill this purpose (such as strategy reviews, meetings, generation of strategic plans, etc.) (Wolf & Wfloyd, March,2013)

According to (Bhattacharya, 2013)Strategic planning is a management tool which helps an organization to do a better job, to focus its energy, to ensure that members of the organizations are working towards the same goals, to assess and adjust the organization directions in response to a changing environment. In short strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future.

It also provide an understanding of what it is not, for example, it is about fundamental decisions and actions, but it does not attempt to make future decisions. Strategic planning involves anticipating the future environment, but the decisions are made in the present, this means that over time, the organization must stay abreast of changes in order to make the best decisions it can at any given point it must manage, as well as plan, strategically.

It is also a creative process and the fresh insight arrived at today might very well alter the decisions made yesterday, inevitably the process moves forward and backward several times before arriving the final set of decisions.

2.1.7 Techniques in Strategic Planning

The techniques involved in strategic planning and management generally include some variation of the following:

- a strategic review or audit intended to clarify factors such as mission, strategy, driving forces, future vision of the enterprise, and the concept of the business.
- a stakeholders' analysis to determine the interests and priorities of the major stakeholders in the enterprise (e.g., board of trustees, employees, suppliers, creditors, clients, and customers)
- an assessment of external threats and opportunities as well as internal weaknesses and strengths (known variously as SWOT or TOWS), leading to the identification and prioritization of strategic issues
- either as part of the assessment above, or as a separate exercise, the identification of "core" or "distinctive competencies"
- also as part of the assessment above, or as separate exercises, the playing out of "scenarios" and even "war games" or simulations
- situational and ongoing "scans" and analyses of key sectors in the business environment, including industries, markets, customers, competitors, regulators, technology, demographics, and the economy, to name some of the more prominent sectors of the environment
- various kinds of financial and operational performance audits intended to flag areas where improvement might yield strategic advantage (Nickols, 2016)

2.1.8 Basic Steps of Strategic Planning

The sequence of the basic steps involved in the strategic planning process is shown below:

- Organize to Plan

- Organizational Vision, Mission, Activities and Values must be defined and reviewed.
- Do an Environmental Scan or SWOT (strengths, weaknesses, opportunities and threats) Analysis.
- Strategic issues should be identified
- Strategic Goals and Objectives should be developed.
- Create Execution Plans To Achieve Goals and Carry Out Objectives
- Monitor and Evaluate Periodically and Adjust if Necessary

Strategic planning gives emphasis on creating organizational direction, setting priorities and identifying obstacles and opportunities that may limit or enable to takeout the mission. Business plans and program work plans are often by products of the strategic planning process. After organizational priorities are set and strategic goals and objectives are expressed, these plans are used to describe the implementation details of various strategies such as budget, staffing, funding sources and evaluation activities. (Nickols, 2016)

2.1.9 Importance of Strategic Planning

Strategic planning is a useful tool, of help in managing the enterprise, especially if the strategy and strategic plans can be successfully deployed throughout the organization. Thinking and managing strategically are important aspects of senior managers' responsibilities, too. All these are part of what it takes to manage the enterprise. None of them is sufficient. For most established firms, this can easily amount to 80 percent of the action. In other words, "strategic issues," regardless of their importance, typically consume no more than 20 percent of the organization's resources (although they frequently command 80 percent of top management's time and attention). To paraphrase an old saw, **"The strategy wheel gets the executive grease."**

This is as it should be. Senior management should focus on the strategic issues, on the important issues facing the business as a whole, including where it is headed and what it will or should become. Others can "mind the store."

2.1.10 Methods of Strategic Planning

Organizations and managers today have a very wide range of applicable methods available for gaining the understanding of organizational activities, strategic and operational decision taking. From this some of the method that are mostly applied in strategic planning will be disused below.

2.1.10.1 The SWOT Method

Before an organization begins to consider formulating its strategy it is useful to summarize all of the information and opinions about what the course of its business is like. A Useful way to present it in a brief and concise manner is the SWOT method.

It is the assessment of the external and internal environment allows for the identification of the enterprise strengths and weaknesses, opportunities and threats existing in the external environment as well as its competitiveness. This method is also a means that can be used for the arrangement of the facts under the control of the organization management in such a way that through correlations between the data some specific processes going on in an organization are revealed. It consists of strengths, weaknesses, opportunities, and threats.

In order to measure competitiveness of an organization several factors have to be taken into account. These are:

- How strong is the competitiveness of an Organization?
- Would the organization competitiveness be strengthening or declining, if it continues to realize the current strategy?
- What is the position of an organization compared to its main competitors taking into account the main factor of industry development?
- What is defining the competitive advantage of an organization?
- What are the capabilities of an organization to defend its position in the industry, taking into account the industry competition factors?

When comparing an enterprise with its main competitors in the respective industry, one must assess its strengths and weaknesses, and the changes within the scope of the strategy to be implemented. It is useful to perform this comparison by taking into consideration the following measures: quality of services, customer service, customer satisfaction, financial

position, plant and equipment, basic skills, qualification and loyalty of personnel. Threats and Opportunities exist outside the organization. Opportunity is any beneficial situation that an enterprise could use to gain success in its business.

Opportunities are the emerging markets, an increased demand for a certain type of products or services, competitor bankruptcy, derogations from any regulations imposed etc. Whereas, Threats are changes of external conditions that may have harmful effects on business.

In order to realize the SWOT analysis the necessary data should be collected from the analysis of the signs of success, culture analysis, analysis of personnel skills, financial performance analysis, process analysis, risk analysis, cause-and-effect analysis, relative data analysis, absolute scale analysis and change readiness analysis.

First, the strengths and weaknesses should be tackled. The first objective is to identify what factors represent the strengths – anything performed so well that it is bound for making success, and what factors represent the weaknesses - anything that is not being done as well as it should be and causes any regress. When analyzing the opportunities and the threat, it would be necessary to collect data from customer analysis, competitor analysis, environmental analysis, analysis of the signs of success, input barrier analysis, resource availability analysis, financial performance analysis, risk analysis, portfolio analysis and life cycle analysis. Opportunities and threats refer to processes outside any specific organization. (Berzins, nd)

2.1.10.2 Usefulness of SWOT Analysis

SWOT Analysis helps in narrowing the choice of alternatives and selecting a strategy. It is the most common application that provides a logical framework guiding systematic discussions of the businesses situation, alternative strategies and ultimately the choice of strategy. (Bhattacharya, 2013)

2.1.11 Organizational Effectiveness

Organizational effectiveness is a concept of how effective an organization is in achieving the success of organization intends to produce. The idea of organizational effectiveness is especially important for non-profit organizations as most people who donate money to non-

profit organizations and charities are interested in knowing whether the organization is effective in accomplishing its goals.

Organizational effectiveness is an abstract concept and is basically impossible to measure instead of measuring organizational effectiveness; the organization determines proxy measures which will be used to represent effectiveness like the number of people served, types and size of population segment served and the demand within those segments for the services the organization supplies.

Organizations effectiveness is also dependent on its communicative competence and ethics. Ethics is a foundation found within organizational effectiveness. An organization must exemplify respect, honesty, integrity and equity to allow communicative competence with the participating members, along with ethics and communicative competence, members in the particular group can finally achieve their intended goals. (Bhattacharya, 2013)

2.1.12 Factors Affecting Organizational Effectiveness

According to (Bhattacharya, 2013) Effectiveness is typically measured in terms of performance, productivity, profit and so forth. It is identified as several criteria as productivity, net profit, mission accomplishment and organizational growth. The following are measures to determine organizational success or effectiveness.

- Overall performance
- Productivity
- Employee withdrawal
- Rate of return on investment
- Employee job satisfaction and motivation
- Stability and growth of organization
- Flexibility or Adaption
- Evaluation by external entities

2.1.13 The Relationship between Strategic Planning and Organizational Performance

In strategic planning research has attracted more attention than the relationship between strategic planning and organizational performance (e.g., Brews & Hunt, 1999; Ramanujam,

Venkatraman, & Camillus, 1986). Studies addressing the planning-performance relationship dominate strategic planning debates throughout the 1980s until the early 1990s. This period represents a peak in the volume of publication of strategic planning research (Whittington &Cailluet, 2008). These studies range from assessing a direct link between strategic planning and performance to those examining performance in light of contingencies in the external environment and internal organizational context.

2.2 Empirical Literature Review

Various related studies were conducted by different researchers in different parts of the world. However, there are very limited numbers of studies conducted in Ethiopia on the effect of Strategic Planning on Organizational performance.

(Gaitho, 2015) Conducted study on strategic planning practice adopted by UAP insurance company limited by accessing information from the top level management team of UAP Insurance with normal respondents group that is representative of the whole organization. The data collected for this study is therefore observed to be very reliable and can be used to generalize the strategic planning practices in the Insurance industry in Kenya. The company's strategic planning practices were stratified on real sections of operation with every zone having some different practice.

The study observed that UAP Insurance limited has an established qualified team of experts trained to offer quality services to the customers These employees are well taken care of and properly motivated as part of improving the performance of the organization.

It was also clear from the study that the company has existing objectives, mission and vision statements which directs the day to day running of the organization. Strategies are created when they are needed and senior management is involved in creating these strategies. The managers develop strategies for all their objectives accomplishment according with the internal and external factors-and try to perform the proposed plans. These strategies are then given to the departmental heads that are charged with the responsibility of implementation.

The study concluded that various strategic plans are crafted and implemented in different departments of UAP Insurance. The underwriting department applies practices such as

prudent underwriting skills such as competitive rating to obtain new business, improved renewal retention by sending reminders to customers and most importantly offering excellent customer service. The top management team of UAP Insurance is charged with the responsibility to ensure that new strategies are formulated in order to adopt with the ever changing environment. This helps the company remain competitive against its competitors.

(Mania, 2014) Candidly looked at the link between strategic management and its implication on the on the performance of the insurance firms themselves. He gave an analysis on the implementation of strategic plans and the resultant ripple effect on overall performance. This study seeks to fill the knowledge gap of how UAP Insurance, Kenya aligns itself with strategic plans in order to improve its performance and facilitate growth.

2.3 CONCEPTUAL FRAME WORK

Based on the literature, the major elements of this research are established either theoretically or empirically. Figure 2.1 represents a model for the study that shows the independent variables within the construct of Communication, the mediating variable (Performance System), Techniques and the dependent variable (Organizational Performance), and the proposed relationship between them.

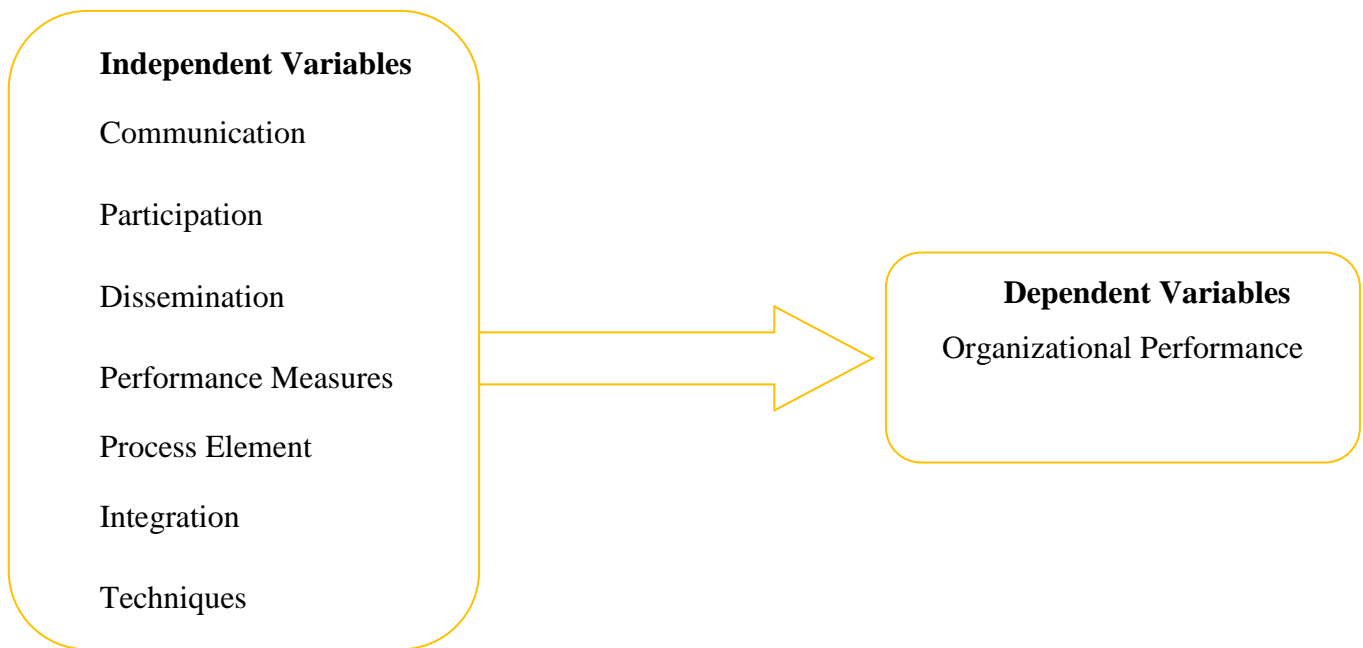


Figure 2: The relation between strategic planning and organizational performance

CHAPTER THREE

RESEARCH METHDOLOGY

3 INTRODUCTION

Research methodology is a systematic way to solve a problem. It is a science of studying how research is to be carried out. It is the procedures by which researchers go about their work of describing, explaining and predicting phenomena. It is also defined as the study of methods by which knowledge is gained and it aim is to give the work plan of research. According to (Kothari, 2004)“Research methodology is a way that systematically solves the research problem”. Therefore this chapter will discuss the research design and approach, the research method, the data collection, the sampling techniques, the data analysis of the thesis used and the schedule of the study.

3.1 Research Design and Approach

A research design is a very significant decision that determines how relevant information for a study will be obtained and intended to provide an appropriate framework for a study. (Sileyew, Augest ,2019)

In this research a descriptive survey design was employed because descriptive research help provide answers to the question of who, what, when, where and how aspects associated with research problem. The researcher also used questionnaire by using a structured Likert scale on the research. The study used quantitative approach. The quantitative approach that had been used helps to determine how strategic planning affects to the organizational performance in NIC.

The research design is intended to find answers about of the questions about the effect of strategic planning on organization performance.

3.2 Data Collection Methods

In this research primary data was collected with the help of questionnaire distributed to the 123 respondents from NIC. The respondents was employees from different job categories (department) namely professional staff, respondents which engaged on process of preparing strategic plan and different managers working at NIC headquarter in Addis Ababa.

3.3 Population and Sampling Techniques

3.3.1 Target Population

The study particularly interested in identifying what effects was strategic planning brings on organizational performance in NIC.

The target populations for the study were 123 employees and managers whom have knowledge about strategic planning; engage in the process and which work on the top level and middle level of the management which work at the head quarter of NIC. From this 25 are managers and the rest are employees which are in different level of management.

3.3.2 Sampling Techniques

For this research a stratified random sampling techniques were used in the target population to distribute the questionnaire because stratified random sampling techniques divides the target population into small sub groups based on its similarity. All the target population (123 respondents 49 from the managers and employees which were engaged in preparing the strategic plan and 74 from the employee which works on the top and middle level of management) was taken.

Hence the researcher classified the respondents into sub groups which is the manager group and the employee group in which the questioner distributed.

The above target Population, 123, was proportionately distributed into two strata's to guarantee appropriate and equal representation.

Table 1: sample size in each stratum

NO	NAME	Sample Size
1	Managers	25
2	Respondents who engage in preparing Strategic Planning.	24
3	Employees	74
	TOTAL	123

Thus the researcher distributes questionnaires to employee, managers and respondents which engage on the process of strategic planning.

3.4 DATA ANALYSIS

Data analysis method entailed editing, coding and tabulation of data collected into manageable summaries. The data analysis was analyzed by using descriptive statistics. In this section representation like table were used to ensure easy and quick interpretation of data. The items were grouped based on the response which was given by the respondents and coded. Once respondents filled the questionnaire the data was analyzed by using SPSS (statistical package for social science) software and also analyzed by using descriptive analysis, which include frequencies, sum, mean, standard deviations and percentage.

3.5 VALIDITY AND RELIABILITY

Validity refers to the extent to which differences found with a measuring instrument reflect true differences among those tested (Kothari, 2004). In order to ensure high level of content validity, comments by supervisors who are themselves experts were incorporated and changes made accordingly into the final questionnaire version.

Cronbach's alpha was used to test for internal reliability of each variable used in the study. Cronbach's alpha values range from 0 to 1 (A.Bryman, 2008). It is important to

make sure that the instrument that we develop to measure particular concept is indeed accurately measuring the variable and then in fact, we are actually measuring the concept that we set out to measure.

Table 2: Rule of thumb of Cronbach's Alpha

Cronbach's Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Source: (Cortina, 1993).

3.6 ETHICAL CONSIDERATION

While conducting this study ethical consideration was taken into account. Adequate care was taken to select appropriate time to distribute questionnaire. By explaining the purpose and objective of the study, maximum effort was made to make respondents feel secured and confidentiality was maintained. The researcher also makes sure that all participants or respondents involved in a voluntary basis.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4. INTRODUCTION

This Chapter deals with the presentation, analysis and interpretation of data gathered from managers and employees of NIC using Questionnaires. Data was collected and analyzed in order to assess the Effect of Strategic Planning on Organizational performance. As stated under the methodology part, to collect the data from managers and employees, questionnaires were prepared and distributed to the Head office of NIC. In this study, 123 (49 questionnaires were distributed for the managers while 74 questionnaires were distributed to employees) questionnaires were distributed to the respondents and 93 (49 questionnaires from managers and 44 questionnaires from employees) questionnaires were returned.

In order to archive the objective of the study and tackle the key research questions, the researcher has tried to conduct a detailed and technical investigations related to the study matter.

The questionnaire was structured in a 5-point Likert Scale format. A highly structured questionnaire format that allows for the use of closed questions that require the respondent to choose from a predetermined set of responses or scale points. This involves the use of special rating scale that asks respondents to indicate the extent to which they agree or disagree with a series of mental belief of the statements about a given subject (Strongly Agree = 1, Agree = 2, Neutral = 3, Disagree=4 and Strongly Disagree = 5).

Thus, the gathered data have been completed and analyzed meaningfully. Finally, the statistical methods of analysis are discussed, which included a descriptive analysis through Statistical Package for Social Science (SPSS version of 20.0).

The first section in this chapter deals with general profile (Demography) of respondents and the second section deal with the analyses of data related to Strategic planning and Organizational performance. The results are presented in the form of tables. This study used both quantitative and qualitative method.'

4.1 RESPONSE RATE

Table 3: Response Rate of Questionnaire

Number of Questionnaire Returned	Target Number of Respondents	Response Rate (%)
93	123	75.6%

Source: Own Survey, 2020

A total of one hundred twenty three (123) questionnaires were distributed to the respondents of NIC SC staffs; 93 questionnaires were returned. The total response rate was 75.6 %. As a result, the analysis of this research is based on the number of questionnaires collected.

4.2 RELIABILITY ANALYSIS

The reliability of scale shows that how free the data is from random error. Therefore, it is always advisable to select that scale that is reliable. One of the most commonly used scales of reliability is internal consistency. Internal consistency refers to “the degree to which the items that make up the scales are all measuring the same underlying attributes (i.e. the extent to which the items “hang together”) (Christopher, 2015). The Cronbach Alpha technique was applied to assess reliability of the measurement scales used in the study.

Table 4: Reliability Test Result

Variables	No. of Items	Cronbach's Alpha Result
Performance Management System	4	0.855
Performance Measure	5	0.723
Techniques to overcome Challenges	15	0.956
Process Element	10	0.910
Dissemination	3	0.94
Integration with Performance Measurements	3	0.826
Communication	3	0.763
Participation	4	0.887

Source: Own Survey, 2020

As can be seen in Table 6 all the variables scored acceptable and good alpha results.

4.3 GENERAL PROFILE OF RESPONDENT'S

Under this section, the researcher collected information about the general background of the respondents. The researcher collected information like Role, Participation, Duration, Success Gender, Age, Educational Background and year of service (experience) in the organization, Position and used SPSS to analyze them.

Table 5: Role in Strategic Planning Process

	Frequency	Percent	Valid Percent	Cumulative Percent
Senior Manager	25	51.0	51.0	51.0
Line Manager	14	28.6	28.6	79.6
Planning Staff	10	20.4	20.4	100.0
TOTAL	49	100.0	100.0	

Source: Own Survey, 2020

As indicate in the **Table 7** senior managers constitutes 25/51.0%, Line Manager constitutes 14/28.6% while the planning staff constitutes 10/20.4% from the total sample drawn. This shows strategic planning is mainly prepared or done by the top level managers (senior managers).

Table 6: Participation in Strategic Planning

	Frequency	Percent	Valid Percent	Cumulative Percent
Formulation of Strategic Plan	16	32.7	32.7	32.7
Implementation of Strategic Plan	16	32.7	32.7	32.7
Both	17	34.7	34.7	100.0
TOTAL	49	100	100	

Source: Own Survey, 2020

It shows that 16/32.7% participate on formulation of strategic plan, 16/32.7 participate on implementation of strategic plan and the rest 17/34.7% participate on both (formulation and implementation of strategic plan).

Table 9: Gender distribution of Employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	28	63.6	63.6	63.6
Female	16	36.4	36.4	100.0
Total	44	100.0	100.0	

Source: Own Survey, 2020

As indicate in the **Table 9** above, 28/63.6% of the employees were male and 16/36.4% of the employees were Female. This indicates that there are more male employees than female employees.

Table 10: Education level of the employees

	Frequency	Percent	Valid Percent	Cumulative Percent
First Degree	27	61.4	61.4	61.4
Masters	17	38.6	38.6	100.0
TOTAL	44	100.0	100.0	

Source: Own Survey, 2020

As indicated in the above **Table 10**, 27/61.4%, 17/38.6% of the employees are first-degree holders and post graduates.

Table 7: Experience level of Employees

	Frequency	Percent	Valid Percent	Cumulative Percent
0-2 years	8	18.2	18.2	18.2
2-4 years	16	36.4	36.4	54.5
5-10 years	14	31.8	31.8	86.4
Above10 years	6	13.6	13.6	100.0
Total	44	100.0	100.0	

Source: Own Survey, 2020

As indicated in the above **Table 11**, 8/18.2% of the employees worked in the organization for less than 2 years, 16/36.4% of the employees worked in the company for 2-4 years, 14/31.8% of the employees have been serving the company for 5-10 years. And 6/13.6% of the employees have been serving for the company for more than 10 years. From this data it is possible to say most of Nib Insurance S.C employees are experienced. This show the employees in the organization are knowledgeable about the company's background.

Table 8: Current position of the Employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Managerial Level	2	4.5	4.5	4.5
Supervisor	8	18.2	18.2	22.7
Line Staff	34	77.3	77.3	100.0
TOTAL	44	100.0	100.0	

Source: Own Survey, 2020

From the above **Table 12** we can see that Managerial level constitutes 2/4.5%, Supervisor constitutes 8/18.2% of the total employees in the sample. The majority of the employees are Line staff level which accounts for 34/77.3% of the total sample size. The percentages of professional employees like Line staffs are larger than other categories. This happened due to the nature of the total population which accumulates large number of employees in this job category.

4.4 DESCRIPTIVE ANALYSIS OF DATA RELATED TO STRATEGIC PLANNING AND ORGANIZATIONAL PERFORMANCE

This section of the chapter puts the results for the Descriptive statistics in the form of arithmetical means and standard deviation. Descriptive statistics, in the form of mean and standard deviation, were presented to illustrate the level of agreement of the respondents with their implications. The responses of the respondents for the variables indicated below were measured on five-point Likert’s scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. But while making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear.

1-1.8= Strongly Disagree, 1.81–2.6 = Disagree, 2.6 –3.4= Neutral, 3.4 –4.20= Agree and 4.2 –5 = Strongly Agree (Best, 1977, as cited by (Binyam, 2019)).

Table 13: Performance Management System

	N	Mean	Std. Deviation
Managers are responsible for implementing specific initiatives and projects that are part of the strategic plan.	49	3.33	1.068
Objectives established for managers are linked to the strategic plan	49	3.73	1.169
Annual Evaluation of managers is based on their accomplishment of strategic goals and objectives	49	3.33	1.068
Annual Salary Increment are based on the contributions to advancing strategic plan	49	3.45	0.959
Cumulative of Performance Management System	49	3.46	1.066

Source: Own Survey, 2020

From the above **Table 13**, Managers are responsible for implementing specific initiatives and projects that are part of the strategic plan. we can see that, a mean and standard deviation of (3.33 and 1.068), Objectives established for managers are linked to the strategic plan has scored a mean and standard deviation of (3.73 and 1.169), Annual Evaluation of managers is based on their accomplishment of strategic goals and objectives has scored a mean and standard deviation of (3.33 and 1.068), Annual Salary Increment are based on the contributions to advancing strategic plan has scored a mean and standard deviation of (3.45 and 0.959). The above Grand mean shows that, the respondents fall under the Agree scale with respects to the performance of the management System of NIC. This implies that the majority of the managers are satisfied by the performance Management of the Company.

Table 9: Managers Opinion related to Performance Measure

	N	Mean	Std. Deviation
Your entity uses performance measures to track implementation of projects, accomplishment of goals and objectives in the strategic plan and track outcomes targeted by strategic plan.	49	3.29	0.957
Do you Report performance measures associated with strategic plan to the key stakeholders on a Regular basis?	49	3.06	1.088
Do you Benchmark performance measures against other entities to measure the effectiveness of strategic initiatives.	49	3.00	1.099
Do you Track Performance data over time whether performance in strategic results areas has improved over previous levels?	49	3.31	1.065

Do you Target programs for more intensive evaluation based on the goals and objectives of the strategic plan?	49	3.06	1.088
Cumulative of Performance Measure	49	3.14	5.297

Source: Own Survey, 2020

From the above **Table 14**, your entity uses performance measures to track implementation of projects, accomplishment of goals and objectives in the strategic plan and track outcomes targeted by strategic plan. We can see that, a mean and standard deviation of (3.29 and 0.957); Do you report performance measures associated with strategic plan to the key stakeholders on a regular basis? has scored a mean and standard deviation of (3.06 and 1.088), Do you Benchmark performance measures against other entities to measure the effectiveness of strategic initiatives has scored a mean and standard deviation of (3.00 and 1.099), Do you track performance data over time whether performance in strategic results areas has improved over previous levels has scored a mean and standard deviation of (3.31 and 1.065). Do you Target programs for more intensive evaluation based on the goals and objectives of the strategic plan have scored a mean and standard deviation of (3.06 and 1.088). The above Grand mean shows that, the respondents fall under the Neutral scale with respects to the Performance Measures of NIC. This implies that the majority of the managers are neither satisfied nor dissatisfied by the performance measures of strategic plan of the Company.

Table 10: Managers Opinion related to Techniques to overcome challenges during Strategic Planning

	N	Mean	Std. Deviation
Your organization drives Strategies and resolve conflicts by using entity mandates and Obligations.	49	3.53	1.356
Your organization Customize planning process to account for the beliefs and demands of key stakeholders with authority and influence.	49	3.53	1.356
Your organization Collaborate with oversight bodies during strategy formulation and implementation process	49	3.14	1.173
Your organization Adjusts strategy development and implementation process in line with outside trends and issues.	49	3.27	1.076
Your organization Clarifies Strategic goals during strategic plan development	49	3.08	1.367
Your organization use Mission as Substitute for goals.	49	3.27	1.036
Your organization Increase Buy-In to plan by providing opportunities for participation.	49	3.53	1.356
Your organization Develop Performance Measures for achieving Strategic goals.	49	3.14	1.173
Your organization assigns accountability for achieving goals and implementing plans.	49	3.27	1.076
Your organization maintains an open strategy formulation and implementation process.	49	3.63	1.236
Your organization builds negotiation and bargaining opportunities.	49	3.14	1.173

Your organization develops a collation of interest to keep strategic management process on track.	49	3.18	1.131
Your organization provides incentives for organizational change.	49	3.57	1.339
Your organization engage entity leader to gain internal support for strategic plan.	49	3.20	1.080
Your organization link strategic planning to appropriation of funds and financial performance system.	49	3.24	1.109
Cumulative of Techniques used to overcome challenges	49	3.31	1.20

Source: Own Survey, 2020

From the above **Table 15**, Your organization drives Strategies and resolve conflicts by using entity mandates and Obligations We can see that, a mean and standard deviation of (3.53 and 1.356), Your organization Customize planning process to account for the beliefs and demands of key stakeholders with authority and influence has scored a mean and standard deviation of (3.53and 1.356), Your organization Collaborate with oversight bodies during strategy formulation and implementation process mean and standard deviation of (3.14 and1.173), Your organization Adjusts strategy development and implementation process in line with outside trends and issues has scored a mean and standard deviation of (3.27and 1.076),Your organization Clarifies Strategic goals during strategic plan development has scored a mean and standard deviation of (3.08 and 1.367), Your organization use Mission as Substitute for goals has scored a mean and standard deviation of (3.27 and1.036),Your organization Increase Buy-In to plan by providing opportunities for participation has scored a mean and standard deviation of (3.53 and1.356), Your organization Develop Performance Measures for achieving Strategic goals has scored a mean and standard deviation of (3.14 and1.173), Your organization assigns accountability for achieving goals and implementing plans has scored a mean and standard deviation of (3.27 and1.076), Your organization maintains an open strategy formulation and

implementation process has scored a mean and standard deviation of (3.63 and1.236), Your organization builds negotiation and bargaining opportunities has scored a mean and standard deviation of (3.14 and1.173),Your organization develops a collation of interest to keep strategic management process on track has scored a mean and standard deviation of (3.18 and1.131), Your organization provides incentives for organizational change has scored a mean and standard deviation of (3.57 and1.339), Your organization engage entity leader to gain internal support for strategic plan has scored a mean and standard deviation of (3.20 and1.080), Your organization link strategic planning to appropriation of funds and financial performance system has scored a mean and standard deviation of (3.20 and1.080).The above Grand mean shows that, the respondents fall under the Neutral scale with respects to the Techniques to overcome challenge on strategic planning in of NIC. This implies that the majorities of the managers are neither satisfied nor dissatisfied by the techniques and overcome of strategic plan of the Company.

Table 11: Managers Opinion related to Process Element

	N	Mean	Std. Deviation
Your organization review organizational mission.	49	3.14	1.173
Your organization clarifies departmental mandates.	49	3.20	1.080
Your organization evaluate of external threats and opportunities.	49	3.24	1.109
Your organizations assess internal strength and weakness.	49	1.80	0.645
Your organization develops vision statement.	49	3.16	1.028
	49	3.14	1.173

Your organizations develop strategic goals and objectives.			
Your organization made feasibility assessment on proposed strategies.	49	3.27	1.076
Your organization develop action plan.	49	3.14	1.173
Your organizations identify needs and concerns of various stakeholders.	49	3.20	1.080
Your organization made continuous evaluation of strategic planning process.	49	1.69	0.585
Cumulative of Process Element	49	2.898	1.0122

Source: Own Survey, 2020

From the above **Table 16**, your organization review organizational mission we can see that, a mean and standard deviation of (3.14 and 1.173), your organization clarifies departmental mandates has scored a mean and standard deviation of (3.20 and 1.080), your organization evaluate of external threats and opportunities has scored a mean and standard deviation of (3.24 and 1.109), your organizations assess internal strength and weakness has scored a mean and standard deviation of (1.80 and 0.645), your organization develops vision statement has scored a mean and standard deviation of (3.16 and 1.028), your organizations develop strategic goals and objectives has scored a mean and standard deviation of (3.14 and 1.173), your organization made feasibility assessment on proposed strategies has scored a mean and standard deviation of (3.27 and 1.076), your organization develop action plan has scored a mean and standard deviation of (3.14 and 1.173), your organizations identify needs and concerns of various stakeholders has scored a mean and standard deviation of (3.20 and 1.080), your organization made continuous evaluation of strategic planning process has scored a mean and standard deviation of (1.69 and 0.585). The above grand mean shows that, the respondents fall under the Neutral scale with respects to the process element in

strategic planning of NIC. This implies that the majority of the Managers are neither satisfied nor dissatisfied by the process element of strategic plan of the Company.

Table 12: Managers opinion related to Dissemination

	N	Mean	Std. Deviation
Your organization Produce strategic plan document.	49	3.27	1.076
Your organization disseminates the plan to employees at all levels of departments.	49	3.14	1.173
Your organization uploaded a summary of the plan to jurisdiction`s website for public viewing.	49	3.20	1.080
Cumulative of Dissemination	49	3.2	1.109

Source: Own Survey, 2020

From the above **Table 17**, your organization Produce strategic plan document we can see that, a mean and standard deviation of (3.27 and 1.076), your organization disseminates the plan to employees at all levels of departments has scored a mean and standard deviation of (3.14 and 1.173), your organization uploaded a summary of the plan to jurisdiction`s website for public viewing has scored a mean and standard deviation of (3.20 and 1.080), The above grand mean shows that, the respondents fall under the neutral scale with respects to the dissemination of Strategic planning in NIC. This implies that the majority of the managers are neither satisfied nor dissatisfied by the dissemination of the strategic plan of the Company.

Table 13: Managers opinion related to Integration with Performance Measurement

	N	Mean	Std. Deviation
Your organization used performance measures to track the implementation of project or other initiatives called for by the strategic plan and to track the accomplishment of goals and objectives found in the strategic plan.	49	3.33	1.068
Your organization used performance measures to track outcome condition targeted by the strategic plan and to benchmark the entity performance against similar departments in other jurisdiction.	49	3.73	1.169
Your organization track performance data overtime to determine whether performance in strategic results areas has improved over previous levels.	49	3.33	1.068
Cumulative of Integration	49	3.46	1.102

Source: Own Survey, 2020

From the above **Table 18**, your organization used performance measures to track the implementation of project or other initiatives called for by the strategic plan and to track the accomplishment of goals and objectives found in the strategic plan it can see that, a mean and standard deviation of (3.33 and 1.068), your organization used performance measures to track outcome condition targeted by the strategic plan and to benchmark the entity performance against similar departments in other jurisdiction has scored a mean and standard deviation of (3.73 and 1.169), your organization track performance data overtime to determine whether performance in strategic results areas has improved over previous levels has scored a mean and standard deviation of (3.33 and1.068),the above grand mean

shows that, the respondents fall under the Agree scale with respects to the integration of strategic planning with performance measures in NIC. This implies that the majority of the Managers are satisfied by the Integration of the Company.

Table 14: Employees Opinion on Communication

	N	Mean	Std. Deviation
You are highly Knowledgeable about the strategic planning of the organization.	44	3.30	0.978
Your department had the capability to gather and analyze data concerning performance in your department.	44	3.07	1.108
Your department is well communicated with the plan.	44	3.07	1.129
Cumulative of Communication	44	3.15	1.071

Source: Own Survey, 2020

From the above **Table 19**, you are highly Knowledgeable about the strategic planning of the organization we can see that, a mean and standard deviation of (3.30 and 0.978), your department had the capability to gather and analyze data concerning performance in your department has scored a mean and standard deviation of (3.07 and 1.108), your department is well communicated with the plan has scored a mean and standard deviation of (3.07 and 1.129), the above grand mean shows that, the respondents fall under the neutral scale with respects to the communication of employees towards strategic planning in NIC. This implies that the majority of the employees are neither satisfied nor dissatisfied by the communication of the company.

Table 15: Employees Opinion on Participation

	N	Mean	Std. Deviation
Employees from the Department were recruited to participate in the strategic planning process.	44	2.23	1.198
Lower level employees are centrally involved in the development of strategic plan.	44	2.36	1.014
Your department utilized the information we gathered from employees to make decisions during the strategic planning process.	44	2.89	1.466
Employees at your department have the authority, responsibility and tools necessary to impact relevant measures in strategic planning.	44	2.68	1.410
Cumulative of Participation	44	2.54	1.272

Source: Own Survey, 2020

From the above **Table20**, Employees from the department were recruited to participate in the strategic planning process we can see that, a mean and standard deviation of (2.23 and 1.19), lower level employees are centrally involved in the development of strategic plan has scored a mean and standard deviation of (2.36and 1.014), your department utilized the information we gathered from employees to make decisions during the strategic planning process has scored a mean and standard deviation of (2.89 and1.466),employees at your department have the authority, responsibility and tools necessary to impact relevant measures in strategic planning has scored a mean and standard deviation of (2.68 and 1.410) The above grand mean shows that, the respondents fall under the disagree scale with respects to the participation of employees in NIC. This implies that the majority of the employees are not satisfied on their participation in strategic planning process of the Company.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5. INTRODUCTION

This study focused on the effect of strategic planning on the organizational performance. To this effect both primary and secondary data sources were accessed and relevant facts were gathered. The collected facts were presented, analyzed and discussed under different headings. The analysis and discussion results from this relevant data presented and interpreted can be concluded in the section to follow. In addition, based on the conclusions drawn, a researcher has made some recommendations for both the organizations and the future researchers.

5.1 SUMMARY OF FINDINGS

This chapter provides a summary of the research findings, which are interpreted and explained. Further, the data collected is linked to the objectives and aims of the thesis. This thesis investigated the challenges experienced by NIB insurance share company. The study also explored the techniques employed to overcome these challenges. Data on the respondents was collected by means of a questionnaire. Descriptive analysis was done based on eight factors that make effects on organizational performance which are performance management system, performance measures, techniques, process element, dissemination, integration, communication and participation. Based on these dimensions major findings of the research are summarized as follows.

- ✓ It has been seen that the strategic plan which is designed by the top managers and other external bodies is not well communicated to the employees. Because of these they don't know their authority and responsibility and how to contribute to the strategic planning. This leads the employees to have low feelings on the involvement and ownership towards the organization.

- ✓ It has been observed that the goals and actions generated during the strategic planning process (formulation up to implementation) are too numerous. This results the team fail to accomplish the goal and objectives of the organization.
- ✓ It has been detected that the designed strategy was only discussed on occasions.
- ✓ The results of descriptive analysis found that performance management has a grand mean of 3.46 which implies majority of the respondents agreed on the implementing of projects, goals and establishment of objectives that are part of the strategic plan which leads on increasing of organizational performance of the organization. Performance measure results a grand mean of 3.14 which entails the organization performance measures to track the implementation of projects, accomplishment of goals and objectives, target programs for more intensive evaluation that is based on goals and objectives which are found on the strategic plan are not well enough adequate to increase the organizational performance. Techniques show a grand mean of 3.31 which implies that mechanisms used by the organization to overcome challenge during the strategic planning process and implementation are not well satisfied by the respondents. Process element has a grand mean of 2.89 which indicates that the majority of the respondents neither agrees nor disagrees about the process in which the strategic plan passes by. Dissemination results a grand mean of 3.2 which represents majority of the respondents were not satisfied on distributing the plan to employees at all level of the department and uploading the summary of the plan on the website of the organization. Integration with performance measurements consists of a grand mean of 3.46 which shows that the majority of the respondents agreed that there are integration between performance system and strategic plan. Communication shows a grand mean of 3.15 which implies that employees at the organization are not knowledgeable about strategic planning and not capable to gather and analyze data concerning performance of the organization. Participation represents a grand mean of 2.54 which means majority of the respondents disagreed. This shows that employees from each department were not recruited and have no authority and responsibility to participate and brings relevant impact on measuring of strategic planning.

5.2 CONCLUSION

Based on the results from the descriptive statics a concise conclusion is forwarded. An attempt is made to realize the objectives of the study, by answering the four research questions which were generated on chapter one. Hence from the findings of the analysis the following conclusions are forwarded. The main purpose of the study was to evaluate the effects of strategic planning on organizational performance of NIB Insurance SC with the specific predictor's variables. Specifically, communication, participation, dissemination, process element, integration, techniques and performance measures respectively. Hence, strategic planning variables like communication, performance measure and techniques has been assessed and it was found out that Communication between employees and the managers about strategic planning brings major factors in affecting organizational performance of NIC. This indicates that improving the practices of communication and participation and well planned dissemination of plan between employees needs attention from the company side. The results of this study were similar to the results of other studies mentioned in the empirical literature review in terms of employees communication and participation towards strategic planning are well taken care of and properly motivated as part of improving the performance of the organization.

It was also clear from the study that the UAP Insurance Company has existing objectives, mission and vision statements which directs the day to day running of the organization. Strategies are created when they are needed and senior management is involved in creating these strategies. The managers develop strategies for all their objectives accomplishment according with the internal and external factors-and try to perform the proposed plans. These strategies are then given to the departmental heads that are charged with the responsibility of implementation.

Based on the findings of this study communication between employees and managers about the strategic planning is not satisfactory. Therefore, it is a major area of concern for the company. To achieve the objective of the study, relevant literatures were reviewed and

quantitative data were collected through questionnaire filled by managers and employees. The data collected through questionnaire were presented, analyzed, interpreted and discussed using statistical package for social science (SPSS 20.0) version. Thus, based on the analysis, the following, conclusions drawn:

Strategic planning should be preceded by awareness creation communication to those who are affected and brings effect by its implementation. This implies that strategic planning is not merely technical, but also encompasses socio-political aspects as well. Hence, its design requires the will and consent of the employees in general. In this regard the study showed that there is gap in terms of getting support from the employee's during the strategic planning process.

Strategic plan enhances better organizational performance when there is proper dissemination of plan between employees at each department. It helps in achieving the goals and action that are generated in the strategic plan. It also encourages employees in communication and participation on the process of strategic planning which leads to increase a feeling of ownership and involvement. The researcher therefore concludes from the findings that communication, participation, Dissemination and techniques have a significant effect on organizational performance of NIC.

5.3 RECOMMENDATIONS

Based on the findings from the study, the following recommendations are made. Having discovered that organizational performance is a function of strategic planning, organizations should accord priority attention to the elements of strategic planning for example; having a documented mission statement, a future picture (vision) of the organization, organizations should establish core values like organization's rules of conduct, set realistic goals, establishment of long term objectives (this has to be measurable and specific) and the development of action plans and its implementation and adequate follow-up.

In the process of designing Strategic Planning, participation of the concerned bodies enhances the pace of improving organizational performance. However, it has been found out that there was lack of participation in the course of designing the plan. Therefore, a

researcher recommends that the top-level management at different department in the insurance should involve employees to understand and share the organizational values. This is helpful to create a team-spirit and shared accountability.

In addition, as changes may bring both positive and negative impacts, NIB insurance need to have open system so as to learn from other organizations operating under similar conditions. This would help the organizations optimize the benefits and minimize the costs to be incurred as a result of implementing the strategy.

Thus the success of strategic planning is dependent on continued monitoring evaluation of organizational performance. Then, NIB insurance should facilitate the continuity of monitoring and evaluation of the strategic plan process.

5.4 FUTURE RESEARCH DIRECTION

As a matter of fact, every research is the beginning moving from the known to the unknown. The study began with the goal of observing a relationship between strategic planning and organizational performance. It is done only in NIC head office. If other insurance companies, too, could conduct other research, they could greatly benefit. They can also look strategic planning from different perspectives. Hence, future researchers are recommended to investigate other aspects of strategic planning and organizational performance in general.

REFERENCES

- A. Bryman. (2008). *Business Research Methods* (Vol. 2nd Edition). Oxford University press.
- Barney, J. B., & Hesterly, W. S. (2010). *Strategic Management and Competitive Advantage Concepts* (Third Edition ed.). New Delhi.
- Berzins, G. (nd). *strategic Planning*. latavia.
- Bhattacharya, D. (2013). *Strategic Management in organizational Behavior and development*. Himaliya Publishing House.
- Binyam. (2019). Effect of strategic sourcing on organizational performance at MOHA Soft Drinks Industry S.C.
- Bowen, S. (n.d.). *The International Encyclopidia of Strategic Communication*.
- Christopher. (2015). *Reliability and Internal Consistency*.
- Cortina, M. (1993). What is Cofficient Alpha? An examination of theory and applications. *Journal of Applied Psychology*, 78,98-104.
- Drucker, P. F. (1985). *Strategies to be implemented for a business Sucess*.
- Gaitho, J. K. (2015). *Strategic planning Practices adopted by UAP Insurance Company limited in Kenya to enhance performance*. Nairobi.
- Hall, F. (2014). The Importance of Strategic Planning for the sucess of defined business. *How to craftand execute a sucess ful business strtegy*, 1-4.
- Hall, F. A. (2014). How to craft and execute a sucessful business strategy. 2-4.
- Kawata, P. A. (n.d.). *Strategic planning Manual*. National Minitory Aids Council(NMAC).
- Kothari. (2004). *Research Methodology,Methods and Techniques*. New Delhi: New age international.
- Mania, M. (2014). *Strategic planning and performance rating of insurance companies in kenya*. Nairobi.

- Mintzberg, H. (1987). The Strategy Concept I: Five Ps for Strategy. *Management Review*, 30(1), 11-27.
- Mosaica. (2001). Retrieved from Strategic Planning(a Ten step guide).
- Nickols, F. (2016). STRATEGY, STRATEGIC Management,STRATEGIC Planning and Strategic Thinking. 1-10.
- Rao, P. M., & Jain, T. K. (2003). *Strategic Managment,Current Trends and Issues*. New Delhi: Deep and Deep publication Pvt. Ltd.
- s.Rajasekar, T. p. (n.d.). Research Methodology. 620,024,613,503.
- Scott, A. (2016). Edinburgh Business School,Heriot-Watt University.
- Sharder, C. (1984). *Strategic Planning and Organizational Performance*, 10(2),149-171.
- Sileyew, K. J. (August ,2019). Research Design and Methodology.
- Simon, M., K, & Goes, J. (2013). Research for sucess. *Assumptions Limitations Delimitations and scope of the study*, 1-3.
- Stanford, U. (1957). *Classification of planners to non planners*.
- Steiner,G.A. (1979). Strategic Planning.
- Wolf, C., & Wfloyd, S. (March,2013). Strategic Planning Research: Towards a theory.driven. *Journal managment*, 1-35.
- Yamane, T. (1967). *Statstics, An introductory Analysis*,2nd Ed. New York: Harper and Row.

APPENDICIES

Appendix I **SCHOOL OF GRADUATE STUDIES**

Management Department

SURVEY QUESTIONNAIRE DESIGNED FOR MANAGERS

Dear Respondents,

My name is KalkidanKebede. Currently am a postgraduate a student of St. Mary's University, Addis Ababa Ethiopia. This questionnaire is designed to gather primary data on the Research title "**The Effect of Strategic planning On organizational performance**" in Nib insurance S.C

The objective of this questionnaire is for the purpose of partial fulfillment of the requirement for the MBA in General Management. Since the data collected is for academic purposes, the confidentiality of the information you provides is fully guaranteed. Therefore, I would appreciate your genuine response to the questions.

Thank you very much for your time cooperation.

For further information you may use: - Mob, Tel: **+251-926353694**; or

kalkidankebede4@Yahoo.com

GENERAL INSTRUCTIONS

- ✓ You are not required to write your name.
- ✓ Put a tick mark "✓" in the space provided in front of each item.
- ✓ Please try to fill all the items.

STRATEGIC PLANNING PROCESS

I) what is your role in the strategic planning Process?

- A) Senior Manager B) Line Manager C) Planning Staff

II) In which activities did you participate?

- A) Formulation of strategic plan B) Implementation of the strategic plan

LINKING PERFORMANCE MANAGEMENT SYSTEM TO STRATEGIC PLANS

I. Which of the following systems are used by your entity to link performance

NO		SA	A	U	D	SD
1	Managers are responsible for implementing specific initiatives and projects that are part of the strategic plan.					
2	Objectives established for managers are linked to the strategic plan.					
3	Annual evaluation of managers is based on their accomplishment of strategic plan, goals and objectives.					
4	Annual salary increments are based on the contributions to advancing strategic plan.					

management to strategic plans (please tick your answers on the relevant box or boxes):

Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), Strongly Disagree (SD)

TECHNIQUES USED TO OVERCOME CHALLENGES DURING STRATEGIC PLANNING AND IMPLEMENTATION

Thinking about your strategic planning practices in your department between 2013/14 and 2018/19, to what extent do you agree or disagree that the following statements represent the techniques used by the organization to overcome the challenge during the strategic planning process and the implementation. Please indicate the extent to which you agree or disagree with each statement and tick (√) in a box given below.

Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), Strongly Disagree (SD)

NO		SA	A	U	D	SD
1	The Organization drives strategies and resolve conflicts by using entity mandates and obligations.					
2	The organization Customize planning process to account for the beliefs and demands of key stakeholders with authority and influence.					
3	It Collaborate with oversight bodies during strategy formulation and implementation process.					
4	It Adjust strategy development and implementation process in line with outside trends and issues.					
5	Clarifies strategic goals during strategic plan development.					
6	Use missions as substitute for goals.					
7	Increase buy-in to plan by providing opportunities for participation.					

8	Develop performance measures for achieving strategic goals.					
9	Assign accountability for achieving goals and implementing plans.					
10	Maintain an open strategy formulation and implementation process.					
11	Build negotiation and bargaining opportunities.					
12	Develop a coalition of interest to keep strategic management processes on track.					
13	Provide incentives for organizational change.					
14	Engage entity leader to gain internal support for strategic plan.					
15	Link strategic planning to appropriation of funds and financial performance system.					

PROCESS ELEMENT

Thinking about the time between 2013/14-2018/19, how much do you agree or disagree that the following elements were included in your department's strategic planning process? Please indicate the extent to which you agree or disagree with each statement and tick (√) in a box given below.

SA= Strongly Agree A= Agree U = Undecided D=Disagree SD=Strongly Disagree

NO		SA	A	U	D	SD
1	Review of organizational mission					
2	Clarification of departmental mandates					
3	Evaluation of external threats and opportunities					
4	Assessment of internal strengths and weaknesses					

5	Development of vision statement					
6	Development of strategic goals and objectives					
7	Feasibility assessment of proposed strategies					
8	Development of action plans					
9	Identification of needs and concerns of various stakeholders (citizens, business leaders, and employees)					
10	Continuous evaluation of strategic planning process					

DISSEMINATION

To what extent do you agree or disagree that the following statements represent the implementation of your department's strategic plan between 2013/14 and 2018/19? Please indicate the extent to which you agree or disagree with each statement and tick (✓) in a box given below.

SA= Strongly Agree A= Agree U = Undecided D=Disagree SD=Strongly Disagree

NO		SA	A	U	D	SD
1	We produced a strategic planning document					
2	We disseminated the plan to employees at all levels of our department					
3	We uploaded a summary of the plan to our jurisdiction's website for public viewing					

Integration with Performance Measurement

Thinking about the time between 2013/14 and 2018/19, to what extent do you agree or disagree that the following statements represent how your department integrated strategic planning with performance measurement efforts? Please indicate the extent to which you agree or disagree with each statement and tick (√) in a box given below.

SA= Strongly Agree A= Agree U = Undecided D=Disagree SD=Strongly Disagree

NO		SA	A	U	D	SD
1	We used performance measures to track the implementation of project or other initiatives called for by the strategic plan and to track the accomplishment of goals and objectives found in the strategic plan.					
2	We used performance measures to track outcome conditions targeted by the strategic plan and to benchmark the entity performance against similar departments in other jurisdictions to gauge the effectiveness of strategic initiatives.					
3	We reported performance measures associated with the strategic plan to public on a regular basis					
4	We tracked performance data over time to determine whether performance in strategic results areas has improved over previous levels.					

Appendix II

SCHOOL OF GRADUATE STUDIES

Management Department

SURVEY QUESTIONNAIRE DESIGNED FOR EMPLOYEES

Dear Respondents,

My name is KalkidanKebede. Currently am a postgraduate a student of St. Mary's University, Addis Ababa Ethiopia. This questionnaire is designed to gather primary data on the Research title “**The Effect ofStrategic planning On organizational performance**” in Nib insurance S.C

The objective of this questionnaire is for the purpose of partial fulfillment of the requirement for the MBA in General Management. Since the data collected is for academic purposes, the confidentiality of the information you provides is fully guaranteed. Therefore, I would appreciate your genuine response to the questions.

Thank you very much for your time cooperation.

For further information you may use: - Mob, Tel: **+251-926353694**; or

kalkidankebede4@Yahoo.com

GENERAL INSTRUCTIONS

- ✓ You are not required to write your name.
- ✓ Put a tick mark “√” in the space provided in front of each item.
- ✓ Please try to fill all the items.

BACKGROUND INFORMATION

This section of the questionnaire refers to general information about the respondents.
Please tick in the box in front of the appropriate choice.

1. Gender

Male Female

2. Your Education Level

First Degree Masters PHD

3. How long have you worked in this Insurance?

Below 2 years Between 2-4 years

Between 5-10 years Above 10 years

4. What is your current position?

Managerial level Supervisor

Line Staff (Non-Technical) staff Technical Staff

Communication

Thinking about your strategic planning practices in your department between 2013/14 and 2018/19, to what extent do you agree or disagree that the following statements represent the capability of your department to complete strategic planning? Please indicate the extent to which you agree or disagree with each statement and tick (✓) in a box given below.

SA=Strongly Agree A=Agree U=Undecided D=Disagree SD=Strongly Disagree

NO		SA	A	U	D	SD
1	Our staff, at all levels, was highly knowledgeable about strategic planning					
2	My department had the capability to gather and analyze data concerning performance in our department					
3	Employees at the department are well communicated with the plan.					

Participation

To what extent do you agree or disagree that the following statements represent your department's efforts to include Employees in strategic planning efforts between 2013/14 and 2018/19? Please indicate the extent to which you agree or disagree with each statement and tick (√) in a box given below

SA=Strongly Agree A=Agree U= Undecided D=Disagree SD=Strongly Disagree

NO		SA	A	U	D	SD
1	Employees from the Department were recruited to participate in the strategic planning process					
2	Lower-level employees were centrally involved in the development of our strategic plan					
3	My department utilized the information we gathered from employees to make decisions during the strategic planning process					
4	Employees have the authority, responsibility, and tools necessary to impact relevant measures in Strategic Planning.					