

A STRATEGIC MANAGEMENT PRACTICE AND ITS IMPLICATIONS FOR ORGANIZATIONAL SUCCESS: A STUDY ON SOME SELECTED LOCAL GOVERNMENT IN EASTERN ETHIOPIA

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ABSTRACT

*Strategic management is a systematic process for managing the organization and its future direction that will assure continuous success in the organizations. A number of organizations underperform and fail to achieve their objectives because of weak strategic management practice. Therefore, it is important to study strategic management practice and its implications for organizational success in some selected local Government in eastern Ethiopia. A total of 60 respondents from local government, public sectors, heads and process owners were purposely selected and requested to fill the questionnaire. Correlation analysis was used to determine the associations between (environmental analysis, Organizational direction, Strategy formulation, strategy implementation, and strategy evaluation and control) and organizational success. Environmental analysis ($r=0.794^{**}$, $p < 0.01$), organizational direction ($r = 0.786^{**}$, $p < 0.01$), strategy formulation ($r = 0.834^{**}$, $p < 0.01$), strategy implementation and organizational success ($r = .776^{**}$, $p < 0.01$), and strategy evaluation and control ($r = 0.734^{**}$, $p < 0.01$) are significantly and positively correlated to organizational success. Multiple regression analysis was used to determine the contribution of each of the independent variables to the dependent variable, the results revealed that R^2 was 0.786 or 78.6% which was significant at 0.001 level. β values to measure the variation in organizational success indicated that strategy evaluation and control ($\beta = 0.444$), organizational direction ($\beta=0.543$), environmental analysis ($\beta = 0.355$), strategy implementation ($\beta=0.091$) and strategy formulation ($\beta=0.056$) respectively. The application of strategic management practice in organizations can help the organizations to enhance their success through improved effectiveness, efficiency and flexibility for clear and understandable ways of responding to the organizational issues. This study proved that the effect of strategic management is positive, allowing organizations to create complete system and teamwork, and clear directions and mission, which makes the organizations to have clear follow-up and feedback system within the organization.*

KEYWORDS: *Environmental Analysis, Organizational Direction, Organizational Success, Strategy Evaluation Control, Strategy Formulation, Strategy Implementation and Strategic Management Practice*

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INTRODUCTION

Strategic management is logical, systematic and objective approach of making decisions that are the fundamental factor for an organization's success and considered as the continuous monitoring of the external and internal environmental trends and issues to ensure that change is made as needed (Mcbain and Smith, 2010). Strategic Management is effective management tools in strengthening the organization through effective decision making and systematic strategic formulation and implementation (Zaei, et al. 2013). Strategic Management is concerned with making decisions and taking corrective actions to achieve long term targets /goals of an organization by transforming a bureaucratic public sector to a more responsive and innovative administration system (Osborne and Gaebler, 2010).

Strategic management is the full set of commitments, decisions, and actions a firm requires to carry out its strategy to gain sustainable competitive advantage (Wheelen and Hunger, 2002). Strategic management guides how the basic work of the organisation is approached, ensures the continual renewal and growth to provide a context for developing and carrying out the strategy that drives the organization's success (Kuratko and Audretsch, 2009).

Strategic management appeared to be part of a package management innovation which is designed to reinvent or modernize the public sector to a sustain competitive advantage by carrying out strategies that exploit their internal strengths, through responding to environmental opportunities, while neutralising external threats and avoiding internal weaknesses (Hitt, et al. 2009). The idea of a sustained competitive advantage in the organizations is more in line with the concept of organizational success (Johnson, 2009). Strategic management practices improve efficiency in the organization's success (Bakar et al, 2011). Strategic management practice consists of four basic elements, strategy formulation, implementation, evaluation and control. It is within these four elements that strategic management practices are manifested and is also described as the strategic management process. Strategy formulation is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses (Wheelen and Hunger, 2008).

Strategy implementation is the process through which strategies are put into action throughout the organization by deriving short-term objectives from the long-term objectives and further deriving the functional tactics from the strategy. This process assists management in identifying the specific immediate actions that must be taken in the key functional areas to implement the business strategy. It includes defining the corporate mission, specifying achievable objectives, developing strategies and setting policy guidelines (Pearce and Robinson, 2008).

Strategic management a series of steps covering the tasks of analysing the opportunities and threats that exist in the external environment, analysing the organization's strengths and weaknesses within the internal environment; identifying stakeholders, establishing organization's mission and goals, formulating strategies by matching the organization's strengths and weaknesses with the environment's opportunities and threats, implementing the strategies, and finally engaging in strategy control activities to measure the implementation progress and ensure achievement of the stated goals (Sekhar, 2009).

Strategy evaluation and control is the process of comparing the actual performance against the desired performance. Strategy evaluation involves setting control processes to continuously review, evaluate and provide feedback concerning the implemented strategies to determine if the desired results are being accomplished or not (Hill and Jones, 2001; Steiner, 1997). The field of strategic management has gained a sustained prominent in the management of public

services in the past two decades. Public organizations are increasingly being asked to use it as part of their management techniques. It has become an attractive management tool to reformers, and argues, for an organization to be without a strategy is to appear directionless and incompetent. The use of strategic management particularly when public organizations are considered underperforming and uneconomical in their use of public resources, among other things, help to enhance public organizations success (Bovaird, 2009).

Ever changing and dynamic nature of globalization has created challenges for Public sectors, with the emergence of the global economy, advances in technology, increased societal demands and the need to provide more social goods and services with fewer government resources. However, most Public sectors are inefficient and unresponsive in their service delivery due to work commitments, decisions, and actions towards satisfying the public needs. This is especially serious in developing countries' organizations (McInerney and Barrows, 2000). Strategic management is applauded for reshaping organizations and improving their organizational success. Strategic management is a set of managerial decisions and actions that in the long run will determine the success of the organization through external and internal environment analysis, strategic formulation, strategic implementation and evaluation and control (Amason, 2010). Today it is clear to the leaders that environment can change at any point of time and their plans should follow a strategy that put into consideration that both internal and external environmental changes may influence the strategic management practices of an organization (Cole, 2003).

The responsibilities of senior leadership in any given organization are to strategically manage the organization keeping in mind that strategic management is a continuous process rather than a one-time event (Sekhar, 2009). Strategic management is the process of examining both present and future environments, formulating the organization's objectives, implementing and controlling decisions focused on achieving these objectives in the present and future environments. In other words, strategic management is involved in deploying a firm's internal strengths and weakness to take advantage of its external opportunities and minimize its external threats/problems (Adeleke, 2008).

Strategic management is concerned with how actions and events involving top executives in a company influence the success or failure of that organization. The responsibility of leadership in any given organization is to strategically manage the organization, keeping in mind that strategic management is a continuous process rather than a one-time event. Strategic management is about the entire organisation which create sustainable competitive advantage implying the business secret or strategic plan over its competitors, having strategic direction (Sekhar, 2009).

The importance of strategic management practice as an effective tool in strengthening the success in the local governments has become a subject of interest in many developed countries. Developing countries' government, concerted efforts have been undertaken to empower local governments aimed at enhancing the capacity and organizational success (Osborne and Gaebler, 1992).

Success is a collection of work activities, operational efficiency, and effectiveness, their measurement and subsequent outcomes attained (Dessler, 2008). Every organization has a well defined mechanisms of measuring success which enables to evaluate current and past achievements relative to expected standards, but the methods used to measure success are relative to the context in which the organization operates and the strategic objectives pursued (Akinyi, 2010). The concept of success is vital to all organizations whether commercial, profit-making or not-for-profit organizations, private or public sector (Johnson et al, 2008).

Organizational success is a measure of the extent to which the organization's goals and objectives have been achieved. Such measure of achievement informs all the stakeholders of the extent to which we are succeeding in the business we are in. Based on their context, different organizations use different modes of success. Mazzarol and Rebound (2009), state that organizational success can be measured as achieving sustainable growth over time using such indicators as annual turnover, the number of employees, size of assets and equity in the balance sheet, market share and profitability.

Strategic management is designed to effectively relate the organization to its environment. The environments include political, social, technological, and economic elements (Sharplin, 1985).

Strategic formulation phase is a strategy that aims at ensuring that organizations achieve their objectives (Certo and Peter, 1991). David (1997) stated that strategy formulation includes deciding which business to pursue, how to allocate resources without hostile takeovers. He also added that strategy formulation phase comprises development of a mission statement, identification of external opportunities and threats, determination of internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing the best strategy to be implemented. Second, is the implementation phase that initiates activities in accordance to strategic plans (Sharplin, 1985). This requires firms to establish objectives, devise policies, motivate employees, and allocate resources to execute formulated strategies. Without the effective strategy implementation, organizations are unable to reap the benefits of performing an organizational analysis, establishing organizational direction, and formulating organizational strategy. Lastly, is the evaluation and control phase that requires information to be obtained on strategic performance and comparing it with existing standards (Certo and Peter, 1991). Evaluation is also done by reviewing current strategies, measuring performance and taking corrective actions. Strategy evaluation is needed because success today is no guarantee of success tomorrow. Success always creates new and different problems, complacent organization's experience demise (David, 1997).

MODERATING VARIABLES

Leadership

Leadership is something that managers must be able to do if they are to be successful in achieving organizational goals. Leadership is a unique control behaviour that is directed to the management of human resources (Bass, 1998). Which express in terms of, Degree of ability: It refers to ability to organize, supervise and dealing with issues. This variable is adopted from Jameson and Soule (1991). Degree of a Visionary: refers to ability to redefine the purpose of organization and embody new purposes into the structure and systems; ability to design long-term plan and the ability to forecast incoming issues (Bryson, 1988). Locus of Control: refers the extent to which individuals believe that they can control events affecting them. Individuals, who have a high internal locus of control are referred to as internals believe that the events in their lives are primarily the result of their own behaviour and actions. Individuals who have a high external locus of control or referred to as external on the other hand believe that the events in their lives and organizations are primarily determined by chance, fate or other people (Julian Rotter, 1966) and (Burger J.M., 1986).

Organization Culture

Leadership at the executive level is indirect and, in many ways, more difficult than leadership at the service delivery level. Leadership at the executive level is essentially about the creation and maintenance of an environment that fosters the desired attitudes, values, beliefs, and behaviors among the organization's members. This is known as the

organization's culture. The ability to perceive the limitations of one's culture and to develop the culture adaptively is the essence and ultimate challenge of leadership at the top of any organization (www.lapdonline.org). Level of Team work: Refers to desirability of the personnel to work in a group accomplishing a given task or assignment. Level of Commitment: Refers to willingness among the personnel to complete the task at their level best and having sense of pride for achieving organizational task.

Organization Structure

Organizational structure shows Division of labor, hierarchy, communication and leadership structure within the organizations. Degree of Authority: Refers to clarity of line authority from top management to the lowest level; clarity of duties, responsibilities and authorities of each role in the organization and degree to which authority is delegated. Degree of structural flexibility: refers to adopting strategic changes. Extent of Coordination: Refers to level of interdependence in work situations. How programs and tasks are coordinated and what are the tools or mechanisms used to coordinate. Level of Communication: Refers to the existence of a strictly upward, downward and multidimensional communication as oppose to a little two-way communication. Also refers to level of participation of personnel in organization communication (Bass, 1998).

Organizational capability/Capacity

Organizational capacity can be seen as a function of many different factors that exist within an organization. Individual capabilities, ways of organizing, cultural norms and physical assets all combine to enable an organization to work towards its mission. It refers to the ability of the organization to effectively manage its programmes to achieve the stated goals and objectives with a minimum cost (Mundia, 2009). Capabilities/capacity also refers to a company's ability to make use of its resources in a highly productive manner. Individual resources do not confer competitive advantage, they must work together to create an organizational capability. It is a capability that is the essence of superior success in the organizations (Santiago, 2003)

Conceptual Framework of the Study

This study conceptualized organizational success of the selected local government in eastern Ethiopia in terms of established complete of systems, team work, Clear directions and mission, Clear and understandable ways of responding to issues and Clear follow-up and feedback in the organizations while the independent variables as strategic environmental analysis, establishing organizational direction, strategy formulation, strategy implementation and strategy evaluation and control. The organizational success of strategic management in local government depends on whether the local government undertakes the various steps of strategic management as shown in the framework. The level of implementation of strategic management in this research is influenced by the leadership, organizational culture, organizational structure, and organizational capabilities but these factors are controlled in the study. When implementation is effectively carried out, the public sector established complete of systems, improve team work, set Clear directions and mission, have clear and understandable ways of responding to issues and have clear follow up and feedback mechanism in the organizations. Therefore, a local government, public sector that uses strategic management is expected to overcome most of its threats as well as to minimize its weaknesses to make their organizations successful. Strategic management practice concerned with identifying individual and organization actors for the organizations success. Figure 1 in the current study shows the degree to which Strategic Management practices on organizational success.



Figure 1: The Conceptual Framework of the Study

Strategic management is widely practiced by private sectors and other profit-oriented organizations in the developing countries, its adoption by public sector, particularly in government administrations at the operational level is less understood, and practiced and documented (Mohammad, 2006). Public in developing countries largely depends on local government to get goods and services. These local governments play the most important role in the developing country's effort to achieve economic growth and sustainable development aside from satisfying the needs of the society. Public sectors are important in the provision of goods and services to the nation and they are also critical as a catalyst in economic growth and wellbeing of the country as whole. Studying the strategic management practice and its implications for organizational success in local government, where public sectors play the most important role to achieve economic growth for sustainable development. Different studies have been conducted with strategic management, but none of them investigated on strategic management practices and its implications for organizational success local government in Ethiopia in general and in eastern Ethiopia particularly. It is imperative to study on how strategic management is being practiced and its implications for organizational success in selected local government in eastern Ethiopia particular. The main objective of this study is to determine strategic management practices and its implications for Organizational success in some selected local government in eastern Ethiopia.

MATERIALS AND METHODS

This research employed exploratory and descriptive design. Descriptive research is the most commonly used and the basic reason for carrying out a descriptive research is to identify the effects of independent variables on the dependent variables (Kothari, 2004). Descriptive research studies are designed to obtain important information concerning the status of phenomena from which valid conclusions may be drawn (Lockesh, 1984). An exploratory study is a valuable means of finding out 'what is happening; to seek new insights; to ask questions and to assess phenomena in a new light' (Robson, 2002). The research is also exploring because it addresses the knowledge gap over the practice of strategic management practice in local government/ public sector

The target population of the study were eastern Ethiopian local governments/ Public sectors. The respondents for the survey were the heads and process owners of the selected local government/public sector. Heads and process owners were decided to be the respondents of the survey due to their direct involvement in strategic management issues for their

respective offices. Furthermore, (Israel, 2003) asserts that when a population is of size 200 or less, a census is the most appropriate for the study. Another advantage of a census is that it reduces the sampling error since all the elements in the population are studied. Therefore, a census sampling technique was used together data from 33 local government heads and process owners purposely selected from Eastern Ethiopian local government/public sectors.

Questionnaires were distributed to 66 heads and process owner of selected local government office holders in eastern Ethiopia. The questionnaires were collected after ten days of distribution so as to provide enough time for respondents to think over the questions and provide their genuine responses. Out of 66 heads and process owner of selected local governments only 60 respondents or (91%) of questionnaires were collected and used in the analysis.

The validity of the instrument was established by the research supervisor reviewing the items. Validity involves how accurately the data obtained represents the variables of the study while reliability refers to the degree to which a research instrument yields consistent results or data after repeated trials to establish its reliability (Saunders, et.al. 2003).

To ensure reliability, the questionnaires were pre-tested on a pilot scale through selected respondents outside the study area. The reliability of the measures was examined through the calculation of Cronbach's alpha coefficients. From where the instrument's reliability was determined to have a Cronbach alpha coefficient of the minimum value is 0.843. The questionnaire is considered reliable if it has a Cronbach Alpha Coefficient of at least 0.7 (Mugenda and Mugenda, 2003).

Table 1: Cronbach Alpha (α) Coefficient Table

Variable	N	Cronbach's alpha
Strategic environmental Analysis	60	0.843
Establishing organizational direction	60	0.981
Strategy formulation	60	0.983
Strategy implementation	60	0.881
Strategy evaluation and control	60	0.885
Organizational success	60	0.963

RESULTS AND DISCUSSIONS

The study used inferential analysis assisted in understanding relationships between the study variables. In order to meet the research objectives of this study, all valid responses were assessed using a variety of statistical techniques. Pearson's Correlation, analysis of variance and regression analysis. Pearson's Correlation analysis was used to establish the degree of relationships between variables. Pearson Correlation was preferred because it assesses the strength of a linear relationship between the independent variables and dependent variables.

Table 2: Correlations between Strategic Management Practices and Organizational Success

Vari.	EA	OD	SF	SI	SE	OS
EA	1					
OD	.801**	1				
SF	.863**	.708**	1			
SI	.891**	.840**	.892**	1		
SE	.712**	.686**	.765**	.913**	1	
OS	.794**	.786**	.834**	.776**	.734**	1

Sig. (2-tailed)

Vari = variables, EA = Environmental Analysis, OD = Organizational Direction, SF = Strategy Formulation, SI = Strategic Implementation, SEC = Strategy Evaluation/control and OS = organizational Success

Multiple regression analysis was used to determine the contribution of each of the independent variable's determinants (strategic management practice) to the dependent variable (organizational success). Regression analysis describes the way in which a dependent variable is affected by a change in the value of one or more independent variables. Regression helps to predict the value of a dependent variable using one or more independent variables (Kometa, 2007) and is used for the investigation of relationships between variables (Sykes, 1993). This analysis was also useful in quantifying the influence of various simultaneous independent variable effects on a single dependent variable (Sykes, 1993).

In order to test the strength of the relationship between the dependent and independent variables, regression coefficients were used to evaluate the strength of the relationship between the independent variables and the dependent variable. (Chu, 2002) claims that the β coefficients of the independent variables can be used to determine its derived importance to the dependent variable compared with other independent variables in the same model. R^2 was the multiple correlation, which represented the percent of variance in the dependent variable explained collectively by all of the independent variables (Garson, 2008). Thus, the R^2 value in the model provided a measure of the predictive ability of the model. The closer the value to 1, the better the regression equation fits the data. The following study multiple linear regression model was tested.

$$OS = \beta_0 + \beta_1 EA + \beta_2 OD + \beta_3 SF + \beta_4 SI + \beta_5 SE + e$$

Where: e = Error or random term, β_0 = Intercept or constant $\beta_1, \beta_2, \beta_3, \beta_4$ and β_5 = Regression coefficients or slope of the regression line of the independent variables 1 to 5. They indicate the relationship between the independent variables and the dependent variable

Strategic management practices have an influence on organizational success in some selected local government in eastern Ethiopia. A determinant for each of the strategic management practices or dimensions was computed to represent all the items that were used to measure the effects on organizational success. Correlation analysis was used to test the relationship between strategic management practices and organizational success on selected local government in eastern Ethiopia. The study determines relationships among the independent variables (determinants of strategic management practice) and their influence on the dependent variable (organizational success).

The analysis from table 2 indicates that there is a significant relationship between environmental analysis and organizational success in selected local government public sectors in eastern Ethiopia. The result of Pearson correlation analysis provided in table 2 shows that environmental analysis is significant, positively correlated to organizational success. The result shows a coefficient of 0.794** at $p = 0.01$ ($r = 0.794^{**}$, $p < 0.01$) which shows that the two variables, environmental analysis and organizational success are positively related. The correlation coefficient of $r = 0.794^{**}$ shows that there is a significant positive relationship between environmental analysis and organizational success in selected local government public sector.

There is a significant relationship between organizational direction and organizational success in selected local government public sector. The result of Pearson correlation analysis provided in table 2 shows that organizational direction is significant, positively correlated to organizational success in selected local government public sector. The result shows a coefficient of 0.786** at $p = 0.01$ ($r = 0.786^{**}$, $p < 0.01$) which shows that, organizational direction and organizational success are positively related. The correlation coefficient $r = 0.786$ shows that there is a significant strong positive relationship between organizational direction and organizational success in selected local government.

The correlation analysis of table 2 of the shows there is a significant relationship between strategy formulation and organizational success in selected local government public sector. The result of Pearson correlation analysis provided in table 2 shows that strategy formulation is significant, positively correlated to organizational success in selected local government public sector. The result shows a coefficient of 0.834** at $p = 0.01$ ($r = 0.834^{**}$, $p < 0.01$) which shows that the two variables, strategy formulation and organizational success in selected local government public sector are positively related. The correlation coefficient of $r = 0.834$ shows that there is a significant positive relationship between strategy formulation and organizational success in selected local government public sectors in eastern Ethiopia.

There is a significant relationship between strategy implementation and organizational success in selected local government public sector. The result of Pearson correlation analysis provided in table 2 shows that strategy implementation is significant, positively correlated to organizational success. The result shows a coefficient of 0.776** at $p = 0.01$ ($r = 0.776^{**}$, $p < 0.01$) which shows that the strategy implementation and organizational success are positively related. The correlation coefficient of $r = 0.776$ shows that there is a significant positive relationship between strategy implementation and organizational success in selected local government in eastern Ethiopia.

Table 2 of the analyses of strategy evaluation and control significantly affects organizational success of selected local government public sector in eastern Ethiopia. The result of Pearson correlation analysis provided in table 2 shows that strategy evaluation and control is, significantly, positively correlated to organizational performance. The result shows a coefficient of 0.734** at $p = 0.01$ ($r = 0.734^{**}$, $p < 0.01$) which shows that, strategy implementation and organizational success are positively related. There are significant combined relationships between environmental analysis, organizational direction, Strategy formulation, Strategy implementation and Strategy evaluation and control on organizational success in selected local government.

Model Summary

Table 3

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.846 ^a	0.786	0.697	1.8556

a. Predictors: Constant, EA, OD, SF, SI, SE/C

ANOVA^b

Table 4

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	382.34	5	76.468	8.856	.005a
	Residual	50.792	7	7.256		
	Total	433.132	12			

a. Predictors: Constant, EA, OD, SF, SI, SE/C

b. Organizational success

Coefficients^a

Table 5

Model		Unstandardized Coefficients		Standardized Coefficients		T	Sig.
		B	Std. Error	Beta			
1	constant	-1.682	8.998			-0.435	0.847
	EA	0.658	0.459	0.355		1.648	0.162
	OD	0.875	0.873	0.543		1.015	0.445
	SF	0.236	0.948	0.056		0.260	0.879
	SI	0.064	0.255	0.091		0.251	0.809
	SE/C	1.494	1.449	0.444		1.279	0.380

a. Dependent Variable: Organizational success

An analysis of the relative importance of the strategic management practices was carried out using a regression model. The results revealed that R^2 was 0.786 or 78.6%, which was significant at 0.001 level. This implied that these strategic management practices accounted for about 78.6 % of the variation in organizational success in this model. The results indicate that 21.4% of organizational success in some selected local government/public sector in eastern Ethiopia is explained by factors not included in the regression model. This study empirically examined that organizational success in selected local government in eastern Ethiopia is strongly influenced by strategic management practices. It can be observed from Standardized Coefficients using β values to measure the variation in organizational success indicated that strategy evaluation and control ($\beta = 0.444$) contributed to the highest variability followed by organizational direction ($\beta=0.543$), environmental analysis ($\beta =0.355$), strategy implementation ($\beta=0.091$) and strategy formulation ($\beta=0.056$) respectively. From the analysis strategic management practice is a management process that utilized to increase the organization's operations and administration activities which leads to the organizational success. The application of strategic management practice in organizations can help the organizations to enhance their performance through improved effectiveness, efficiency and flexibility for clear and understandable ways of responding to the organizational issues. This study proved that the effect of strategic management practice is positive, allowing organizations to create complete system and teamwork, and clear directions and mission, which makes the organizations to have clear follow-up and feedback system within the organizations. Furthermore, to remain competitive in a long run, efficient leadership, organizational culture, organization structure and organizational capability should be focused upon strategic management process as it allows the expressed allocation of responsibilities for different functions and processes to different entities and is directly leads to organizational success. Strategic management practice variables in the organizations have a positive implication to maximize efficiency under the prevailing circumstances which leads to organizational success. The findings are consistent with those of (Harrington et al., 2004) who concluded that a firm's strategic management practices should guide all those activities necessary to adapt the environment. Strategic management practices enable the management in establishing the right and proper strategic path for public organizations as a whole (Anderson, 2000). The study established that strategic management practices influence organizational success in selected local government in eastern Ethiopia. Management of in selected local government, public sectors in eastern Ethiopia should embrace strategic management practices so as to improve the success of their organizations. This was consistent with those of (David, 1997) who found that improved performance was enhanced by the utilization of strategic management practices.

These findings are also in agreement with those of other studies which observed that indeed there is a relationship between strategic management and organizational performance (Miller and Cardinal, 1994). The study established that the strategic management influences organizational performance and that the adoption of strategic management practices has a significant effect on the organizational success in selected local government public sectors in eastern Ethiopia. All the dimensions of strategic management practices influence the organizational success in selected local government public sectors in eastern Ethiopia.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

The major concern of this study was to examine the strategic management practice and its implications for organizational success in selected local government in eastern Ethiopia (East Hararghe zone, west Hararghe zone, Harari people national regional states and Dire Dawa city administration). A total of 60 respondents (n= 60) from local government, public sectors, heads and process owners were purposely selected and requested to fill the questionnaire.

Strategic Management is a concept that concerns with making decisions and taking corrective actions to achieve long term targets and goals of an organization. It also found to be an effective management tool in transforming a bureaucratic public sector to a more responsive and innovative administration system.

Strategic management practice consists of four basic elements, strategy formulation, implementation, evaluation and control. It is within these four elements that strategic management practices are manifested and is also described as the strategic management process to make the organization successful. Strategy formulation is the development of long-range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses.

Strategy implementation is the process through which strategies are put into action throughout the organization by deriving short-term objectives from the long-term objectives and further deriving the functional tactics from the organizational strategy. This process assists management in identifying the specific immediate actions that must be taken in the key functional areas to implementations. It includes defining the corporate mission, specifying achievable objectives, developing strategies and setting policy guidelines.

Strategy evaluation and control is the process of comparing the actual performance against the desired performance. Strategy evaluation involves setting control processes to continuously review, evaluate and provide feedback concerning the implemented strategies to determine if the desired results are being accomplished or not with the organizations.

The importance of strategic management practice as an effective tool in strengthening the success in the local governments has become a subject of interest in many developed countries. Developing countries government, concerted efforts have been undertaken to empower local governments aimed at enhancing the capacity.

Success is a collection of work activities, operational efficiency, and effectiveness, their measurement and subsequent outcomes attained. Mechanisms of measuring success which enables to evaluate current and past achievements relative to expected standards, but the methods used to measure success are relative to the context in which the organization operates and the strategic objectives pursued. Organizational success is a measure of the extent to which the organization's goals and objectives have been achieved.

RECOMMENDATIONS

Based on the findings the following recommendations are forwarded:

- Strategic management is designed to effectively relate the organization to its environment. The environmental analysis includes political, social, technological, and economic elements. The selected local government in eastern Ethiopia should make environmental analysis and set organizations direction before the formulation of strategies to make their organization's successful.
- Strategy formulation aims at ensuring that organizations achieve their objectives and deciding which business to pursue, how to allocate resources without hostile takeovers. The selected local government in eastern Ethiopia public sector should make development of a mission statement, identification of external opportunities and threats, determination of internal strengths and weaknesses, establishing long-term objectives, generating alternative strategies, and choosing the best strategy to be implemented.
- Without the effective strategy implementation, organizations are unable to reap the benefits of performing an organizational analysis, establishing organizational direction, and formulating organizational strategy. Selected local government public sector should establish objectives, devise policies, motivate employees, and allocate resources to execute formulated strategies.
- Strategic evaluation and control require information to be obtained on strategic performance and comparing it with existing standards. Evaluation is also done by reviewing current strategies, measuring performance and taking corrective actions. Strategy evaluation is needed because success today is no guarantee of success tomorrow. The selected public organizations should set a formal strategic management practices enable the management in establishing the right and proper strategic path for public organizations as a whole make the organization that has established complete of systems, improve teamwork, clear directions and mission, clear and understandable ways of responding to issues and have a clear follow up and feedback mechanism in the organizations.
- All the dimensions of strategic management practices influence the organizational success in selected local government public sectors in eastern Ethiopia. The management of these selected local government, public sectors should adopt the practices to achieve the organizational success.

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