

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, publicsectors, 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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