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**THE EFFECT OF STRATEGIC MANAGEMENT PRACTICE ON FIRM'S
PERCEIVED SUSTAINABLE PERFORMANCE: THE CASE STUDY OF
ALPHA WATER BOTTLING FACTORY**

BY

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JUNE, 2024

DEBRE BERHAN, ETHIOPIA

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ALPHA WATER BOTTLING FACTORY**

**A THESIS SUBMITTED TO DEBRE BERHAN UNIVERSITY IN PARTIAL
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BUSINESS ADMINISTRATION**

BY

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APPROVAL SHEET

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As members of board of examiners of the final open defence examination of the master of art thesis, we certify that we have read and evaluated the thesis prepared by Lubaba Mekonnen entitled “*The Effect of Strategic Management Practice on Firm’s Perceived Sustainable Performance: The Case Study of Alpha water bottling factory*” and have examined the candidate. We recommended that the thesis be accepted as fulfilling the thesis requirements of the degree of Masters in Business Administration.

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DECLARATION

The researcher hereby declares that the thesis titled “*The Effect of Strategic Management Practice on Firm’s Perceived Sustainable Performance: The Case Study of Alpha water bottling factory*” is my own work and all sources that have been referred to and quoted have been duly indicated and acknowledged with complete reference.

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CERTIFICATION

As Thesis Research Advisor, I hereby certify that I have read and evaluated this thesis prepared, under my guidance, by Gebyaw Aduga (Ass. Professor) entitled “*The Effect of Strategic Management Practice on Firm’s Perceived Sustainable Performance: The Case Study of Alpha water bottling factory*”. I recommended that it can be submitted as fulfilling the thesis requirement for the degree of masters of business administration.

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LIST OF ABBREVIATIONS

KPI: Key Performance Indicators

SPSS: Statistical Package for Social

Science VIF: Variance Inflated

Factor

ANOVA: analysis of variance

ABSTRACT

This study investigated "the effect of strategic management practices on perceived sustainable performance at Alpha water bottling factory." Descriptive research design and explanatory research design were used in the study. A mixed research approach was also employed in the study. Regarding to type of data, quantitative and qualitative data which were collected through structured questionnaires and structured interview respectively. Census was used to select respondents and response rate was 92.5% and purposive sampling technique was used to select interviewees. Both descriptive statistics (such as mean and standard deviation) and inferential statistics (Pearson Correlation, multiple linear regressions) were employed. The descriptive analysis from questionnaires' response revealed there were low factory's sustainable performance, strategic formulation, strategy implementation; environmental scanning and strategy evaluation practices. Interviewees also had similar view on the problems in strategy implementation and strategy evaluation practice of the factory though they expressed their confidence in the company's formulated strategies and their consideration of internal and external factors. The multiple linear regression analysis confirmed there was positive and significant effect of all four strategic management practices on perceived firm performance. Strategy implementation exhibited the strongest effect on performance, followed by followed by strategy formulation, environmental scanning and strategy evaluation. Based on the findings from the multiple linear regression analysis, it is recommended that the factory ought to prioritize its strategic management practices to enhance its perceived sustainable performance. Specifically, the factory had better focus on strengthening its strategy implementation, followed by strategy formulation, environmental scanning, and strategy evaluation. By placing emphasis on these aspects in the mentioned order, the factory can effectively improve its sustainable performance and competitive edge in the market.

Keywords:- Strategic Management, Sustainable Performance, Environmental Scanning, Strategy Formulation, Strategy Implementation, Strategy Evaluation

CHAPTER ONE

INTRODUCTION

In this chapter introduction part of the study including background of the study, statements of the problem, research questions, research objective, scope of the study, significance of the study, definition of key terms and organization of the study are discussed.

1.1 Background of the Study

In today's dynamic and competitive global business environment, organizations are increasingly recognizing the importance of adopting strategic management practices to achieve long-term success (Gaturu et al., 2017; Zwet, 2018). Strategic management encompasses a set of analytical and decision-making processes that enable firms to chart a clear course, define their competitive advantage, and allocate resources effectively (Agaba et al., 2023). A growing body of research highlights the positive impact of strategic management practices on a firm's overall performance, encompassing not only financial sustainability but also social and environmental responsibility (Chijioko et al., 2018; Habib et al., 2021; Kanyora & Okello, 2015).

At the global level, empirical studies have consistently demonstrated the link between strategic management practices and a firm's economic, social, and environmental performance. For instance, AlDhaheri et al. (2020) found that strategic planning, a key element of strategic management, has a significant positive relationship with a firm's financial performance. Similarly, Agbim et al. (2014) showed that environmental scanning, another important strategic management practice, enables firms to identify and capitalize on opportunities related to sustainability, leading to improved environmental performance. These findings suggest that strategic management practices are not just about maximizing profits but also about contributing positively to society and the environment. Smith and (Babatunde & Adebisi, 2012a; Mitra, 2021) highlighted the crucial role of environmental scanning in enabling firms to proactively identify social and environmental opportunities and risks, ultimately contributing to improved financial performance. Furthermore, studies by AlDhaheri et al. (2020) demonstrated that effective strategy formulation not only enhances financial performance but also influences the social and environmental outcomes of organizations on a global scale.

The positive influence of strategic management on firm performance extends to the African

continent as well. A study by Monday et al.(2015) exploring listed firms in Nigeria revealed that strategic planning practices significantly enhance a firm's financial performance. Similar results were observed in Kenya, where Mutindi et al. (2013) found a positive correlation between strategic management practices and a firm's profitability and growth. A study by Salau & Nurudeen (2022) revealed that strategy implementation plays a pivotal role in shaping the social and environmental performance of firms in African countries, emphasizing the importance of effectively translating strategic plans into tangible actions that benefit both the organization and its stakeholders. Moreover, the unique context of Ethiopia presents a compelling area for further exploration, as the country's developing economy and increasing emphasis on sustainability call for a nuanced understanding of the effects of strategic management practices.

1.2 Statements of the Problem

The dynamic nature of the global business landscape compels organizations to adopt strategic management practices for long-term success(Agaba et al., 2023, 2023; Mitra, 2021). Strategic management is a critical function in organizations that enables them to formulate and implement strategies to achieve their objectives(Habib et al., 2021). When examining strategic management practices, it's crucial to consider the various dimensions that contribute to their effectiveness. Environmental scanning, a core element, involves actively monitoring internal and external environments to identify opportunities and threats (Babatunde & Adebisi, 2012b). Studies by Agbim et al. (2014); Babatunde & Adebisi, (2012b) demonstrate a positive link between environmental scanning and a firm's performance. Strategy formulation translates the insights gained from environmental scanning into a clear roadmap for the firm. This roadmap outlines the organization's mission, vision, and goals, while also defining its competitive advantage(Borrero et al.,2020). The finding of the study of AlDhaheri et al. (2020) revealed a significant positive relationship between strategic planning, a key aspect of strategy formulation, and a firm's financial performance. Strategic planning fosters financial sustainability by ensuring resources are aligned with well-defined objectives.

Strategy implementation involves translating formulated strategies into concrete actions. This dimension encompasses resource allocation, process improvement, and change management initiatives(Abass et al., 2017). While financial performance is often a primary focus during

implementation, effective strategy execution can also lead to improved social and environmental outcomes (Agaba et al., 2023). For instance, implementing strategies that prioritize ethical sourcing of materials or promote employee well-being can contribute to a firm's social performance (Guruwo et al., 2017). Strategy evaluation assesses the effectiveness of implemented strategies and identifies areas for improvement. This continuous feedback loop ensures that the firm remains adaptable and responsive to evolving market conditions (Chepkwony, 2016). While evaluation often focuses on financial metrics, it can also be used to assess social and environmental impact.

Studies confirmed the positive effect of strategic management on firm performance extends beyond the global context (Abass et al., 2017; Meres, 2019; Mitra, 2021) and has been documented in African nations as well (Monday et al., 2015; Salau & Nurudeen, 2022). There are also several studies in Ethiopia which found similar results (such as Demie, 2020; Leykun Arega & Yohannes Workeferahu Elifneh, 2024; Meres, 2019). However, when they measure firm performance they did not include items measuring the other sustainable performance dimensions (social and environment performance) beyond the firms' operational performance. Moreover, the findings of the studies of Babatunde & Adebisi, (2012a); Sawyerr et al. (2000); Zhang et al. (2011) revealed the effect of environment scanning on strategic management practices in different non developing countries. However, its effect on firm sustainable performance has not been studied in developing countries like Ethiopia context. Besides, they employed quantitative research approach only. Thus, they were not able to triangulate the data obtained from questionnaires with the responses of interview using mixed research approach. Thus, this study was intended to examine the effect of firm's strategic management practice on firm's sustainable performance in case of Alpha water bottling factory, Ethiopia.

Previous researches have established the positive impact of strategic management practices on firm performance across various contexts (Abass et al., 2017; Meres, 2019; Mitra, 2021). This positive relationship has been documented not only globally but also within African nations, as evidenced by studies in countries like Nigeria well (Monday et al., 2015; Salau & Nurudeen, 2022). Similarly, research conducted in Ethiopia has yielded comparable findings (Demie, 2020; Leykun Arega & Yohannes Workeferahu Elifneh, 2024; Meres, 2019). However, a key limitation identified in these Ethiopian studies is the exclusive focus on operational

performance within their firm performance measures, neglecting other crucial dimensions of sustainable performance, such as social and environmental impact. Furthermore, studies by Babatunde & Adebisi, (2012a); Sawyerr et al.(2000); Zhang et al.(2011) have explored the influence of environmental scanning on strategic management practices in various non-developing countries. However, the specific effect of environmental scanning on firm sustainable performance remains unexamined within the context of developing countries like Ethiopia. Additionally, the aforementioned studies primarily relied on quantitative research methodologies. Consequently, they were unable to triangulate data obtained from questionnaires with the insights gained from interviews, a key strength of a mixed research approach.

Alpha Bottled Water is purified and naturally enriched water from the highlands of Chacha area. Formerly renowned for its profitability and popularity in the local market, the factory experienced a decline in sales following the emergence of competing similar water bottling factories such as Dega water bottling (Alpha bottling, 2023). Preliminary studies, including key informant interviews with 16 (10% of target population) Debre Berhan residents also revealed a concerning trend not only has Alpha water bottling factory's sales dwindled, but its social and environmental performance has also deteriorated. Despite this, limited research has been conducted to investigate the specific factors contributing to these challenges within Alpha water bottling factory water factory. Therefore, this study was intended to examine the effect of strategic management practice on perceived sustainable performance of Alpha water bottling factory.

1.3 Research Questions

The researcher addressed the following research questions:

1. How is the strategic management practice of Alpha water bottling factory?
2. What is the level of perceived sustainable performance of Alpha water bottling factory?
3. What is the effect of environment scanning on perceived sustainable performance of Alpha water bottling factory?
4. What is the effect of strategy formulation on perceived sustainable performance of Alpha water bottling factory?
5. What is the effect of strategy implementation perceived sustainable performance of Alpha

water bottling factory?

6. What is the effect of strategy evaluation on perceived sustainable performance of Alpha water bottling factory?

1.4 Research Objective

The study had the following general objective and specific objectives.

1.4.1 General Objective

General objective of the study was to examine the effect of strategic management practice on perceived sustainable performance of Alpha water bottling factory.

1.4.2 Specific objectives

The specific objectives of the study were:

- To assess the current strategic management practices employed by Alpha water bottling factory.
- To assess the perceived level of sustainable performance at Alpha water bottling factory.
- To measure the effect of environmental scanning activities on the perceived sustainable performance of Alpha water bottling factory.
- To evaluate the effect of strategy formulation practices on the perceived sustainable performance of Alpha water bottling factory.
- To evaluate the effect of strategy implementation practices on the perceived sustainable performance of Alpha water bottling factory.
- To determine the role of strategy evaluation mechanisms in shaping the perceived sustainable performance of Alpha water bottling factory.

1.5 Hypotheses of the study

The researcher formulated and tested the following research hypotheses:

- ❑ Ha1: Firm's environmental scanning practice has positive and significant effect on firm's perceived sustainable performance in the study area.
- ❑ Ha2: Firm's strategy formulation practice has positive and significant effect on firm's perceived sustainable performance in the study area.
- ❑ Ha3: Firm's strategy implementation practice has positive and significant effect on firm's

perceived sustainable performance in the study area.

- Ha4: Firm's strategy evaluation practice has positive and significant effect on firm's perceived sustainable performance in the study area.

1.6 Scope of the study

The scope of this study encompasses the investigation into the relationship between strategic management practices, specifically environmental scanning, strategy formulation, strategy implementation, and strategy evaluation, and the perceived sustainable performance of a Alpha water bottling factory water factory. This research employs a descriptive and explanatory research design, alongside a quantitative research approach. Data collection took place between 1st March and 30th April 2024. By encompassing these diverse perspectives, the study aimed to provide a comprehensive understanding of how strategic management practices influence the perceived sustainable performance of Alpha water bottling factory ., considering the social, environmental, and financial dimensions.

1.7 Significance of the study

The significance of this study is multi-faceted, as it holds immense value for Alpha water bottling factory, the community it serves, and future researchers. For Alpha water bottling factory, the findings of this study will provide a comprehensive assessment of its current strategic management practices and their impact on the perceived sustainable performance. This insight will enable the management of the factory to identify strengths and areas for improvement in their strategic management processes, ultimately contributing to enhanced operational efficiency and long-term sustainability. Additionally, the community stands to benefit from this study as it sheds light on the perceived level of sustainable performance at the factory, thereby fostering transparency and accountability in its operations, which in turn can positively impact the community's trust and confidence in the factory. Furthermore, future researchers in the field of strategic management and sustainable performance will benefit from this study by building upon its findings and methodology, thereby contributing to the body of knowledge in this area and potentially inspiring further research and advancements in strategic management practices within the context of water production and sustainability.

1.8 Definition of Key Terms

The researcher put the following definitions to key variables in the study:

Perceived sustainable performance: In this study it encompasses the subjective assessment of the factory's ability to maintain and enhance its operational, environmental, and social performance over time.

Environmental scanning practice: In this study it involves the systematic gathering and analysis of information about the external environment,

Strategy formulation practice: In this study it pertains to the development of long-term plans and approaches. **Strategy implementation practice** refers to the execution of formulated strategies within the organization,

Strategy evaluation practice: In this study it involves the ongoing assessment of the effectiveness of the implemented strategies.

1.9 Organization of the study

The report of this study is structured into five chapters, each serving a distinct purpose in the exploration and analysis of the research topic. The first chapter provides an introduction to the study, encompassing the problem statement, research questions, research objectives, and hypotheses, significance of the study, scope, and organization of the study. Chapter two delves into a comprehensive discussion of the theoretical and empirical literature, while also integrating the conceptual framework of the study. The third chapter presents the research methodology, detailing the research design, study approach, sample size and sampling techniques, data sources and method of data collection, method of data analysis, model specification, and ethical considerations. Moving on, the fourth chapter focuses on the interpretation and analysis of the data collected from questionnaires. Finally, the fifth chapter encapsulates the summary, conclusions drawn from the research findings, and offers possible recommendations for future considerations and action

CHAPTER TWO

2 LITRATURE REVIEW

This chapter presents theoretical literature including major theories used in the study as theoretical framework, empirical literature and conceptual framework of the study.

2.1 Theoretical Literature

2.1.1 Meaning and importance of Sustainable performance

Sustainable performance encompasses the organization's ability to maintain and enhance its operational, environmental, and social performance over time, reflecting a holistic approach to business that considers long-term viability and impact. It extends beyond financial metrics to encompass environmental stewardship, social responsibility, and governance practices, emphasizing the triple bottom line of people, planet, and profit (Jan et al., 2021). Sustainable performance involves the integration of sustainable practices into an organization's operations and decision-making processes, aiming to balance economic prosperity with environmental and social considerations. It reflects a commitment to responsible and ethical business practices that seek to minimize negative impacts on the environment and society, while also creating long-term value for stakeholders (Sardana et al., 2020). The importance of sustainable performance lies in its potential to drive long-term success and resilience for organizations. By prioritizing sustainable practices, organizations can mitigate risks associated with environmental and social challenges; enhance their reputation and brand value, and foster innovation and efficiency (Jamil et al., 2022). Furthermore, sustainable performance can lead to cost savings through resource efficiency and reduced environmental impact, as well as access to new markets and opportunities driven by consumer preferences and regulatory trends. Ultimately, sustainable performance is integral to building trust and relationships with stakeholders, securing a social license to operate, and contributing to a more sustainable and equitable global economy (Goyal & Rahman, 2014).

2.1.2 Strategic Management Practices

Strategic management practice is a comprehensive and iterative process through which organizations navigate the complexities of their operating environments and make deliberate choices to achieve sustainable competitive advantage (Meres, 2019; Mitra, 2021). In essence, strategic management practice enables organizations to adapt to dynamic business environments, capitalize on opportunities, and navigate challenges effectively, thereby

sustaining their competitive position in the market(Salau & Nurudeen, 2022). It is an ongoing and dynamic process that allows organizations to respond to changes in their external and internal environments, shaping their strategies and operations to remain relevant and successful over time. Ultimately, strategic management practice is integral to organizational longevity, resilience, and the ability to create and capture value in a rapidly changing world (Kanyora & Okello, 2015)

At its core, strategic management involves the integration of four key components: environmental scanning, strategy formulation, strategy implementation, and strategy evaluation (Meres, 2019). Environmental scanning, a critical component of strategic management practices, involves the continuous monitoring and analysis of both a firm's internal and external environments (Babatunde & Adebisi, 2012a). It comprehensive assessment aims to identify opportunities and threats that could impact the organization's success. Internally, factors like resource capabilities, organizational culture, and employee skills are evaluated. Externally, the scanner focuses on market trends, competitor actions, technological advancements, economic conditions, and regulatory changes. By proactively gathering and analyzing this information, firms gain valuable insights that can be used to inform strategic decision- making. Effective environmental scanning allows organizations to anticipate future challenges, capitalize on emerging opportunities, and gain a competitive edge in the dynamic business landscape (Zhang et al., 2011).

Strategy formulation is the process of developing a plan or method to achieve a specific goal or set of objectives within an organization. It involves analyzing the internal and external environments, setting goals, and outlining the steps needed to reach those goals effectively. This process is crucial as it helps organizations establish a clear direction, allocate resources efficiently, and make informed decisions about how to best position themselves in the market. By formulating a well-thought-out strategy, companies can enhance their competitive advantage, adapt to changes in the business environment, and ultimately increase their chances of long-term success(Chijioke et al., 2018). The importance of strategy formulation cannot be overstated in today's dynamic and competitive business landscape. A well-crafted strategy provides a roadmap for organizations to follow, guiding them on where they want to go and how they plan to get there. It helps align the efforts of employees towards common goals, fosters better decision-making at all levels of the organization, and enables effective resource

allocation(AIDhaheri et al., 2020). Without a clear strategy in place, companies risk operating aimlessly, missing opportunities for growth, and being unprepared for challenges that may arise. Therefore, strategy formulation is not just a theoretical exercise but a practical necessity for businesses looking to thrive in an ever-changing market environment(Borrero et al., 2020). Strategy implementation is the pivotal process through which an organization operationalizes its chosen strategy into tangible action plans and activities, effectively bridging the gap between strategic planning and tangible results(Guruwo et al., 2017). Its significance cannot be overstated, as it is a linchpin for organizational success, ensuring that well-crafted strategies are executed effectively. Successful strategy implementation facilitates efficient resource utilization, aligns employees with organizational goals, and provides a systematic framework for achieving desired outcomes, thereby fostering innovation, improving decision-making processes, and enhancing overall performance(Abass et al., 2017). Effective strategy implementation enables organizations to adapt to changing market conditions and stay ahead of competitors by executing strategic initiatives in a timely and coordinated manner. It ensures that the organization's vision and strategic objectives are translated into specific actions and behaviors across all levels of the organization, driving alignment and focus(Genc, 2017). Strategy evaluation is a critical process in strategic management, encompassing the systematic assessment of the effectiveness and efficiency of implemented strategies(Gaturu et al., 2017). It serves as a vital mechanism for organizations to monitor the progress of their strategies, identify areas for improvement, and make necessary adjustments to ensure that the strategic goals are being achieved (Hieu & Nwachukwu, 2019). Through strategy evaluation, organizations systematically review the outcomes of their strategies, assessing the extent to which the formulated plans have been executed and have led to the desired results. This process allows organizations to gauge the impact of their strategies, identify potential risks or opportunities, and make informed decisions about future strategic directions(Abdalla, 2015). Strategy evaluation plays a pivotal role in fostering a culture of continuous improvement within organizations. It allows organizations to refine their strategic management processes, enhance decision-making capabilities, and build organizational agility, positioning them for sustainable success in the long run(Chepkwony, 2016; Ibrahim, 2015)

2.1.3 Major Theories related to the study

The study used resource based view, institutional theory and stakeholder theory as theoretical framework and the details are presented below:

2.1.3.1 Resource-Based Theory

One of the key concepts in Resource-Based Theory is the idea of resource heterogeneity, which suggests that firms possess different bundles of resources and capabilities that lead to performance differences among them. This heterogeneity allows firms to achieve competitive advantages by leveraging their unique resources in ways that competitors cannot replicate easily (Barney et al., 2001). Another important concept in RBT is resource immobility, which emphasizes that certain resources are not easily transferable between firms and therefore can contribute significantly to sustained competitive advantage. This immobility can arise due to factors such as social complexity, causal ambiguity, and time compression diseconomies. Furthermore, Resource-Based Theory argues that for a firm to achieve sustained competitive advantage, it must develop resources and capabilities that are valuable, rare, inimitable, and non-substitutable criteria (Madhani, 2010). By meeting these criteria, a firm can create a strong foundation for maintaining its competitive position over time. According to RBT, a firm's resources and capabilities are key determinants of its competitive advantage and performance (Chumphong et al., 2020). In this case, the environmental scanning practice, strategy formulation, implementation, and evaluation can be seen as resources that contribute to a firm's sustainable performance.

2.1.3.2 Institutional Theory

Institutional theory is a prominent theoretical perspective in sociology and organizational studies that focuses on how institutions shape behavior and structure within society. It emphasizes the influence of social structures, norms, and rules on organizations and individuals. Institutional theory suggests that organizations conform to institutional pressures to gain legitimacy and acceptance in their environment (Amenta & Ramsey, 2010). There are three main pillars of institutional theory: regulative, normative, and cognitive institutions. Regulative institutions refer to the formal rules and regulations that organizations must comply with, such as laws and policies (Scott, 2014). Normative institutions encompass the social norms, values, and beliefs that guide organizational behavior and practices. Cognitive institutions involve taken-for-granted assumptions and mental models that influence decision-making processes

within organizations (Vandenabeele, 2007). Institutional theory has been widely applied in various fields such as organizational behavior, strategic management, public administration, and healthcare management. It provides valuable insights into how organizations adapt to their institutional environments and navigate complex social structures. Institutional Theory suggests that organizations are influenced by their external environment and conform to institutional norms and expectations to gain legitimacy and support (Meyer & Höllerer, 2014). In this study, the firm's environmental scanning practice can be viewed as a response to external pressures related to sustainability, while strategy formulation, implementation, and evaluation practices may reflect conformity to established institutional norms regarding sustainable business practices

2.1.3.3 Stakeholder Theory

Stakeholder theory is a management theory that suggests that a firm should create value for all stakeholders, not just shareholders (Kaler, 2006). It emphasizes the importance of considering the interests of various groups affected by a company's actions, including employees, customers, suppliers, communities, and even competitors (Freeman et al., 2018). The theory argues that by managing relationships with stakeholders effectively, a company can enhance its long-term sustainability and success. One key concept in stakeholder theory is the idea of stakeholder salience. Stakeholder salience refers to the degree to which managers give priority to competing stakeholder claims based on their power, legitimacy, and urgency. Power refers to the ability of a stakeholder to influence the organization, legitimacy relates to the perceived appropriateness or desirability of a stakeholder's claim, and urgency pertains to the time sensitivity of a stakeholder's claim (Kaler, 2006).

Companies can apply stakeholder theory in various ways. For example, they can engage with stakeholders through dialogue and consultation to understand their needs and concerns better (Phillips et al., 2003). This can help companies make more informed decisions that consider the broader impact on all stakeholders, leading to improved relationships and outcomes. Additionally, companies can use stakeholder mapping techniques to identify key stakeholders and prioritize their engagement efforts based on their salience (Freeman et al., 2018). Stakeholder Theory could provide valuable insights into the relationships between firms and their stakeholders in the pursuit of sustainable performance. According to Stakeholder Theory, firms should consider the interests of all stakeholders, not just shareholders, in their decision-

making processes (Pesqueux & Damak-Ayadi, 2005). The practices examined in the study - environmental scanning, strategy formulation, implementation, and evaluation - can be seen as mechanisms through which firms engage with various stakeholders to achieve sustainable outcomes

2.2 Empirical Literature

Empirical literature refers to scholarly works that present original research findings based on direct observation, experimentation, or measurement. This type of literature provides a foundation for understanding and analyzing existing research within a specific field, often comprising research articles, empirical studies, and academic papers that report on the results of actual experiments or data collection (Davidavičienė, 2018; Pandey & Pandey, 2021). Thus, the researcher discusses the empirical literature related with the study.

Firm's environmental scanning practice and firm's perceived sustainable performance

Environmental scanning is a crucial practice for firms to monitor and analyze external factors that can impact their operations. By engaging in environmental scanning, firms can identify opportunities and threats in the business environment, which can ultimately influence their performance (Agbim et al., 2014; Kanyora & Okello, 2015). Research has shown that firms with effective environmental scanning practices tend to have better social performance outcomes. For example, a study by Babatunde & Adebisi (2012) found that firms with proactive environmental strategies, which are often informed by environmental scanning, were more likely to engage in socially responsible practices. The literature also supports the idea that environmental scanning can positively impact a firm's financial outcomes. According to a study by Babatunde & Adebisi (2012b) firms that are proactive in monitoring their external environment through scanning activities tend to have better financial performance compared to those that do not engage in such practices. Furthermore, there is evidence to suggest that firm's environmental scanning practices can also influence their environmental performance. Research by Zhang et al. (2011) highlighted that firms with strong environmental scanning capabilities are more likely to adopt environmentally friendly practices and reduce their negative impact on the environment. Overall, the empirical literatures (such as Babatunde & Adebisi, 2012a; Sawyerr et al., 2000; Zhang et al., 2011) indicate that a firm's environmental scanning practice plays a significant role in shaping its overall sustainable performance. By being attuned to external factors through effective scanning processes, firms can make informed decisions that

contribute to their social responsibility, economic success, and positive impact on the environment, ultimately leading to sustainable performance outcomes (Agaba et al., 2023; Agbim et al., 2014).

Firm's strategy formulation practice and firm's perceived sustainable performance Strategy formulation practices have been found to significantly impact a firm's social performance. The findings of the studies of AlDhaheri et al. (2020) show that companies which integrate social considerations into their core business strategy often achieve both social and economic benefits. By aligning their strategies with societal needs and values, firms can enhance their reputation, build stronger relationships with stakeholders, and contribute positively to the communities in which they operate. Moreover, the link between strategy formulation practices and economic performance is well-documented. Studies by Borrero et al. (2020) emphasize that strategic choices made during the formulation process can directly influence a firm's financial performance. Effective strategic planning helps organizations identify opportunities for growth, allocate resources efficiently, and adapt to changing market conditions, ultimately leading to improved economic outcomes. In addition to social and economic dimensions, strategy formulation practices also impact a firm's environmental performance. Research by Andrews et al. (2009) suggests that firms that proactively incorporate environmental considerations into their strategies can achieve cost savings through eco-efficiency initiatives. By adopting environmentally sustainable practices in their operations, organizations can reduce waste, minimize pollution, and enhance their overall environmental performance. Furthermore, the concept of sustainable performance is closely tied to effective strategy formulation practices. Scholars like Chijioke et al. (2018) argue that sustainable development requires businesses to balance economic prosperity with social equity and environmental stewardship. By integrating sustainability principles into their strategic decision-making processes, firms can create long-term value while minimizing negative impacts on society and the environment.

Firm's strategy implementation and firm's perceived sustainable performance Several studies have shown that effective strategy implementation practices can lead to positive social outcomes for firms. For instance, a study by Agaba et al. (2023) found that firms with strong implementation capabilities are more likely to engage in corporate social responsibility activities and report higher levels of social performance. Similarly, a study by Abass et al. (2017) found that firms that prioritize and effectively implement their social

strategies can reap both reputational and financial benefits. There is evidence that effective strategy implementation practices can lead to improved financial results for firms. A study by Genc (2017) emphasizes the importance of implementing unique resources effectively, is associated with superior economic performance. These findings underscore the importance of implementing strategies in a way that leverages unique resources and capabilities to create value for the firm. There is growing evidence that effective strategy implementation practices can help firms reduce their environmental footprint and improve their sustainability credentials. For instance, a study by Chaimankong & Prasertsakul (2012) found that circular business models, which involve implementing closed-loop systems for resource use and waste management, can lead to significant reductions in material use and carbon emissions while also generating economic value for firms. Similarly, a study by Guruwo et al. (2017) highlights the importance of implementing strategies that improve firm's performance.

Firm's strategy evaluation and firm's perceived sustainable performance

Firm's strategy evaluation practice refers to the systematic assessment of a company's strategic direction and performance against its objectives (Gaturu et al., 2017). This process is crucial for organizations as it helps them identify strengths, weaknesses, opportunities, and threats and make informed decisions about their future strategies (Amalnick & Zadeh, 2017). However, the impact of strategy evaluation practices on a firm's social, economic, or environmental performance and sustainable development has been a topic of extensive research in recent years. According to a study by Chepkwony (2016), there is growing evidence that firms with robust strategy evaluation practices are more likely to prioritize sustainability issues in their decision-making processes. The researchers found that firms with strong sustainability performance also tend to have effective strategy evaluation processes in place. This suggests that strategy evaluation practices can play a significant role in promoting sustainable business practices. Moreover, research by Gaturu et al. (2017) indicates that firms with strong strategic focus are more likely to outperform their competitors in terms of financial performance. Amalnick & Zadeh (2017) suggests that firm's strategy evaluation practices can have a positive impact on their social, economic, or environmental performance and sustainable development. Robust strategy evaluation processes can help firms prioritize sustainability issues in their decision-making processes, balance strategic focus with social or environmental considerations, align strategies with stakeholder expectations, and adopt a triple

bottom line approach to accounting.

Table 1: Summary of literature review

Authors	Findings
Agbim et al. (2014); Kanyora & Okello (2015)	Effective environmental scanning leads to identification
Babatunde & Adebisi (2012a)	Proactive environmental scanning through strategies informs social responsibility practices, leading to better social performance.
Babatunde & Adebisi (2012b)	Firms with proactive environmental scanning tend to have better financial performance.
Zhang et al. (2011)	Strong environmental scanning capabilities are linked to adoption of environmentally friendly practices and reduced environmental impact.
AlDhaheiri et al. (2020)	Integrating social considerations into core strategy leads to social and economic benefits.
Borrero et al. (2020)	Strategic choices during formulation influence financial performance. Effective strategic planning improves economic outcomes.
Andrews et al. (2009)	Proactive incorporation of environmental considerations into strategies leads to cost savings through eco-efficiency initiatives.
Chijioke et al. (2018)	Sustainable development requires balancing economic prosperity with social equity and environmental stewardship through strategic formulation.

Agaba et al. (2023)	Strong implementation capabilities are linked to higher social performance through CSR activities.
Abass et al. (2017)	Well-implemented CSR strategies lead to reputational and financial benefits.
Chaimankong & Prasertsakul (2012)	Implementing circular business models reduces environmental footprint and improves sustainability while generating economic value.
Guruwo et al. (2017)	Importance of implementing strategies for improving firm performance
Johnson & Scholes (2017)	Strategy evaluation helps identify strengths, weaknesses, opportunities, and threats, informing future strategies.
Amalnick & Zadeh (2017)	Strategy evaluation can promote business practices

2.2.1 Literatures Gap

Strategic management has been shown to positively impact firm performance both globally and within African nations. Studies in different African countries have highlighted the significant correlation between strategic management practices and a firm's performance within the African continent. Similarly, studies in Ethiopia have found similar results. However, previous studies in Ethiopia did not measure sustainable performance dimensions (social and environmental performance) beyond operational performance. Therefore, this study aimed to examine the effect of a firm's strategic management practice on its sustainable performance, specifically focusing on the case of Alpha water bottling factory. The aim is to bridge the gap in knowledge by exploring the effect of strategic management practices on the sustainable performance of firms in the Ethiopian context.

2.3 Conceptual Framework of the study

A conceptual framework sets forth the standards to define a research question and find appropriate, meaningful answers for the same. It connects the theories, assumptions, beliefs, and concepts behind your research and presents them in a pictorial, graphical, or narrative format. A conceptual framework is like a roadmap for this study, helping to visualize the research project and put it into action. It defines the relevant variables for your study and maps out how they might relate to each other. In this study, the effect of strategic management practices (environment scanning, strategy formulation, strategy implementation and strategy evaluation) on sustainable performance of Alpha water bottling factory . was studied and conceptual framework of the study is depicted as follows:

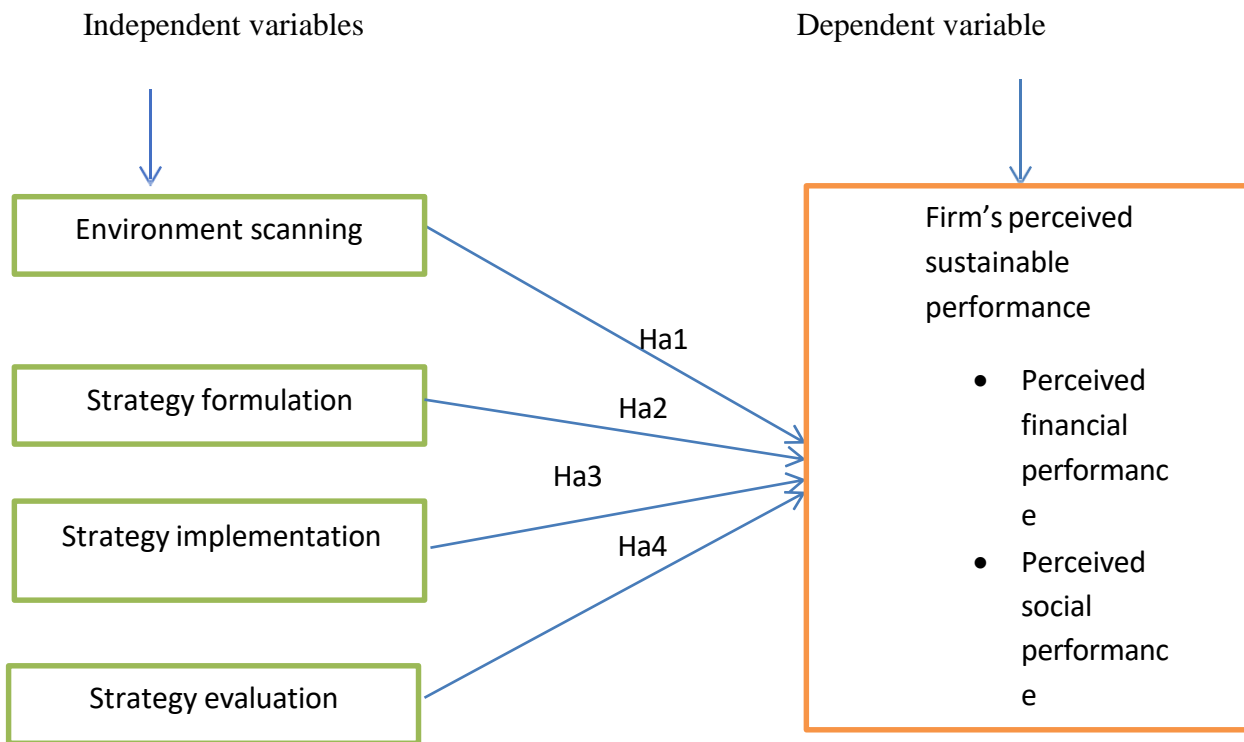


Figure 1: Conceptual framework of the study

Source: Adapted from previous studies (Chijioke et al., 2018; Meres, 2019; Mitra, 2021)

CHAPTER THREE

3 RESEARCH METHODOLOGY

This chapter presents methodologies of the study such as research design, research approach, method of data collection, target population, sample size and sampling techniques, method of data analysis and ethical considerations.

3.1 Description of study Area

Alpha water bottling factory is located in Chacha, Debre Berhan Regio- politan city in Ethiopia. Positioned about 130 kilometers northeast of Addis Ababa, it falls within the North Shewa zone of the Amhara region. With coordinates at 9°41'N 39°32'E and an elevation of 2,840 meters along the road to Dessie, Debre Berhan historically served as one of the capitals of the Kingdom of Shewa. Debre Berhan has transformed into a metropolitan hub since 2023.

3.2 Study Design

A research design is the structured setup of conditions for data collection and analysis, with the goal of balancing relevance to the research objective and efficiency in procedures (Pandey & Pandey, 2021). They characterize a research design that establishes causal relationships between variables as explanatory. In this study the researcher investigates the effect of strategic management practices on firm sustainable performance. Thus, explanatory research design was predominantly utilized. Additionally, a descriptive research design was employed to depict the current state related to the study variables.

3.3 Study Approach

According to Bhattacharyya (2009), the research approach is the fundamental perspective or framework that guides a research study's overall direction, including the strategies and methods used to address research questions or objectives. Mixed research approach combines both quantitative and qualitative research methods to gain a more comprehensive understanding of a research problem. By integrating the strengths of both approaches, mixed methods research allows researchers to address research questions from multiple angles, leading to richer and more nuanced findings (Creswell, 2014). In this study qualitative data from interview and quantitative data from questionnaires responses were utilized for analysis. Hence, a mixed research approach was applied in this study.

3.4 Population of the study

Target population refers to the specific group of potential participants that the researcher can reach and who are representative of the population of interest (Pandey & Pandey, 2021). In this study, the target population consisted of 160 employees and 5 managers employed at Alpha water bottling factory.

3.5 Sample Size Determination and Sampling Techniques

Israel (1992) suggests that when dealing with small populations, it is feasible to include the entire population in the study sample. This approach is particularly advantageous for populations of 200 individuals or fewer due to its cost-effectiveness. In a specific research scenario where there were only 160 permanent employees, manageable number of population (for data collection). Therefore, a census was employed for collecting responses from questionnaires and purposive sampling was used to select interviewees.

3.6 Source and Method of Data Collection

The selection of data collection techniques relies on various factors, such as the required information, research objectives, researcher expertise, and accessible resources (Kothari, 2004). In this investigation, primary data sources, structured questionnaire and structured interview were utilized. The questionnaire was taken from previous studies. Strategic measurement items of strategic management practices were adapted from the study of (Demie, 2020) and measurement items of perceived sustainable performance were adopted from the study of (Dwikat et al., 2022). All questions were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaires were distributed to participants during their work hours at their workplace, following approval from the relevant authorities before initiating data collection. Moreover, interview with managers at different levels was employed. This was intended to triangulate employees' response with interview responses so that the researcher can able to understand well about the strategic management practices and sustainable performance of the factory.

3.7 Reliability and Validity

Validity pertains to the accuracy, significance, and efficiency of the conclusions drawn by researchers based on the data they have gathered. It focuses on how well the evidence supports any inferences made by researchers using a questionnaire as their data collection tool. The questionnaire was adapted from previous studies. Feedback and input were sought from

advisors and other experts to validate the questionnaire, and necessary adjustments were made according to the received comments. According to Cohen et al. (2017), Cronbach's Alpha can be utilized to assess the internal consistency of items related to a specific concept. Therefore, Cronbach's alpha calculation was conducted to ensure the reliability (internal consistency) of the data collected through questionnaires, serving as a means to verify whether the questionnaires' reliability met acceptable standards.

Table 2: Reliability test result

Variables	Number of items	Cronbatch's alpha
Environment scanning	5	.857
Strategy formulation	5	.838
Strategy implementation	5	.867
Strategy evaluation	5	.841
Perceived firm sustainable performance	5	.874

Source: Own survey, 2024

Table 2 depicts the results of the reliability test for various variables, showing the number of items and Cronbach's alpha values for each. The Cronbach's alpha values obtained are as follows: Environment scanning ($\alpha = 0.857$), Strategy formulation ($\alpha = 0.838$), Strategy implementation ($\alpha = 0.867$), Strategy evaluation ($\alpha = 0.841$), and Perceived firm sustainable performance ($\alpha = 0.874$). These values indicate the internal consistency reliability of the scales used to measure each variable. In this case, all variables demonstrate good reliability, with Perceived firm sustainable performance showing the highest internal consistency among the constructs tested.

3.8 Method of Data Analysis

The study employed both descriptive and inferential statistics for data analysis. Descriptive statistics, such as means and standard deviation, were employed to summarize the data. Inferential statistics were utilized to investigate the relationships between different variables. The data collected were analyzed using SPSS version 23. One common technique used was the Pearson product-moment correlation coefficient, which offers insights into the association between two variables. Pearson correlation and multiple linear regressions were applied to

explore how independent variables impact the dependent variable. Multiple regression analysis entails simultaneously regress multiple predictors against a criterion variable. This statistical approach aimed to ascertain whether independent variables could account for the variance in firm sustainable performance within the study area. (Gujarati & Porter, 2009) stated that this method is widely accepted and commonly used in research. The multiple linear regression model used in this study is stated as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where,

Y = Firm sustainable performance; β_0 = Constant; $\beta_1, \beta_2, \dots, \beta_4$ = Parameter estimate associated with the effect of the independent variables on the dependent variable

X1= Environment scanning X2= Strategy formulation

X3= Strategy implementation X4 = Strategy evaluation and e = error term

Qualitative data were gathered using structured interviews, providing a narrative dimension to complement and triangulate the responses obtained from structured questionnaires. This approach facilitated a comprehensive exploration of employees' perspectives, enabling a deeper understanding of the factors influencing the factory's performance. By integrating the insights derived from both the structured questionnaires and the key informant interviews, a more holistic and nuanced understanding of the prevailing challenges and opportunities within the Alpha water bottling factory water factory was achieved.

3.9 Ethical Considerations

In this research project, ethical considerations, as outlined by Ali & Kelly (2004) are addressed across four crucial domains: informed consent, confidentiality, security, and honesty. Rigorous measures will be implemented to safeguard participants' identities and prevent any potential fraudulent practices during the sample selection process. The questionnaire was explicitly communicate that no personal or identifying information will be requested, ensuring the collection of unbiased and authentic data. Moreover, no personal identifiers such as names, employee identification numbers, or course details were sought during data collection, providing assurance to participants that their identities will remain anonymous and untraceable by their employers.

CHAPTER FOUR

4 DATA ANALYSIS, INTERPRETATION AND DISCUSSION

This study presents data analysis, interpretation and discussion parts. The descriptive statistics results for each variable of the study and inferential statistics results of Pearson correlation and multiple linear regression results are described.

4.1 Response Rate

Table 3: Response Rate

Number of questionnaires dispatched	160
Number of unreturned questionnaires	21
Number of invalid questionnaires	7
Number of correctly filled and returned questionnaires	148
Response rate	

Source: Survey result (2024)

Table 3 provides valuable insights into the effectiveness of the survey administration process. Out of the 160 questionnaires dispatched, 21 remained unreturned, indicating a non-response rate of approximately 13.1%. Additionally, 7 questionnaires were deemed invalid, further impacting the overall response rate. However, the data reveals that 148 questionnaires were correctly filled and returned, resulting in a response rate of 92.5%. This high response rate indicates a strong level of engagement and participation among the targeted respondents, reflecting positively on the survey administration process. The relatively low non-response and invalid questionnaire rates suggest that the survey design and distribution methods were effective in eliciting meaningful and usable responses from the intended recipients. This high response rate enhances the reliability and validity of the survey results, providing a solid foundation for the analysis of in this study.

4.2 Descriptive Statistics Results

Descriptive statistics of demographic characteristics and variables of the study are described below. Moreover, the results of interview are analyzed and interpreted..

4.2.1 Demographic characteristics

Table 4: Descriptive statistics of respondents

Demographic characteristics	Categories	Frequency (%)
Gender of respondents	Male	63(42.6)
	Female	85(57.4)
	Total	148(100)
Age of respondents	≤ 35 years	84(56.8)
	>35 years	64(43.2)
	Total	148(100)
Marital status of respondents	Married	63(42.6)
	Unmarried	85(57.4)
	Total	148(100)
Level of education of respondents	Below degree	75(50.7)
	Degree and above	73(49.3)
	Total	148(100)
Work experience of respondents	≤5 years	85(57.4)
	>5 years	63(42.6)
	Total	148(100)

Source: Survey result (2024)

The demographic characteristics of the respondents, as depicted in the table 4, reveal several key insights. The majority of the respondents were female (57.4%), indicating a significant representation of women in the survey sample. Additionally, 56.8% of the respondents were 35 years old or younger, suggesting a relatively young demographic profile. Furthermore, 57.4% of the respondents were unmarried, and 50.7% had education below a degree level. These findings highlight the diverse composition of the respondent population in terms of gender, age, marital status, and educational background.

In this study, these demographic characteristics may have implications for the interpretation of

the study's findings. For instance, the higher representation of younger respondents could influence the perception and adoption of strategic management practices within the Alpha water bottling factory, especially considering the potential differences in attitudes and approaches between different age groups. Similarly, the predominance of unmarried respondents and those with education below a degree level may also shape the dynamics of strategic management practices and their impact on firm sustainable performance. By considering the diverse demographic characteristics of the respondents, the study can gain valuable insights into the potential variations in attitudes, behaviors, and perceptions related to strategic management within the specific organizational context of Alpha water bottling factory.

4.2.2 Descriptive statistics results of major variables of the study

The statistical analysis of all variables is summarized using a 5-point Likert scale (from "1" for "strongly disagree" to "5" for "strongly agree"). According to Zaidaton & Bagheri (2009), when a mean score below 3.39 was deemed low, a mean score from 3.40 up to 3.79 was considered moderate, and a mean score over 3.8 was considered as high. Thus, the detail of the analysis is presented as follows.

Table 5: Descriptive statistics results of Respondents' perception towards their perception on their factory's sustainable performance

statment	N	Mean	Std. Deviation
Our factory is making a profit.	148	2.3311	1.15109
Our factory is concerned with social well-being in all Operations	148	2.3378	1.15207
Our factory increases energy efficiency	148	2.2365	1.16853
Our factory is financially stable.	148	2.3514	1.19446
Our factory improved the overall customer satisfaction	148	2.3041	1.16443
Grand mean and S.D		2.3122	0.0797

Source: Survey result (2024)

The descriptive statistics results in Table 5 present the respondents' perception towards their factory's sustainable performance. The mean scores for the specific statements ranged from 2.2365 to 2.3514, with corresponding standard deviations ranging from 1.15109 to 1.19446. Based on the 5-point Likert scale, a mean score below 3.39 is considered low. Therefore, the analysis reveals that all the statements received mean scores below 3.39, indicating a relatively low level of agreement or positive perception regarding the aspects measured by these variables. Additionally, the standard deviation values provide insights into the degree of variability and consistency in the respondents' perceptions or agreement levels, with higher standard deviations suggesting greater variability within the dataset. This implies a need for further investigation into the factors influencing these perceptions. Similarly, the interviews with 5 managers from top, middle, and lower levels echo these sentiments, indicating that the factory has not been able to achieve good sustainable performance and those efforts are underway to enhance performance and regain market competitiveness. This convergence of findings from both the questionnaire responses and managerial interviews emphasizes the urgency of targeted enhancements in various aspects to achieve higher levels of sustainable performance, reflecting the complex and multifaceted nature of perceptions within the context of sustainable performance at the factory.

Table 6: Descriptive statistics results of Respondents' perception towards their factory environment scanning practice

	N	Mean	Std. Deviation
Our organization adapts well to changes during the strategy implementation phase.	148	2.7162	1.47561
I see a direct link between my daily tasks and the overall strategic objectives of the organization.	148	2.6824	1.48936
Resources are allocated appropriately to support the implementation of strategic initiatives.	148	2.6892	1.48851
The necessary training and development programs are provided to employees to execute the strategies effectively.	148	2.6824	1.47098
There is effective communication of strategic goals throughout the organization.	148	2.6216	1.47268
Grand mean and S.D		2.6784	1.39164

Source: Survey result (2024)

The descriptive statistics results in Table 6 illustrate the respondents' perception towards their factory's environment scanning practice. The mean scores for the specific statements ranged from 2.6216 to 2.7162, with corresponding standard deviations ranging from 1.47098 to 1.48936. Based on the 5-point Likert scale, a mean score below 3.39 is considered low. Therefore, the analysis reveals that all the statements received mean scores below 3.39, indicating a relatively low level of agreement or positive perception regarding the aspects measured by these variables. Additionally, the standard deviation values provide insights into the degree of variability and consistency in the respondents' perceptions or agreement levels, with higher standard deviations suggesting greater variability within the dataset. This implies a need for further investigation into the factors influencing these perceptions and potential areas for improvement within the context of the factory's environment scanning practice. However, the contrasting views expressed by the 5 interviewed managers from various organizational levels, emphasizing the extent to which the factory scans the internal and external

environment, introduce a compelling perspective that warrants consideration and triangulation with the questionnaire responses, adding depth and complexity to the analysis.

Table 7: Descriptive statistics results of Respondents’ perception towards their factory strategic formulation practice

	N	Mean	Std. Deviation
There is alignment between the organizational objectives and the strategies formulated.	148	2.6757	1.46717
I am involved in the process of developing strategic plans for our organization.	148	2.7770	1.46069
I believe the strategies developed will lead to sustainable competitive advantage for our organization.	148	2.6689	1.43990
Our strategy formulation process considers both internal capabilities and external opportunities/threats.	148	2.7162	1.45238
The strategic goals set by our organization are clear and achievable.	148	2.7162	1.48480
Grand mean and S.D		2.7108	1.30812

Source: Survey result (2024)

The descriptive statistics results in Table 7 provide an overview of the respondents' perception towards their factory's strategic formulation practice. The mean scores for the specific statements ranged from 2.6757 to 2.7770, with corresponding standard deviations ranging from 1.43990 to 1.46717. Based on the 5-point Likert scale, a mean score below 3.39 is considered low. Therefore, the analysis reveals that all the statements received mean scores below 3.39, suggesting a relatively low level of agreement or positive perception regarding the aspects measured by these variables. Additionally, the standard deviation values indicate the degree of variability and consistency in the respondents' perceptions or agreement levels, with higher standard deviations suggesting greater variability within the dataset. This implies a need for further investigation into the factors influencing these perceptions and potential areas for improvement within the context of the factory's strategic formulation practice. However, the researcher's decision to triangulate the questionnaire responses with interviews of 5 managers

from diverse organizational levels provides a compelling counterpoint. The managers uniformly expressed confidence in the appropriateness of the strategies formulated at corporate, business, and operational levels, emphasizing the comprehensive consideration of internal and external environmental factors.

Table 8: Descriptive statistics results of Respondents' perception towards their factory strategic implementation practice

	N	Mean	Std. Deviation
Our organization adapts well to changes during the strategy implementation phase.	148	2.3108	1.05528
I see a direct link between my daily tasks and the overall strategic objectives of the organization.	148	2.1689	.90643
Resources are allocated appropriately to support the implementation of strategic initiatives.	148	2.2162	.95148
The necessary training and development programs are provided to employees to execute the strategies effectively.	148	2.3649	.92691
There is effective communication of strategic goals throughout the organization.	148	2.3716	.89807
Grand mean and S.D		2.2865	.62778

Source: Survey result (2024)

The descriptive statistics results in Table 8 provide insights into the respondents' perception towards their factory's strategic implementation practice. The mean scores for the specific statements ranged from 2.1689 to 2.3716, with corresponding standard deviations ranging from 0.89807 to 1.05528. Based on the 5-point Likert scale, a mean score below 3.39 is considered low. Therefore, the analysis reveals that all the statements received mean scores below 3.39, suggesting a relatively low level of agreement or positive perception regarding the aspects measured by these variables. Additionally, the standard deviation values indicate the degree of variability and consistency in the respondents' perceptions or agreement levels, with higher standard deviations suggesting greater variability within the dataset. This implies a need for further investigation into the factors influencing these perceptions and potential areas for

improvement within the context of the factory's strategic implementation practice. Similarly, the interviews with 5 managers from top, middle, and lower levels echo these findings, indicating that while the factory formulated good strategies, there were several implementation challenges stemming from various constraints. This convergence of findings from both the questionnaire responses and managerial interviews emphasizes the need to address the practical hurdles in strategy implementation, adding depth and nuance to the analysis and highlighting the importance of considering multiple perspectives when evaluating the strategic implementation practice at the factory.

Table 9: Descriptive statistics results of Respondents' perception towards their factory strategic evaluation practice

	N	Mean	Std. Deviation
I believe our organization learns from past experiences and improves its future strategic decisions based on evaluations.	148	2.3041	1.23254
Key performance indicators are used to measure the success of implemented strategies.	148	2.2703	1.16406
Regular performance reviews are conducted to assess progress towards strategic goals.	148	2.5000	1.32737
Feedback mechanisms are in place to gather insights on the effectiveness of strategies.	148	2.5135	1.29092
Adjustments are made to strategies based on evaluation results and feedback received.	148	2.1892	1.08390
Grand mean and S.D		2.3554	.95613

Source: Survey result (2024)

The descriptive statistics results in Table 9 indicate the respondents' perceptions towards their factory's strategic evaluation practice. The mean scores for the specific statements ranged from 2.1892 to 2.5135, with corresponding standard deviations ranging from 1.08390 to 1.32737. Based on the 5-point Likert scale, a mean score below 3.39 is considered low. Therefore, the analysis reveals that all the statements received mean scores below 3.39, suggesting a relatively low level of agreement or positive perception regarding the aspects measured by these

variables. Additionally, the standard deviation values provide insights into the degree of variability and consistency in the respondents' perceptions or agreement levels, with higher standard deviations indicating greater variability within the dataset. This implies a need for further investigation into the factors influencing these perceptions and potential areas for improvement within the context of the factory's strategic evaluation practice.

This data aligns with the interview responses from managers at various levels, who readily admitted that the factory struggles with strategic evaluation and taking corrective actions. This significant weakness in the strategic evaluation process could be a major contributing factor to the factory's shortcomings in sustainable performance and its struggle to compete effectively in the market. Clearly, implementing a more robust and systematic approach to strategic evaluation is essential for the factory's future success.

Table 10: Summary of Descriptive statistics result of variables of the study

Variables	N	Mean	Std. Deviation
Strategy formulation	148	2.7108	1.30812
Environment scanning	148	2.6784	1.39164
Strategy evaluation	148	2.3554	.95613
Perceived firm performance	148	2.3122	1.10908
Strategy implementation	148	2.2865	.62778

Source: Survey result (2024)

Table 10 shows that the variables of the study were analyzed using descriptive statistics, with the mean scores and standard deviations calculated for each variable. The mean scores for "Strategy formulation," "Environment scanning," "Strategy evaluation," "Perceived firm performance," and "Strategy implementation" were 2.7108, 2.6784, 2.3554, 2.3122, and 2.2865, respectively, with corresponding standard deviations of 1.30812, 1.39164, 0.95613, 1.10908, and 0.62778. Based on the 5-point Likert scale, a mean score below 3.39 is considered low. Therefore, the analysis indicates that all variables in the study received mean scores below 3.39, suggesting a relatively low level of agreement or positive perception regarding the aspects measured by these variables. Additionally, the standard deviation values provide insights into the degree of variability and consistency in the perceptions or agreement levels regarding the

variables, with higher standard deviations indicating greater variability within the dataset. This implies a need for further investigation into the factors influencing these perceptions and potential areas for improvement within the studied context.

4.2.3 Inferential Statistics results

The researcher used Pearson Correlation and Multiple linear regressions to see the association and effect of each independent variable respectively.

4.2.3.1 Pearson Correlation Result

Correlation measures the extent of correspondence between the ordering of two or more random variables. This study measures the extent of correspondence between the four strategic management practices mentioned earlier and firm sustainable performance. The researcher used to the linear product- moment correlation coefficient, also known as Pearson's correlation coefficient (r), to express the strength of the relationship. The value of r always lies between -1 and 1 inclusive, that is, $-1 \leq r \leq 1$. If Y & X two variables and Y increase when X increases, we say that there is a positive or direct correlation between them. However, if Y decreases when X increases (or vice versa), then we say that they are negatively or inversely correlated. The researcher has noticed that direct and inverse are terms that are used in the context of variation or proportionality. The extreme values of r , that is, when $r = \pm 1$, indicate that there is a perfect (positive or negative) correlation between X and Y . However, if r is 0 , it is possible say that there is no or zero correlation. When $r = 0$, we may not assert that there is no correlation at all between X and Y . According to Cohen (1988) interprets the correlation values as: small/weak when the correlation value is $r = .10$ to $.29$ or $r = -.10$ to $-.29$, medium/moderate when the value is $r = .30$ to $.49$ or $r = -.30$ to $-.49$, and large/strong when the value is $r = .50$ to 1.0 or $r = -.50$ to -1.0 .

Table 11: Pearson correlation result

Variables		Perceived firm performance
Strategy formulation	Pearson Correlation	.558**
	Sig. (2-tailed)	.000
	N	148
Environment scanning	Pearson Correlation	.517**
	Sig. (2-tailed)	.000
	N	148
Strategy evaluation	Pearson Correlation	.364**
	Sig. (2-tailed)	.000
	N	148
Strategy implementation	Pearson Correlation	.635**
	Sig. (2-tailed)	.000
	N	148

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

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Survey result (2024)

The Pearson correlation results in Table 11 indicate the strength and direction of the relationship between the four strategic management practices and firm sustainable performance. Starting with the strategy formulation, the Pearson correlation coefficient of .558** suggests a large/strong positive correlation with firm sustainable performance, indicating a substantial degree of correspondence between the two variables. This implies that as the effectiveness of strategy formulation increases, there is a notable positive impact on firm sustainable performance. Moving on to environment scanning, the Pearson correlation coefficient of .517 also indicates a large/strong positive correlation with firm sustainable performance, further emphasizing the significant association between these variables. This

suggests that a robust environment scanning practice is closely linked to improved firm sustainable performance. Additionally, the strategy evaluation demonstrates a medium/moderate positive correlation with a Pearson correlation coefficient of .364, signifying a discernible but moderate association with firm sustainable performance. Lastly, the strategy implementation exhibits a large/strong positive correlation with a Pearson correlation coefficient of .635, highlighting a substantial and influential relationship with firm sustainable performance. These findings collectively underscore the critical role of strategic management practices in shaping and enhancing firm sustainable performance, with strategy implementation showing the strongest association among the variables analyzed.

The Pearson correlation results reveal the extent of correspondence between each independent variable (strategy formulation, environment scanning, strategy evaluation, and strategy implementation) and the dependent variable (firm sustainable performance). The large/strong positive correlation coefficients for strategy formulation, environment scanning, and strategy implementation indicate substantial and influential relationships with firm sustainable performance, emphasizing the significant impact of these strategic management practices on the overall performance of the firm. Additionally, the medium/moderate positive correlation coefficient for strategy evaluation suggests a discernible but moderate association with firm sustainable performance. These findings underscore the importance of effective strategic management practices in driving and enhancing firm sustainable performance, with strategy implementation demonstrating the strongest association among the variables analyzed.

4.2.3.2 Multiple linear regression results

According to Kothari (2004a), if there is a high degree of correlation between independent variables, we have a problem that is commonly described as the problem of multicollinearity. To meet multiple regression assumptions, we need tolerance score above 0.2 and VIF scores below 10.

Table 12: Multi-collinearity test result

Variables	Collinearity Statistics	
	Tolerance	VIF
Strategy formulation	.828	1.208
Environment scanning	.886	1.129
Strategy evaluation	.966	1.035
Strategy implementation	.867	1.154

Source: Survey result (2024)

The multi-collinearity test results depicted in Table 12 indicate that the independent variables, namely strategy formulation, environment scanning, strategy evaluation, and strategy implementation, do not exhibit significant multi-collinearity issues. With tolerance scores ranging from .828 to .966, all surpassing the threshold of 0.2, each independent variable provides unique information not captured by the others, meeting the requirement for multiple regression assumptions. Furthermore, the variance inflation factor (VIF) scores, ranging from 1.035 to 1.208, fall below the critical value of 10, affirming the absence of substantial multi-collinearity concerns. These findings validate the reliability of the regression analysis and the parameter estimates, ensuring that the independent variables are not excessively correlated and do not pose a threat of multi-collinearity, thereby bolstering the robustness of the statistical analysis.

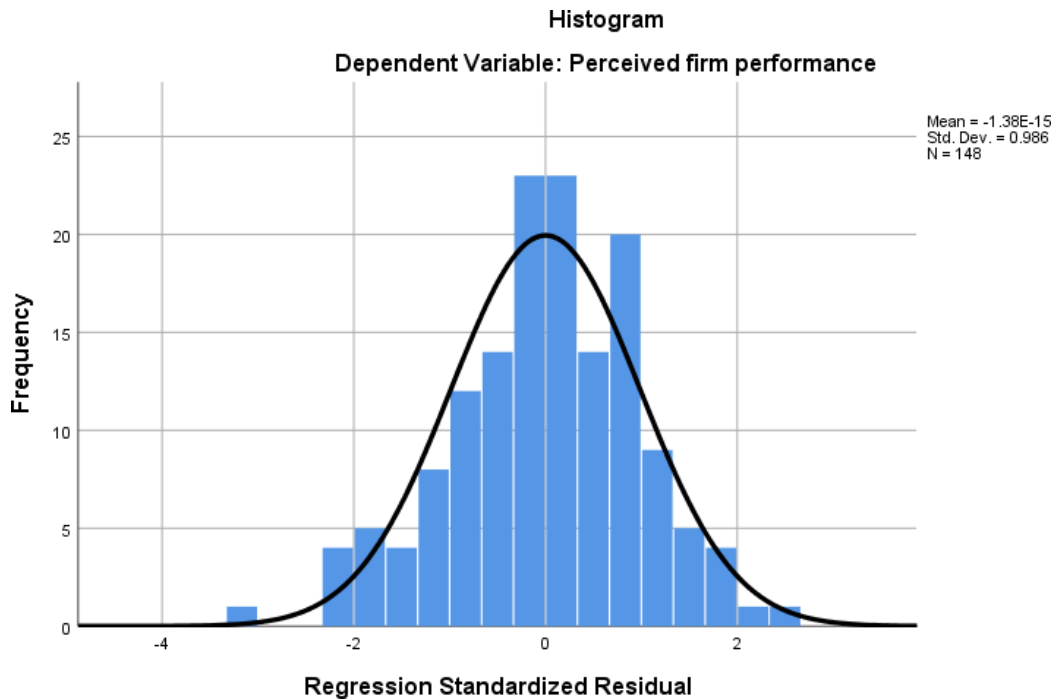


Figure 2: Normality test

Source: Survey result (2024)

The normality assumption is about the mean of the residuals is zero (normality of the error distribution). In this study, the normality of the data was checked and as shown in the figure the histogram is bell-shaped, which leads to assume that the residuals are normally distributed the residual mean is zero and standard deviation approaches zero. In this case Histogram is symmetric shows that assumption of normality is met. Thus, no violations of the assumption normally distributed error term.

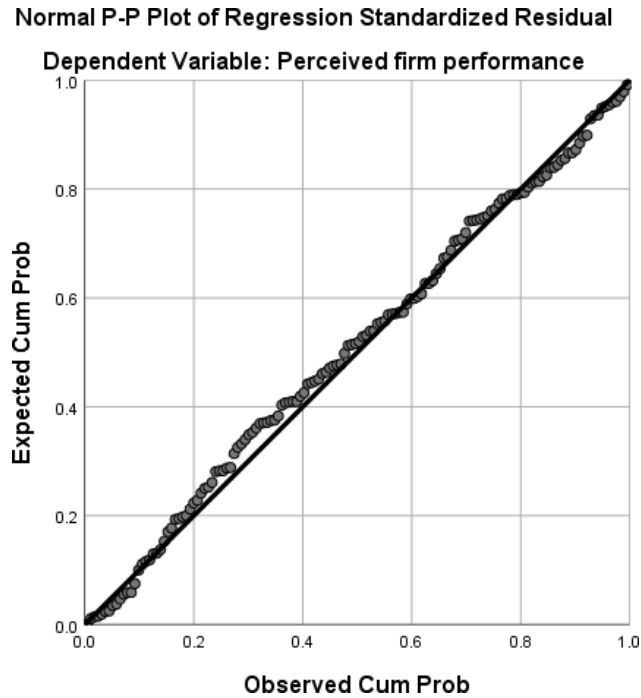


Figure 3: Linearity test

Source: Survey result (2024)

Linearity is the degree to which the change in the dependent variable is related and affected by the change in the independent variables the association and relation between the dependent variables and independent variables need to be linear function to perform linear regression analysis. One method of avoiding non-linearity is to use theory of previous research study to inform the current analysis to support in choosing the suitable variables(Gujarati & Porter, 2009). i.e. the relationship between the independent variables and the dependent variable can be characterized by a straight line.

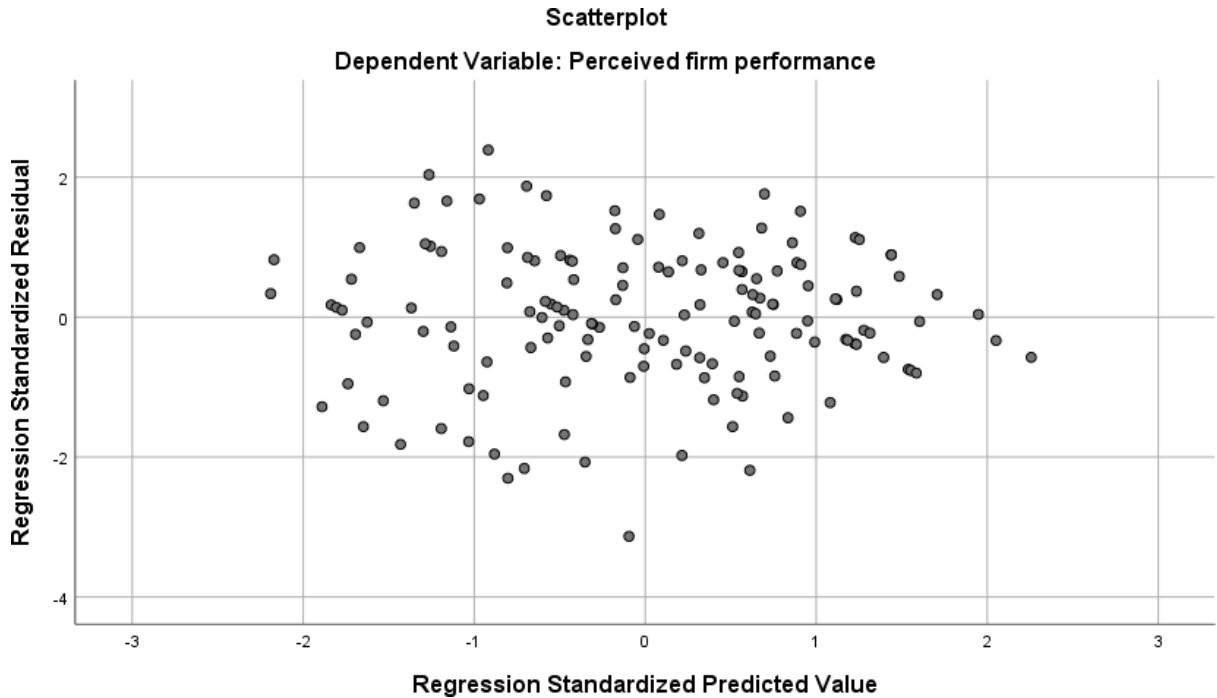


Figure 4: Heteroscedasticity test

Source: Survey result (2024)

Homoscedasticity is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point across the model. Homoscedasticity can be checked by visual examination of a plot of the standardized residuals by the regression standardized predicted value (Gujarati & Porter, 2009). The above plot figure 4 show, even though there are some out layers that are visible, the standardized residuals in this research are distributed evenly in the same direction but in a wider range indicating Heteroscedasticity wouldn't be a serious problem for this data. In addition the graphs look like a random array of dots if the dots do have a pattern like a funnel or a curve shape there is a possibility of Heteroscedasticity problem but in this case the graph looks like random array of dots so it can be concluding the models didn't violate the assumption.

4.2.3.3 ANOVA table and regression coefficients

Table 13: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827a	.684	.675	.63196
a. Predictors: (Constant), Strategy implementation, Strategy evaluation, Environment scanning, Strategy formulation				
b. Dependent Variable: Perceived firm performance				

Source: Survey result (2024)

Table 13 summarizes the overall fit of the regression model used to assess the relationship between the four strategic management practices and perceived firm performance. The model demonstrates a strong positive association, with an R-squared value of .684. This indicates that 68.4 % of the variance in perceived firm performance can be explained by the combined effects of environmental scanning, strategy formulation, strategy implementation, and strategy evaluation. The adjusted R-squared value of .675 further strengthens this conclusion by accounting for the number of independent variables in the model. While the standard error of the estimate (0.63196) provides a measure of the unexplained variance, the high R-squared values suggest that the model effectively captures the significant positive relationships between the strategic management practices and a firm's perceived sustainable performance.

Table 14: ANOVA Result

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	123.707	4	30.927	77.438	.000b
	Residual	57.111	143	.399		
	Total	180.818	147			
a. Dependent Variable: Perceived firm performance						
b. Predictors: (Constant), strategy evaluation, strategy formulation, strategy implementation, external scanning						

Source: Survey result (2024)

Table 14 solidifies the strength of the model presented in Table 16. The statistically significant "Sig." value (0.000) confirms a robust relationship between the strategic management practices (independent variables) and perceived firm performance (dependent variable) at a 95% confidence level. Furthermore, the high F-statistic (77.438) reinforces the model's strong explanatory power. In essence, these results provide compelling statistical evidence that the model effectively captures a significant positive association between a firm's engagement in all four strategic management practices (environmental scanning, strategy formulation, strategy implementation, and strategy evaluation) and its perceived sustainable performance.

Table 15: Regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.416	.230		-6.171	.000
	Strategy formulation	.248	.044	.292	5.651	.000
	Environment scanning	.243	.040	.305	6.115	.000
	Strategy evaluation	.264	.055	.227	4.753	.000
	Strategy implementation	.781	.089	.442	8.753	.000
a. Dependent Variable: Perceived firm performance						

Source: Survey result (2024)

Table 15 depicts the regression coefficients. The results in Table 18 revealed the unstandardized beta coefficient of .243. It indicates that a one-unit increase in environmental scanning practices is associated with a 0.243 unit increase in perceived sustainable performance. The statistically significant p-value (0.000) confirms significant effect. Therefore, the researcher can accept Ha1: firms with strong environmental scanning practices tend to achieve higher perceived sustainable performance. This finding is consistent with the findings of previous studies (such as Babatunde & Adebisi, 2012a; Sawyerr et al., 2000; Zhang et al., 2011) which indicate that a firm's environmental scanning practice plays a significant role in shaping its overall sustainable performance

The regression results in Table 15 also provide the unstandardized beta coefficient of strategy formulation practice of the factory which is 0.248 indicates that for every one-unit increase in strategy formulation practices, a firm's perceived sustainable performance is expected to increase by 0.248 units on the measurement scale. Furthermore, the statistically significant p-value (0.000) confirms that this positive association is not due to chance. Based on this evidence, the researcher can confidently accept the Ha2. This finding is in line with the findings of previous studies of AlDhaheiri et al. (2020); Borrero et al.(2020); Andrews et al.(2009) and Chijioke et al. (2018) which found that firms that proactively incorporate environmental considerations into their strategies can achieve performance.

Similar to strategy formulation, the analysis reveals a positive and significant relationship between strategy implementation practices and perceived sustainable performance. The regression analysis (Table 15) again shows an unstandardized beta coefficient of 0.781. This indicates that a one-unit increase in strategy implementation practices is associated with a 0.781 unit increase in perceived sustainable performance, mirroring the effect of strategy formulation. Additionally, the significant p-value (0.000) statistically confirms this significant effect. Therefore, the researcher can also accept Ha3. This finding is similar with the previous studies of Abass et al.(2017); (Genc, 2017); Chaimankong & Prasertsakul (2012) and Guruwo et al.(2017) which found that implementing strategies effectively has significant effect on firm's performance.

In Table 15 also it is shown that the unstandardized beta coefficient (0.264) for strategy evaluation is

.264 which indicates an increase in perceived performance for a one-unit increase in

evaluation practices. However, the significant p-value (0.000) confirms a statistically significant effect. Therefore, the researcher confidently can accept Ha4. This finding is in line with the findings of earlier studies (Chepkwony, 2016; Gaturu et al., 2017; Amalnick & Zadeh, 2017) which suggest that firm's strategy evaluation practices can have a positive impact on their social, economic, or environmental performance and sustainable development. The regression model for this study can be written as follows based on the information provided in Table 18: $Y = -1.416 + 0.243 \text{ Environmental scanning} + .248 \text{ Strategy formulation} + .781 \text{ Strategy implementation} + .264 \text{ Strategy evaluation} + \varepsilon$

Where: Y = Perceived firm sustainable performance and ε = Error term, representing the random, unexplained variance in Y that is not captured by the independent variables.

The hypotheses testing results summary is presented below.

Table 16: Summary of Hypotheses testing results

Hypotheses	Standardized β	Sig.	Decision
Ha1: Firm's environmental scanning practice has positive and significant effect on firm's perceived sustainable performance in the study area.	.305	.000	Accepted
Ha2: Firm's strategy formulation practice has positive and significant effect on firm's perceived sustainable performance in the study area.	.292	.000	Accepted
Ha3: Firm's strategy implementation practice has positive and significant effect on firm's perceived sustainable performance in the study area.	.442	.000	Accepted
Ha4: Firm's strategy evaluation practice has positive and significant effect on firm's perceived sustainable performance in the study area.	.227	.000	Accepted

Source: Survey result (2024)

CHAPTER FIVE

5 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

This study investigated the relationship between strategic management practices (environmental scanning, formulation, implementation, and evaluation) and perceived sustainable performance at Alpha water bottling factory. The research used a mixed approach with a descriptive and explanatory design. This mixed approach with both quantitative and qualitative data aimed to get a comprehensive understanding of how strategic management practices influence Alpha water bottling factory's perceived sustainable performance. Data collection included a census survey for all 160 employees (excluding janitors and security guards) and purposive interviews with managers. Questionnaires used a 5-point Likert scale and interviews provided narrative data. To ensure data validity, the questionnaire was adapted from previous studies and reviewed by experts. Data analysis included descriptive statistics and inferential statistics like Pearson correlation and multiple linear regressions using SPSS software.

The variables in the study were analyzed using descriptive statistics, revealing mean scores and standard deviations for each variable. The mean scores for "Strategy formulation," "Environment scanning," "Strategy evaluation," "Perceived firm performance," and "Strategy implementation" were 2.7108, 2.6784, 2.3554, 2.3122, and 2.2865, respectively, with corresponding standard

deviations of 1.30812, 1.39164, 0.95613, 1.10908, and 0.62778. All variables received mean scores below 3.39, indicating a relatively low level of agreement or positive perception. Additionally, the standard deviation values provide insights into the degree of variability and consistency in the perceptions or agreement levels, with higher standard deviations indicating greater variability within the dataset. Managerial interviews painted a contrasting picture. Managers expressed confidence in the formulated strategies (corporate, business, and operational levels) and their consideration of internal and external factors. This highlights potential discrepancies between employee perceptions and management's understanding of the strategic processes. Overall, this triangulation of data emphasizes the value of incorporating multiple perspectives when evaluating strategic management practices. While the factory appears to be making some efforts in strategy formulation and implementation, there is room for improvement, particularly in environmental scanning and strategic evaluation, to

strengthen Alpha Water bottling factory's sustainable performance and competitive edge in the market.

The Pearson correlation coefficients for the strategic management practices and firm sustainable performance are as follows: strategy formulation (.558), environment scanning (.517), strategy evaluation (.364), and strategy implementation (.635). These values signify large/strong positive correlations for strategy formulation and environment scanning, a medium/moderate positive correlation for strategy evaluation, and a large/strong positive correlation for strategy implementation. These results underscore the critical role of strategic management practices in shaping and enhancing firm sustainable performance, with strategy implementation demonstrating the strongest association among the variables analyzed.

The statistical analysis provides compelling evidence for the positive influence of strategic management practices on a firm's perceived sustainable performance. The model demonstrates a strong explanatory power, with an R-squared value of .684, indicating that 68.4% of the variance in perceived performance can be explained by the combined effects of environmental scanning, strategy formulation, strategy implementation, and strategy evaluation. This is further solidified by the statistically significant "Sig." value (0.000) in the ANOVA table, confirming a robust relationship between these practices and a firm's sustainability performance.

Examining the specific impact of each practice through Table 18 reveals that a one-unit increase in each practice is associated with a positive and statistically significant (p-value = 0.000) increase in perceived performance. Environmental scanning has a 0.243 unit effect, strategy formulation has a 0.248 unit effect, and strategy evaluation has a 0.264 unit effect. Interestingly, strategy implementation demonstrates the strongest influence, with a one-unit increase leading to a 0.781 unit increase in perceived performance. These findings highlight the importance for firms to actively engage in all aspects of strategic management, with a particular emphasis on effective strategy implementation, to achieve sustainable success.

5.2 Conclusion

This study examined the relationship between strategic management practices and perceived sustainable performance at Alpha Water Bottling Factory. A mixed methods approach was used to gain a comprehensive understanding of these factors. Data was collected through surveys and interviews with employees and managers.

The study successfully addressed all six objectives. It assessed current strategic management practices, perceived sustainable performance, and the effect of each practice on performance. Upon analysis, the mean scores for "Strategy formulation," "Environment scanning," "Strategy evaluation," "Perceived firm performance," and "Strategy implementation" were found to be below 3.39, indicating a relatively low level of agreement or positive perception. The standard deviation values provide insights into the variability and consistency in the perceptions or agreement levels, with higher standard deviations indicating greater variability within the dataset. Furthermore, managerial interviews revealed potential discrepancies between employee perceptions and management's understanding of the strategic processes, highlighting the value of incorporating multiple perspectives when evaluating strategic management practices.

The standardized beta values indicate the order of variables in their effect size on firm's perceived sustainable performance. Firm's strategy implementation practice has the highest effect size with a standardized beta of .442, followed by firm's strategy formulation practice with a standardized beta of .292, environmental scanning practice with a standardized beta of .305, and strategy evaluation practice with a standardized beta of .227. These results suggest that strategy implementation has the strongest impact, followed by strategy formulation, environmental scanning, and strategy evaluation on the firm's perceived sustainable performance.

Generally, the findings highlight the importance of all strategic management practices for achieving sustainable success. However, based on the standardized beta values, prioritizing effective strategy implementation appears to be the most impactful approach for Alpha Water Bottling Factory.

5.3 Recommendations

Based on this study's findings, Alpha water bottling factory should prioritize improvements in specific strategic management practices. Alpha water bottling factory had better focus on bolstering its strategy implementation efforts. This might involve assigning clear ownership of strategic initiatives, establishing performance metrics to track progress, and fostering a culture of accountability across all levels of the organization. By streamlining strategy implementation, Alpha water bottling factory can ensure its formulated plans are effectively carried out and contribute to achieving its sustainability goals.

Alpha water bottling factory is advised to develop a comprehensive framework. This framework should encompass key performance indicators (KPIs) aligned with its sustainability goals. These KPIs could track metrics like water usage reduction, energy efficiency improvements, sustainable packaging adoption rates, and positive community impact initiatives. Regularly monitoring these KPIs would allow for continuous assessment of progress towards sustainability goals. By identifying areas where strategies fall short, Alpha water bottling factory can make necessary adjustments and ensure its strategic initiatives remain effective in the long run.

To bridge the gap between employee and management perceptions of strategic management, Alpha water bottling factory should prioritize transparent communication of strategic goals and challenges, cascade company strategies to departmental levels, increase visibility of evaluation results, actively encourage employee feedback on processes, and consider training programs on strategic management for a more collaborative and informed workforce.

To gain a sharper understanding of internal and external factors impacting its sustainability efforts, Alpha water bottling factory ought to considerably strengthen its environmental scanning practices. This could entail actively monitoring trends in water resource management on a national and global scale. They should also closely track consumer preferences for sustainable water consumption practices and packaging solutions. Furthermore, staying abreast of evolving environmental regulations and potential water-related legislation is crucial. By implementing a comprehensive environmental scanning program, Alpha water bottling factory can proactively adapt its strategies to address these critical factors and seize opportunities for sustainable growth.

To bridge the gap between formulated strategies and their execution, Alpha water bottling

factory is advised to conduct a thorough review and potential refinement of its strategy formulation process. This review should ensure that insights gleaned from environmental scanning are effectively translated into clear, actionable, and measurable plans.

5.4 Limitations of the study & future research directions

This study offers valuable insights into strategic management practices at Alpha water bottling factory, but some limitations warrant consideration for future research. While the mixed methods approach with employee questionnaires and key informant interviews helped triangulate responses and mitigate potential bias, the study still relied on self-reported data. Additionally, the generalizability of the findings may be limited as the study focused on a single factory.

Future research could consider implementing a longitudinal design to observe changes over time. This could involve collecting data at multiple points to track the evolution of strategic management practices within the organization. Additionally, expanding the research scope to include multiple factories or branches of Alpha water bottling factory would enhance the generalizability of the findings. Utilizing objective performance metrics alongside self-reported data could also provide a more comprehensive understanding of the effectiveness of strategic management practices at Alpha water bottling factory. Conducting comparative studies with other companies in the same industry or similar contexts would further enrich the insights gained from the research.

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6 APPENDICE-I

Appendix I: Questionnaire

Debre Berhan University

College of Business and Economics

Department of Management

Dear Respondents!

The objective of this questionnaire is to gather information for the study on “The effect of strategic management practices on firm sustainable performance in Alpha water bottling factory” for partial fulfillment of the requirements for the Degree of Master in business administration. So your genuine response to the following question would have crucial importance to the results of the study. The information you provided is only used for the academic purpose and was kept confidential.

Section One: Demographic Questions

Please circle on one of the choices given bellow that best fits each question

Gender

Male

Female

Age

Up to 35 years

Above 35 years

Level of education

Below degree

Degree and above

Work experience

Less than 5 years

More than 5 years

Section Two: The following questions are about the independent variables of the study, so indicate your answer from the scales given 1-5 by using a tick mark “√” in the box provided. Rate your level of agreement as 5= strongly agree; 4= Agree; 3= Neutral; 2=Disagree and 1= strongly disagree

Section Two: The following questions are about the independent variables of the study, so indicate your answer from the scales given 1-5 by using a tick mark “√” in the box provided. Rate your level of agreement as 5= strongly agree; 4= Agree; 3= Neutral; 2=Disagree and 1= strongly disagree

Strategic management practices		Level of agreement				
		1	2	3	4	5
Environment Scanning						
1	I believe our organization effectively monitors external factors that impact our strategic decisions.					
2	I feel well-informed about the current trends and changes in our industry.					
3	Our organization is proactive in identifying potential opportunities and threats in the market.					
4	The information gathered from environmental scanning is utilized efficiently in our strategic planning processes.					
5	I am satisfied with the level of emphasis placed on environmental scanning in our strategic management approach.					
Strategy Formulation						
1	I am involved in the process of developing strategic plans for our organization.					

2	The strategic goals set by our organization are clear and achievable.				
3	There is alignment between the organizational objectives and the strategies formulated.				
4	Our strategy formulation process considers both internal capabilities and external opportunities/threats.				
5	I believe the strategies developed will lead to sustainable competitive advantage for our organization.				
Strategy Implementation					
1	There is effective communication of strategic goals throughout the organization.				
2	Resources are allocated appropriately to support the implementation of strategic initiatives.				
3	The necessary training and development programs are provided to employees to execute the strategies effectively.				
4	I see a direct link between my daily tasks and the overall strategic objectives of the organization.				
5	Our organization adapts well to changes during the strategy implementation phase.				
Strategy Evaluation					
1	Regular performance reviews are conducted to assess progress towards strategic goals.				
2	Key performance indicators are used to measure the success of implemented strategies.				
3	Feedback mechanisms are in place to gather insights on the effectiveness of strategies.				
4	Adjustments are made to strategies based on evaluation results and feedback received.				

5	I believe our organization learns from past experiences and improves its future strategic decisions based on evaluations.					
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Section Three: The following questions are about the respondents' perception of sustainable performance so indicate your answer from the scales given 1-5 by using a tick mark "√" in the box provided. Rate your level of agreement as 5= strongly agree; 4= Agree; 3= Neutral; 2=Disagree and 1= strongly disagree

Questions related with perceived Sustainable performance		Scale				
		1	2	3	4	5
1	Our factory increases energy efficiency					
2	Our factory is financially stable.					
3	Our factory is making a profit.					
4	Our factory improved the overall customer satisfaction					
5	Our factory is concerned with social well-being in all operations					

ANNEX II

Interview Questions

In your experience, how well does Alpha Water bottling factory stay informed about its internal and external environment?

From your perspective, how effectively Alpha Water bottling factory formulating its strategies?

Once strategic goals are established, how well do you feel Alpha Water bottling factory translates these plans into practical actions and operational procedures for the factory?

In your opinion, how effectively does Alpha Water bottling factory measure the success of its strategies, particularly those related to sustainable water bottling practices?