

**UNIVERSITI TEKNOLOGI MARA**

**CONTRIBUTION OF  
FORMULATION AND  
IMPLEMENTATION STRATEGY ON  
ORGANIZATIONAL  
PERFORMANCE: EXAMINING THE  
MODERATING EFFECT OF  
ORGANIZATIONAL CULTURE**

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## **ABSTRACT**

Formulation and implementation strategy play a major role in organizational performance. The main purpose of this study was to examine the relationship between formulation and implementation strategy on organizational performance and examined the moderating effect of organizational culture on this relationship in Yemen of Ministry of Health. The population of the study was staff at top and middle management level in Yemen Ministry of Health. Data was collected based on self-administered questionnaire from the selected sample. 120 useable samples based on the random sampling were used in the study among staff at top and middle management in the Yemen Ministry of Health. Data in this study was analyzed based on descriptive and inferential statistics using SPSS version 22. The finding showed that there was significant and positive relationship between formulation and implementation strategy with organizational performance. The findings showed that the implementation strategy has contribute more significantly than formulation strategy on organizational performance. The findings also showed that organizational culture has moderated the relationship between formulation and implementation strategy and organizational performance. The study is important from the both theoretical and practical perspective especially for practitioner and scholars to refer. This research will provide the Yemen Ministry of Health and other stakeholders with important data and insights on current state and practice of formulation and implementation strategy by Ministry of Health in Yemen.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 INTRODUCTION**

Government organizations around the world are placing greater emphasis on performance, particularly with regard to the expectations of their stakeholders and customers (Admiral, 2003). Most organizations operate as a network of various departments that are inextricably interconnected and the decisions necessarily affect the activities and outcomes in other network areas, this drives the growing need for transparency and focus on performance (Mackie, 2008).

Today, strategic management is an important element of organizations as most organizations both public and private organizations in the world use and implement strategic management (Aligholi & Gheshlagh, 2014). Strategic management has become more important in public organizations because of the increased emphasis has been placed on attaining higher levels of performance (Poister, Pitts, & Edwards, 2010). Strategic management has been touted as one of the effective management tools in strengthening organizational performance through effective decision making and systematic formulation and implementation strategy (Esmaeil, Mohammad, Yarahmadzahi, & Abtin, 2013).

Although strategic management was more prevalent in the private sector since the concept was first developed, the interest of using strategic management in the public sector has increased over the last decade (Smith & Smith, 1994). Strategic management is an area of academic inquiry and organizational practice that examines the relationships between strategic aims, processes, and content, typically using a contingency framework, which posits that successful organizations adapt to their environment in the pursuit of higher performance (Donaldson, 2001). Accordingly, organization strategy is also very important and similarly as the importance of strategic management, have widely been adopted in the business and public sector. However, there had been lack of application in the public sector until the 1980s (Eadie, 1983). There is very little research done addressing strategic management in public organizations. Additionally, because of the growing demand for