

**STRATEGIC PLANNING PRACTICES AND ORGANIZATIONAL
PERFORMANCE OF SANDOZ GmbH KENYA**

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**A RESEARCH PROJECT SUBMITTED IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
AWARD OF THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION, SCHOOL OF BUSINESS,
UNIVERSITY OF NAIROBI**

2017

DECLARATION

This Research Project is my original work and has not been presented for a degree in any other University.

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ACKNOWLEDGEMENTS

I wish to acknowledge the following persons and groups whose selfless support made this project a reality. Special appreciation goes to my supervisor, Prof. Francis N. Kibera, for his guidance and unrelenting advice during the entire period of this project.

I also wish to extend my utmost appreciation to the respondents at Sandoz GmbH Kenya for their patience, support and cooperation accorded to me during data collection. Finally, many thanks to the academic and administrative staff of the Department of Business Administration, University of Nairobi for their support and contribution. Feel appreciated.

DEDICATION

This project is dedicated to my lovely wife Dalphin and doting daughter Tiffany for their love, unwavering support and continuous encouragement throughout my studies.

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ABBREVIATIONS AND ACRONYMS

BSC	:	Balanced Score Card
DHL	:	Dalsey Hillblom and Lynn
ePMP	:	Employee Performance Management Program
GDP	:	Gross Domestic Product
GmbH	:	<i>Gesellschaft mit beschränkter Haftung</i>
IMS	:	Intercontinental Marketing Statistics
NGOs	:	Non Governmental Organizations
NSB	:	Novartis Social Business
P & L	:	Profit and Loss
PESTLE	:	Political Economical Social Technical Legal
PIP	:	Performance Improvement Program
PPB	:	Pharmacy and Poisons Board
SLT	:	Senior Leadership Team
SWOT	:	Strengths Weaknesses Opportunities Threats
TMS	:	Talent Management System
VRIO	:	Value Rarity Imitability Organization

ABSTRACT

Strategic planning encompasses all the organizational processes of defining its strategy, choosing direction and decision making on resource allocation in order to pursue the envisaged future ideal state. With the realization of the role played by strategic plans towards the achievement of an organization's Vision and Mission, the need for focus and alignment, the process of strategic planning remains critical in ensuring efficiency and improved performance. This study set out to assess the influence of strategic planning practices on performance of Sandoz GmbH Kenya through the adoption of a case study research design. Using an interview guide for the purposes of data collection, Primary data was obtained by interviewing the managers whose roles were closely related to the objective of the study. Data analysis was done using content analysis aimed at a systematic qualitative in-depth description of the composition of the objects of the study. The study concluded that the strategic planning practices adopted by Sandoz GmbH Kenya included objective setting, formulation of a strategic plan, participatory decision making, reward and recognition, training and development and employee participation. The adoption of these practices was observed to have a positive influence on the performance of Sandoz GmbH Kenya. The study recommends Sandoz GmbH Kenya should continue practicing formal strategic planning for enhanced effectiveness and efficiency as well as improved organizational performance. The organization should also continue to strengthen its strategic plans with the one, three and five year term plans. Emphasis should be increased on evaluation and control to ensure feedback generated goes into strengthening strategy formulation and implementation processes in driving the achievement of the set goals and objectives. In addition, the study recommends an enhancement of employee participation in the strategic planning and implementation process, more investment should be channeled into training and development with a long term view in building capabilities. Emphasis should also be laid on prudence while aligning global objectives to the local market in order to optimize opportunities, growth and performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

There exists a direct correlation between Strategic Planning and organizational Performance. Whereas Strategic Planning encompasses Strategy formulation, implementation and control of the key objectives undertaken by an organization's top leadership on behalf of shareholders, resource considerations consulting a thorough interrogation of the external environment in which the organization operates is critical. Johnson and Scholes (2002) observe that Strategic Planning provides a clear direction, involving specification of the organization's objectives, the development of plans aimed at achieving these objectives, and the prudent allocation of scarce resources aimed at ensuring successful implementation of the programs. Current market trends demand that organizations plan strategically, embrace technology to take advantage of existing market gaps and reorganize to penetrate into new markets.

Organizational Performance interrogates the actual output achieved by an organization in comparison with the intended output. According to Richard (2009), profitability, customer satisfaction, product performance and market share are key indicators of organizational Performance. Achieving efficiency and effectiveness as measured through prudent utilization of organizational resources is another measure of organizational Performance as it drives cost differentiation and customer satisfaction.

The Pharmaceutical Industry in Kenya has been identified as a very competitive and rapidly growing segment of the healthcare sector in relation to the country's economy (Onyinge, 2013). Owing to this fact and the heavy regulation extended to the Pharmaceutical Industry, compliance to international and local regulations, for an organization to remain competitive and maintain market leadership, Strategic Planning must play a critical role. The dominance of the Industry by established multinational corporations, entities establishing joint ventures and heavily divested organizations, requires new entrants to carefully analyze their Strategic Planning Practices in order to survive and deliver on their set objectives.

The three theories that form the foundation of this research are the Resource Based View (RBV), Industrial Organization Theory and the Stakeholder Theory. According to Barney (2001), the Resource Based Theory, the organization's internal factors are its determinants of competitive advantage; the Industrial Organization Theory appreciates the positioning of external markets as the critical factors for attaining competitive advantage. On the other hand, the Stakeholder Theory considers the organization's approach to its stakeholders including suppliers, employees and business partners as the success determinants.

Sandoz GmbH Kenya operates within the highly regulated and competitive business environment within the Kenyan pharmaceutical industry. As a player, Sandoz competes in the generic pharmaceutical category distinguishing its product portfolio through quality and affordability. Organizations in the pharmaceutical industry acknowledge the

significance of pursuing opportunities within emerging markets. This study seeks to interrogate the existing knowledge and its application in the pharmaceutical industry in Kenya. The study will examine the correlation between Strategic Planning Practices and the Performance of Sandoz GmbH Kenya.

1.1.1 The Concept of Strategic Planning

Strategic Planning obtains its basis from the concept that the future of an organization can be potentially influenced by actions undertaken in the present. The process involving the definition of the ideal future state of the organization, the formulation of a roadmap outlining how to achieve it and moving from the current state towards the organization's vision defines strategic planning. Steiner (2010) observes strategic planning as comprising of the setting of organizational goals, developing policies and strategies towards achieving these goals and the establishment of an in depth plan aimed at detailing the implementation process. With emphasis on prioritization and a focus on long term objectives, resources are allocated to ensure an alignment with the organization's vision (Marksberry, 2012).

The organization's competitiveness as well as positioning in the industry within which it operates and the leveraging on strengths to attain a strategic advantage is the primary preoccupation of strategic planning. The overarching concept of strategic planning is in the firm's process of defining its strategy, consciously deciding on resource allocation to pursue the strategy and commitment to the chosen path (Johnson & Scholes, 1999). Key components of the Strategic Planning concept include; the mission, vision, goals and

objectives of the organization. The mission is a statement defining the organization's purpose for existence, the business the organization is involved in, and how it executes its mandate to achieve its vision. An organization's Vision on the other hand is futuristic in nature and concentrates on the long term view of the firm. Goals and objectives form the milestones within which short term as well as long term operations framework can be measured (Nelson, 2008).

In a nut shell, Strategic Planning provides the organization's management an opportunity to influence the future of the business thereby determining its destiny. The value of strategic planning is obtained from the processes, procedures, providing new insights and developments, and coming up with new ideas (Rothermel, 2012). Phillips and Moutinho (1999) opine that the only objective of strategic planning is to improve strategic performance.

1.1.2 Strategic Planning Practices

Steiner (2010) defines Strategic Planning as a process whose aim is to outline strategy, set policies and develop detailed plans seeking to achieve organizational objectives. The deliberate effort by an organization's Management to integrate its strategy with the allocation of roles, responsibilities and resources in the actualization of the desired ideal future forms the backbone of strategic planning. The three key components of Strategic Planning include strategic analysis, strategic choice and strategic implementation. The formalization of logistics, operations and financial domains by both Management and industrial sciences has resulted in the complimenting of the quantitative arm with the

qualitative human aspect of sociology, psychology, and human resource management. It is the combined quantitative and qualitative aspects that address different organization requirements including professional, financial, technical, and strategic needs.

Strategic planning models proposed by various academic as well as business writers to support development of new strategies include (Nelson, 2008; Steiner, 2010; Marksberry, 2012). Specifically, these strategic planning models provide defined instructions on the mechanism of approaching, executing and evaluating the formulation of strategic concepts. The increase in strategic planning methods observed with all the topics emphasizing on processes and procedures can be attributed to organizational focus on the achievement of set objectives. The environment within which a business operates in relation to external and internal forces requires that Strategic planning focuses attention to strategic concept development with this respect.

The appreciation of Strategic Planning practice to focus on the organization's strengths in prioritizing and taking advantage of existing gaps and opportunities in the environment is the cornerstone of leadership. Organizations that embrace a strategic plan that recognizes their internal weaknesses deliberately allocating resources to improve will in the long run deliver superior performance. Ordinarily, a substantial investment is required to ensure the organization's strategic objectives are achieved. Organizations must therefore allocate their resources considering the priorities that the organization has set. Towards this end effective strategic planning is observed to enhance the performance of an entity. According to Kraus et al. (2006), strategic choice includes the generation evaluation and

identification of the best strategy. Strategy implementation lays emphasis on developing appropriate policies and generating a framework that aids in translating selected strategies into action points. These include corporate direction, scanning of the business environment, identification and analysis of the firm's strategic issues, strategic choice and development of implementation, evaluation and control of systems (Ghobadian et al., 2008). The strategic planning practices that will be discussed in this study include: formality, use of strategic planning tools and techniques, employee participation and management participation.

1.1.3 Organizational Performance

Organizational performance is the actual output of an organization measured against the expected outputs. Richard et al. (2009) defines organizational performance as a summary of three key identifiable, measurable and specific outcome areas namely; Financial Performance, Shareholder Return, and Product Performance. Financial Performance is measurable in profits, return on investments and return on assets. Shareholder Return is measurable in total shareholder return, as well as a measure of economic value addition. Product Performance, on the other hand, can be measured in sales or market share achieved, new market penetration and customer feedback evaluation.

According to Kaplan and Norton (2009), the Balanced Score Card (BSC) methodology has been used to manage organizational performance where performance is analyzed and measured in a multi-pronged approach including Financial Performance, Customer Satisfaction, Corporate Social Responsibility and Employee Satisfaction. The objective

of the BSC is to obtain a score of a set of parameters maintaining a balance between short-term as well as long-term objectives as measured between lagging and leading indicators, with the same criteria applied for internal and external performance parameters (Santos & Brito, 2012).

The appropriate identification of performance indicators can enable the detection of skewed resource allocation, control deficiencies and problem areas. This is in addition to supporting benchmarking, personnel evaluation and the contribution to growth and achievement of the overall pharmaceutical industry business objectives. Parmenter (2011) opines customer satisfaction, pre-tax profit, return on investment and employee satisfactions are the main key performance indicators.

1.1.4 Pharmaceutical Industry in Kenya

The Pharmaceutical Industry in Kenya represents one of the five segments of the Health sector, the others being Health Care Facilities, Medical equipment supplies, Diagnostics and Health Insurance Companies. The Industry is dominated by large international players and a few local players. Some of the biggest international pharmaceutical companies include GlaxoSmithKline, Merck & Co, Novartis, and Pfizer among others. The biggest local pharmaceutical company, on the other hand, is Beta Healthcare.

According to The Kenya Pharmaceutical and Healthcare Report Q1 2017, The Pharmaceutical Industry in Kenya reported \$826 million sales in 2016 and expects an impressive growth of 10.7% in 2017 to \$914 million. The 2016 sales represent 1.19% of

GDP and 22.2% of overall Healthcare Sector expenditure for the year. The three major segments that constitute the Pharmaceutical Industry in Kenya are Manufacturers, Distributors, and Retailers. The three play a pivotal role in complimenting the country's healthcare sector estimated to be composed of approximately 5,800 healthcare institutions. Multinational Pharmaceutical Corporations form part of the key players in the Pharmaceutical Industry in Kenya. Their presence in the country is in the form of Subsidiaries, Franchises, Scientific Offices or Joint ventures with local or international distributors as well as locally owned corporations most of which are located in Nairobi and its environs (Onyinge, 2013).

The Industry is operated under a legal framework controlled by the Pharmacy and Poisons Act, Cap 244, Industrial Property Act, 2001 and the Anti-Counterfeit Act, December 2008. Specifically, the Pharmacy and Poisons Act, Section 244 established the Pharmacy and Poisons Board (PPB) which is the Pharmaceutical Regulatory Authority in Kenya. The Board is in charge of the control and regulation of Pharmacy Practice including the manufacture, storage and trade in drugs and poisons.

1.1.5 Sandoz GmbH Company

Sandoz Pharmaceuticals, the Generic Pharmaceuticals and biosimilar Division is a member of the Novartis Global Biopharmaceutical group of companies whose other Continuing Operations in 2016 include; Novartis Pharma- handling innovative, originator prescription drugs and Alcon- involved in the manufacture, sales and marketing of Surgical, Eye and Eye care products. Novartis enjoys a prominent leading position

globally in each of the three business areas. In order to cement its competitive positioning through the three portfolios of the healthcare Industry, focus is maintained on quality and innovation to continuously meet changing patients needs around the globe, working to establish and maintain steady growth and presence in new as well as emerging geographical, therapeutic market segments and to enhancing performance and thereby embark on an investment for the future ensuring returns on shareholders' equity. (Novartis Company Overview, 2016)

Sandoz has established global leadership in Generic medicines and Biosimilars with a product presence in more than 150 countries worldwide. Globally, Sandoz achieved \$10.1 Billion net sales in 2016, representing 21% of the Group's total Net Sales (Novartis, 2016). With a global patient reach of over 500 million patients in 2016, the strategy adopted is to increase patient access by driving sustainable and profitable growth.

The execution of the Sandoz Divisional strategy focuses on two key priorities namely; investment in priority markets and strategic treatment areas, in addition to enhancing the performance of small-molecule research and regulatory organization thereby maximizing opportunities in biosimilars. Sandoz primarily focuses on products that add more value to patients, payers and healthcare professionals than standard generics (Sandoz, 2016).

Sandoz boasts of being at the helm globally of biosimilar sales, for generic anti-bacterials, Eye Preparations and transplantation treatments, (IMS Health, 2016). Additionally, Sandoz is a market leader worldwide in important treatment areas including

Generic injectables, Skin Care, Respiratory, Cardio-Metabolic, Central Nervous System, Pain Management and Gastrointestinal treatment. Effective April 1, 2016, operational control for the Novartis Malaria Initiative was transferred from Innovative Medicines Division to Sandoz. In addition, Sandoz assumed operational responsibility for Novartis Access, launched in September 2015, which comprises an introductory portfolio of 15 products to manage chronic diseases in poor and developing countries. The medicines, the majority of which are Sandoz products, addresses heart diseases, respiratory diseases, diabetes, hypertension and breast cancer, offered to government funded institutions, non-governmental organizations (NGOs), Faith based healthcare institutions and other public-sector health providers at an affordable cost of \$1 per treatment, every month.

The existing Sandoz tuberculosis business as well as Novartis Social Business (NSB) is also operationally managed by the same unit, under the Sandoz Global Commercial Operations function. (Sandoz, 2016) Globally, Sandoz is organized into three business units namely; Anti-Infectives, Retail Generics, and Biopharmaceuticals.

1.2 Research Problem

The realization by Organizations of the relevance attributed to a strategic plan in shaping the vision and mission, the selection of strategies to be adopted and allocation of resources to ensure achievement of corporate goals, which has increased the awareness around the purpose of Strategic Planning for superior performance (Suklev & Debarliev, 2012). A strategic plan is critical in ensuring that strategic goals and objectives are in line with organizational activities within its environment in turn providing for its guaranteed

survival and effectiveness. This results in enhanced organizational performance (Kraus et al., 2006). Business Environment challenges pose a major threat to organizational survival and development of competitive advantage within the ever evolving and changing market dynamics. It is for this reason that business managers need to thoroughly understand the environment within which they operate while undertaking strategic planning. The strengths of a business entity and weaknesses are inherently internal with reference to the organization. On the other hand, opportunities as well as threats existing in the external environment need effective assessment through scanning and analysis (Mintzberg, 1999).

Players in the Pharmaceutical Industry in Kenya have had to consider crafting strategic plans in order to guide their activities towards achieving their strategic objectives. Sandoz GmbH Kenya operates in the Kenyan Pharmaceutical Industry in Kenya which is highly competitive, heavily regulated and faced with enormous local and international challenges (Onyinge, 2013). For Sandoz to maintain its global leadership position, establishing a strong footing in emerging markets is a key strategic pillar and thus must be domesticated to the Kenyan market. Sandoz GmbH Kenya faces diverse environmental forces in the Kenyan Pharmaceuticals Industry which affect its overall financial performance. Stiff competition, especially new entrants with significant capacity, dominant players, cut-throat competition for similar clients ultimately shapes strategy forcing organizations in the Industry to craft strategies that enable them to have a competitive advantage.

Previous studies investigating the relationship between Strategic Planning and Performance include a meta-analysis in Europe by Schwenk and Shrader (1993), whose findings were that there exists a positive correlation between Strategic Planning and organizational Performance. An investigation by Aldeyhayat and Twaissi (2011) related Organizational Performance to Strategic Planning in the Middle-East. These studies established a positive relationship between strategic planning and firm performance. Studies by: Glaister et al., 2008; Kraus et al., 2006; Suclev and Debarliev (2012) found a positive relationship between strategic planning and firm's performance.

Previous local studies done in strategic planning practices include; Mutisya (2013) studying Strategic Planning Practices Adopted by Dalsey Hillblom and Lynn (DHL) Express Kenya concluded that DHL Express Kenya adopts a formal Strategic Planning Practice and communicates its Vision and Mission to the employees. In Strategic Planning Practices by Kenya Medical Supplies Agency (John, 2012), the Study focused on challenges facing Strategic Planning Practices. Strategic Planning Practices at the Barclays Bank of Kenya, (Murega, 2011) and Strategic Planning Practices and Performances by Commercial Banks in Kenya (Muriuki, 2010) identified a positive link between Strategic Planning and organizational performance.

These studies have limited themselves on the steps of strategic planning and Organizational Performance. Limited focus has been given on the link between strategic planning practices and performance using a case study research design in the Pharmaceutical Industry in Kenya, in particular Sandoz GmbH Kenya. This study

therefore will seek to find an answer to the research question: What is the influence of strategic planning practices on performance at Sandoz GmbH Kenya?

1.3 Objectives of the study

The main objective of the study is to establish the influence of strategic planning practices on performance of Sandoz GmbH Kenya.

1.4 Value of the study

As established earlier there exists a gap in the area pertaining the influence of strategic planning on organizational performance. This study will help in appreciating the strategic planning practices at Sandoz GmbH Kenya and their influence on Organizational Performance. This will benefit players in the Pharmaceutical Industry in Kenya and by extension the healthcare sector in Kenya, including policy makers in government who will immensely benefit from this study.

This will go a long way in helping this sector acknowledge the factors affecting Strategic Planning Practices in the Industry, Impact on Organizational Performance and provide insight on best practice during Strategic Planning. Knowledge gained by leaders will be important on decision-making in changing environmental situations as well as in formulating organizational strategies that enable them to achieve competitive advantage, establish and maintain market leadership as demonstrated by Superior Financial Performance.

Researchers with an interest in Strategic Planning Practices, students and scholars studying the concept of strategy and planning, will benefit immensely from this study. In fact, the process will lead to the gaining of valuable insights and the importance of Strategic Planning Practices adopted by managers and their impact on Organizational Performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, there is focus on existing literature. Particularly, strategic planning practices and organizational performance are of primary interest as researched by other scholars. A keen interest is in establishing a correlation between the existence of strategic planning and its impact on organizational performance.

2.2 Theoretical Foundations

This section will comprise theories in support of the argument that there exists a relationship between strategic planning practices and organizational performance. These include the Resource Based View, Industrial Organization Theory and the Stake Holders Theory.

2.2.1 Resource Based View

The Resource Based View postulates that the competitive advantage achieved by a firm is an element of the uniqueness of its resources (Carpela & Gordon, 2011). Thus the review of the resources available at the organization's disposal forms an important point of convergence. Resources refer to both tangible as well as intangible assets an organization opts for to determine and implement its strategies. In the category of tangible resources are financial, physical, technological, and organizational resources whereas intangible resources include human, image and innovation (Carpela & Gordon, 2011). This theory lays emphasis on the Value (V), Rarity (R), Imitability (I) and

Organizational (O) components of resources and capabilities and hence arrives at the VRIO framework. According to the VRIO framework, a firm's competitive edge can be developed from the value adding processes. The processes that add no value unfavorably impact on the firm's competitiveness due to the needless distractions from the organization's primary objectives (Carpela & Gordon, 2011). Rarity refers to the situation where an organization develops a competitive advantage through a rare resource capitalizing on this rare resource to produce a unique product or service that other firms are not able to avail in the market. Imitability is the inability of competition to replicate the services or product unique to the firm. According to Porter (1990), an organization's superior ability to prioritize and organize unique, inimitable rare resources confers the organization a competitive advantage. In this respect, the Resource Based View is concerned with the resources the firm commands and the way it utilizes them to achieve a competitive advantage.

An analysis of the competitive advantage according to Barney (1991) takes into consideration two assumptions. One that firms in a particular industry are unique in regards to the resources under their control. Secondly, the resources imparting competitive edge have restricted mobility across and within the industry and therefore cannot be traded. Sustainability is significant in as much as an organization's resources may have been value adding in the past, factors including customer preference changes and technological advancement, industry structures or regulation can impair their value in future.

2.2.2 Industrial Organization Theory

The Industrial Organization Theory derives its assumptions from the theory of the firm, a collection of economic theories that attempt to predict describe and explain the nature of an organization in terms of its very existence, composition, behavior, and structural development in relation to the market. This provides for organizational structures, situational designs, operational frameworks and the relationship with the external environment within which the organization competes. This theory appreciates the organizations external market disposition as a crucial factor for achieving competitive advantage. In the ancient industrial organization perspective, strategic management is offered a systematic approach in evaluating and understanding external competition within a particular industry. Nelson (2008) opines that the structure and functioning of any market is the fundamental concept underlying the industrial organization theory.

According to Bennet (1996) the structural, behavioral as well as the performance pattern used as a framework for analyzing the relationship between the structure, conduct and performance of a market is a function of industry organization. The market structure within which a firm operates determines its behavior and thus the market's performance. The Industrial Organization Theory focuses on the market where a company operates in, as opposed to the company itself (Ryals, 2007).The theory therefore emphasizes on the whole industry and market conditions of a company as opposed to the central analytical aspect which identifies strategic choices that organization's have in their respective industries (Porter, 2008).

2.2.3 Stakeholder Theory

The Stakeholder Theory was observed to have gained prominence in the 1970's as a management practice reference and gradually developed and adopted by Freeman in 1984 through the incorporation of corporate accountability to a diverse range of stakeholders. According to Wheeler, Colbert and Freeman (2003) the stakeholder theory is derived from a mix of social and organizational disciplines. The theory takes a lesser formal unified approach instead of adopting a broadened research tradition, incorporating philosophy, psychology, ethics, economics, political theory, law and organizational management science.

Donaldson and Preston (1995) observed that this theory focuses on management level decision making in which every stakeholder's interest is valuable, in addition no particular set of interest is superior to the other. As a suggestion of the theory, an organization's management must have a relationship network to serve employees, dealers, suppliers, shareholders and all other business partners. It argues that these stakeholders are important (Wheeler, et. al, 2003). The theory is thus significant in that by taking care of all the stakeholder's interests the performance of the Pharmaceutical Industry in Kenya is enhanced.

2.3 Empirical Review

Strategic planning practices have four dimensions namely; formality, use of strategic planning tools and techniques, management participation and employee participation. Regarding formality, in the implementation of strategic planning, the framework guiding

the process ought to be adaptable, efficient, effective, flexible, complete, focused and formal. The formality of strategic planning process requires a detailed quantification of all the inputs and a calendar guiding the sequence of events to be undertaken in a particular format. A formalized strategic plan plays the role of a reference point which strategic planners can refer to when crafting and implementing the strategic plan creating a platform that ensures resolution of any disagreements pertaining strategic planning and implementation (Aldehayyat & Al Khattab, 2013).

According to Aldehayyat and Twaissi (2011), each and every actor's role in the execution of the strategic plan is clearly defined from employees to senior management. Components include budget detailing the resources allocated for strategy implementation, time frame, duties and responsibilities of various actors and the roles stakeholders play. The inter relationships of the senior management and other employees in the execution of their duties is also outlined resulting in an increased commitment and dedication through the participation of individuals at all levels of strategic planning. The primary concern of Formal planning is in future implications emanating from current decisions. This creates a link between short, intermediate, and long-term plans. A strategic plan affords the organization the ability to overcome biases and barriers concerned with planning challenges. According to Kraus et al. (2006), strategic planning provides direction and ensures focus is maintained on the mission and vision of the organization. This in turn enables the organization to identify problem areas in advance, anticipate challenges and provide for an approach to deal with any unforeseen eventualities.

The use of Strategic Planning Tools and Techniques is the second dimension of strategic planning. Gica and Balint (2012) observe that the use of tools and techniques assist in increasing the effectiveness and efficiency of planning resulting in superior organizational performance. The organization's top management must allocate sufficient resources and invest in modern tools and equipment to assist in the implementation of the strategic plan. On the other hand, employees provided with the requisite tools and equipment remain highly motivated and work relentlessly enhancing productivity in their work (Elbanna, 2010).

According to Aldehayyat et al. (2013) Tools and equipment offer an enabling environment to operate in line with the organization's corporate goal. The top management should provide an enabling work environment to the employees by offering appropriate tools and equipment for the tasks to be executed. Each and every stage of planning demands its unique tools and equipment for the specific tasks. The efficient and effective utilization of the resources accorded for planning in the form of tools and equipment ensures employees meet the requirements of every planning stage with minimal limitations. Kraus et al. (2006) observed that well performing organizations provided their employees with high quality tools and equipment matching their duties and responsibilities in line with the expected performance. In addition, the findings supported the observation that provision of tools and equipment to a greater extent motivated the employees to work harder towards ensuring the achievement of set goals and objectives. Aldehayyat et al. (2011) opines that by the organization investing in the provision of quality and sufficient training on the use of tools and equipment increases the employees'

efficiency in addition to enabling them avoid accidents during the execution of their duties and carrying out of their responsibilities. Management Participation is the third dimension of strategic planning. Its main focus is on the involvement of management in the planning process. Managers and senior executives bear the overall responsibility of setting the organization's strategic direction and positioning. Lower level managers carry out specific roles towards development and execution of strategic plans. According to Wijewardena et al. (2004), in measuring management participation in strategic planning, the roles played by managers in the formulation and communication of the strategic plans and the degree to which the managers believe their suggestions matter in making the organization's strategic choices form a significant part. The management's commitment to the implementation of the planning process outcomes determines its level of participation which in turn increases the effectiveness of the process.

According to Gica and Balint (2012), middle-level managers' participation in strategic planning is geared towards achieving improved performance through enhancement of the quality of strategic decisions and improving the level of consensus on strategy and planning. Yusuf and Saffu (2005) in a study concluded that enhanced effectiveness on strategic planning resulted in increased organizational performance. In order to attain improved efficacy in the strategic planning process, the participation of managers at various levels executing different roles is not an option. The participation of Management lays emphasis on and indirectly encourages the involvement and commitment of employees within the lower level of the organization. This effectively dictates a common direction in working towards the organization's set goals and objectives; it also acts as a

persuasion to the employees to work together as a team with the management to achieve successful implementation of agreed strategic goals for the organization. The fourth dimension of strategic planning is employee participation. According to Gica and Balint (2012) management should constantly engage its employees' continuously and extensively on matters of the organization's decision making. In doing so, a healthy working relationship is achieved between all parties through an open discussion on matters of contention. Elbanna (2010) observes participative management, management by objectives and total quality management as some of the important tools used to involve employees in strategic planning and decisions making. These practices ensure that employees are involved and informed about Key developments taking place in the organization as well as decisions arrived at. In this respect, there is minimum resistance to change due to the progressive nature of employee involvement in the process of strategic planning.

Increased productivity, high quality engagements, cost reduction, overall efficiency and effectiveness are some of the benefits obtained from employee participation. To achieve strategic planning effectiveness, employee participation plays a major role. It increases employee motivation due to the fact that employees own and appreciate the roles they are required to play based on their participation in crafting the organization's objectives. According to Wijewardena and Fonseka (2004), employees' skills and capabilities are strengthened ensuring productivity and accountability towards achieving the results intended by the planning process. Gica and Balint (2012) posit that the delegation of specific implementation responsibilities to designated individuals or groups forms an

integral component of employee participation. The organization's top management should embrace the use of rewards and recognition for the employees who demonstrate exemplary performance, these acts as a motivation to other employees to actively participate in the execution of the organization's short and long-term plans.

2.4 Strategic Planning Practices and Organizational Performance

Organizations adopting strategic planning practices are more profitable and successful than those that do not (Johnson & Scholes, 2002). This is attributable to the fact that focus is placed on the things that matter most with resources like time, talent, money allocated to those activities that result in the highest returns. Organizations embracing strategic planning practices exhibit considerable increase in sales, market share, profitability, and productivity in comparison with businesses lacking coordinated planning activities.

According to Thompson (2007), organizations achieving stellar performance are observed as having adopted strategic planning practices in anticipation of future unpredictable events within their environments. Operations embracing strategic planning processes ideally produce superior performance in the long term above industry peers. These organizations make prudent decisions coupled with a reasonable prediction of accompanying consequences. Poorly performing entities on the contrary, often engage in activities that are skewed towards insufficiency of foresight and reflect improper forecasting of future conditions. Planning managers of poorly performing organizations are more often than not preoccupied with routine and mundane activities like policing

staff. Ordinarily, they understand their competitors' strengths, underestimate them and overestimate their strengths. In the meantime, they attribute mediocre performance to factors beyond their comprehension and control such as a weak economy, competition, poor financial standing and technological advancement (Kaufman & Herman, 1991).

In addition to aiding businesses escape financial obscurity, strategic planning provides a number of different significant benefits, including enhancement of the awareness of challenges emanating from external threats, thorough comprehending of internal strengths and weaknesses, an increased understanding of competition strategy, elevated employee engagement, acceptance of change as inevitable, as well as appreciating performance-reward relationships in the company (Bryson 2011). Strategic planning enhances the organization's preparedness to counter challenges as a result of promoting collective responsibility and ownership of processes among leaders at all levels. Strategic planning practices allow organizations to turn their workforce into high performing teams by cultivating in them a sense of ownership, shared commitment to the objectives, as well as empowerment which enhances delivery, over and above recognition of top performers (Kaplan & Norton, 2009).

Besides empowering the workforce, strategic planning often adds motivation, discipline and sense of purpose to an otherwise disoriented firm. It can mark the genesis of an effective and highly productive management system. Strategic planning can reignite the flair in the existing business strategy or inform the basis of review towards adopting to change. It is the strategic planning process that forms the starting point for realizing,

understanding and embracing the need for change to the workforce aiding them view it as an opportunity and not punishment. Strategic planning discipline therefore facilitates effective decision making, better choices of tactical options and leading an increased probability of attaining the owners and other stakeholders' goals as well as objectives (Ryals & Rogers, 2007).

2.5 Empirical Studies and Knowledge Gaps

This study underscores the correlation between strategic planning and Organizational performance as discussed in the empirical literature review. Aguilera and Jackson (2003) conducted a study on thirty-eight firms in six different industries including manufacturing firms, the banking industry, multinational firms, the public sector, and insurance companies. During the study investigators established a positive link between strategic planning and financial performance of organizations. Suklev and Debarliev (2012) in a comparative study on the effectiveness of strategic planning in the Republic of Macedonia confirmed that strategic planning practice and its effective execution was an area of significant interest to industry players as well as academicians in the Western Countries. During the study, a wide range of measures was used pertaining the various strategic planning dimensions in both emerging as well as developing countries. For data analysis, regression and factor analysis were the statistical tools employed. Data collection was through questionnaires that was administered both top and middle level management. The results obtained concluded upon analysis that strategic planning contributed positively to organizational performance.

In another study on the link between strategic planning and performance of insurance companies in Kenya by Arasa and K'Obonyo (2012) using a descriptive study research design, a strong positive relationship between strategic planning practices and organizational performance was established. The study utilized both Primary and secondary sources of data. A study by Owolabi and Makinde (2012) investigated the effects of strategic planning on corporate performance using Babcock University in Nigeria. Management efficiency and effectiveness were used to measure performance. Primary data was collected with the help of questionnaires that were administered to the employees in Babcock University. Data analysis was done using descriptive statistical tools and the hypothesis of the study was tested using Pearson Product Moment Correlation Statistics. The study found a significant and positive relationship between strategic planning and performance. It was suggested that strategic planning was an essential component in driving the organization towards achieving organizational goals and objectives especially in educational matters.

From the studies, it is concluded that strategic planning practices play a significant role in crafting the strategy and allocating responsibility for execution. These practices provide a blue print on the chosen direction the organization adopts towards achieving its specific goals and objectives. The most common strategic planning practices undertaken by organizations are; the use of strategic planning tools & techniques, formality, management and employee participation. Although empirical findings and theories have led to the conclusion that strategic planning positively impacts on performance, there is limited emphasis in the Pharmaceutical Industry in Kenya. This study seeks to fill the knowledge

gap of how strategic planning practices at Sandoz GmbH Kenya affect Organizational performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter entails a detailed coverage of the research methods as well as the research design deployed in the study. An explanation of the procedures, data collection and analysis methodology is discussed. Particularly design, collection of data and its analysis form an integral part of the chapter.

3.2 Research Design

The study adopted a case study design. It sought to find out the strategic planning practices adopted by Sandoz GmbH Kenya and their overall impact on the organizational performance. The study design was best suited in the event that one unit of study was considered for a detailed analysis. This design provided specific and important insights to phenomena that may otherwise be poorly understood.

Yin (1981) notes that a descriptive case study strives to document the procedures of a particular event or events. It is essentially focused and detailed, in which propositions and questions about a phenomenon are critically examined and explained at the beginning. This articulation of what is already known about the phenomenon is called a descriptive theory. It helps to define the boundaries of the case, contributes immensely to the assertiveness of the finished case study. The power and the promise of a descriptive case study lie in its potential for mining for abstract interpretations of data and theory

development. This study design choice enabled an in-depth investigation of the study variables strategic planning practices and performance.

3.3 Data Collection

Primary data and secondary data formed the backbone of the study. The primary data was acquired from top management, middle level managers and other employees of Sandoz GmbH Kenya through the use of an interview guide. This was used to obtain information regarding the strategic planning practices adopted by Sandoz GmbH Kenya and their impact on organizational performance.

The study targeted respondents drawn from various departments. They included the Country Head, Finance Manager, Marketing Manager, Supply Chain Manager, Regulatory Affairs Manager, Compliance Manager, First Line Managers and Sales Representatives. These respondents were better placed in providing required data owing to their positions within the organization.

Personal face to face interviews were used to obtain the primary data through the interview guide; this provided the opportunity to further seek clarification on outstanding issues by probing. Complementary sources including company newsletters, annual reports and any other relevant information sources about the organization provided secondary data.

3.4 Data Analysis

The qualitative nature of data obtained required the use of content analysis for purposes of analyzing and interpreting data to obtain meaningful correlations and inferences. According to Mugenda and Mugenda (2003), content analysis entails making of inferences by relating trends obtained through systematic and objective identification of characteristic messages.

Content analysis allows in depth understanding of qualitative data. Holsti (1969) defined content analysis as any technique for making inferences by objectively and systematically identifying specified characteristics of messages. It involves studying written documentation and survey response data and making objective inferences on the strategic management practices. As per the study objectives, the analysis was informed accordingly in seeking an establishment of the strategic planning practices at Sandoz GmbH Kenya and their impact on organizational financial performance.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter consists of data analysis and findings of the research which was carried out using a case study research design and data analyzed using content analysis. The data was collected as per the objective of this study which was to establish the influence of strategic planning practices on performance of Sandoz GmbH, Kenya.

4.2 Response Rate

In order to realize the objective of the study which was to establish influence of strategic planning practices on performance of Sandoz GmbH Kenya, ten interviewees were targeted and scheduled for interviews, these included the Country Head, Finance Manager, Marketing Manager, Supply Chain Manager, Regulatory Affairs Manager, Compliance Manager, two First Line Managers and two Sales Representatives. These respondents were better placed in the provision of required data in view of their positions within the organizational hierarchy. The interviewer managed to interview all of the targeted interviewees except the Regulatory Affairs Manager who was out of office for official duty and hence did not participate in the interview process. The above interviewees therefore represent a response rate of 90 percent which was considered a sufficient representation of the whole population.

4.3 Demographic Information

In regards regard to whether Sandoz GmbH Kenya had a vision and mission statement, all the interviewees were in unanimous agreement that not only did Sandoz GmbH Kenya have a mission and vision statement, but that they also actually stated them. They also attested to the fact that the vision and mission statements were actually global and applicable to all Novartis entities as well as representative offices. The mission and vision acted as a guide in providing the management and the entire organization with a common purpose and direction in working towards achieving the set goals and objectives.

The interviewees had served in their current positions for a period of at least one and a half years with a substantial number having spent a considerable period of time in other positions before appointment to the current position. In this regard therefore, the interviewees were knowledgeable in Sandoz GmbH Kenya's systems, processes and procedures as well as having an understanding of the implications of decisions made by the organization and the attendant expectations.

With regard to the positions the interviewees occupied in the organization, the findings revealed that five interviewees occupied senior management positions and headed their departments in addition to the country head who was the overall business leader. This category of interviewees possessed a combination of relevant experience, comprehension and qualified in matters pertaining strategic planning practices and performance of the organization.

In terms of the department in which the interviewees worked, the findings underscored the fact that all the organizational departments including Senior Leadership, Finance, Marketing, Compliance and Sales were covered. This indicated that the interviewees were directly involved and participated in matters of strategic planning and understood the impact on performance at Sandoz GmbH Kenya.

Regarding the interviewees reference to the things that they liked most pertaining the positions that they held, the findings revealed a common ground in finding fulfillment in perusing the organization's vision and mission while living the organization's values, people as well as personal develop and an open culture at Sandoz GmbH Kenya. They attested to the fact that these gave the interviewees a feeling of satisfaction and motivation in addition to the challenge to continuously work hard towards achieving organizational goals and objectives. The interviewees were convinced that Sandoz GmbH Kenya was moving in the right direction and on course to register improved results in line with rolled out strategic plans which were geared at discovering new ways to improve and extend people's lives in becoming a trusted leader in changing the practice of medicine.

4.4 Strategic Planning Steps that Contribute to Improved Performance

The findings revealed that at Sandoz GmbH Kenya, the process of setting objectives was achieved through formulation of strategic plans. The interviewees were in unanimity that there existed strategic plans which entailed both short term, medium and long term objectives obtained in line with the global organizational strategic plan. These

organizational objectives were then departmentalized with departmental heads taking charge of departmental targets and aspirations with the Country Head taking overall ownership of the organization's objectives. Sandoz GmbH Kenya had in the past successfully formulated and implemented strategic plans that brought with them positive change in the organization's performance. An on going five year strategic plan was cited as an example in which focus was laid on specific therapeutic areas, Team and resource alignment as well as forecasted market and product growth.

Further revelation of the findings was that various departments had their leeway in setting departmental targets in line with the overall organizational objectives. This was achieved through alignment and review to ensure convergence with the cluster, regional as well as global objectives, and this exercise had to be in conformity with the Sandoz GmbH Kenya Vision and Mission. In addition each department documented their annual work plans detailed in terms of specific individual targets, action plans as well as tactical plans which formed the basis of the annual Key Performance Indicators captured under the Performance Management Program tool at the beginning of each calendar year with periodic reviews.

In describing the environmental scanning process (external analysis), interviewees at Sandoz GmbH Kenya attested to the use of PESTEL (political, economic, social, technological, ecological and legal) analysis which took place at different levels of departmental strategic planning customized in the form of region with specific emphasis on different teams and therapeutic areas. Departmental heads took charge of this exercise

and embraced the use of various tools including Commercial Market Data, feedback from field force, PPB and Ministry of Health Data, Web Based tools, as well as competitor and Regulatory information. In this exercise, a raft of factors likely to impact performance whether positively or negative were documented. This entailed a thorough understanding and comprehension, making trends and correlations especially on competitor activities with a view to informing strategy. This exercise was carried out during team meetings, Cycle Briefs as well as Town Hall meetings.

Strategy formulation at Sandoz GmbH Kenya, as revealed by the findings involved the alignment of the organization's objectives at global level to the representative office objectives in the coming up with the 'go to market' strategy embracing the input of all the departments that narrowed down to specific teams and therapeutic areas. Consultative meetings were held at Team, Departmental and County level to inform strategy formulation in terms of specific targets and action plans this was then documented and channeled bottom-up for approval at global level.

4.5 Strategic Planning Practices

Concerning the strategic planning practices adopted by Sandoz GmbH Kenya, the findings revealed that the organization undertook strategic planning which formed a roadmap on how the organization set out to achieve its goals and objectives. It provided a blueprint on the strategy to be adopted, the strategy implementation process and the stakeholders to carry out specific activities in strategy implementation. In addition, the findings revealed that management coordinated the process of strategic planning playing

the role of a link between global strategy aspirations and the representative office objectives. This role was critical in enhancing strategy implementation. It was the management's role to provide support to the employees by availing to them resources and facilities to ensure effective contribution towards the implementation of strategic planning practices at Sandoz GmbH Kenya. Further, the results revealed that setting of organizational goals and objectives, external environmental scanning, target setting, performance evaluation and analysis included some of the strategic planning practices geared towards the provision of an enabling environment for Sandoz GmbH Kenya to realize its set goals and targets.

Another observation made by the interviewees was in regards to the essential elements critical in the whole process of strategy implementation. The interviewees acknowledged that the process of strategy implementation encompassed the creation of strategic policies, the involvement of the Senior Executive Team in the integration of strategic planning practices into the organizational vision and mission. In addition this required the provision, allocation of resources and facilities to the various teams to ensure that the resultant environment was enabling and supportive of the implementation of Strategic change management practices. The interviewees were in agreement that, in order to successfully implement strategic planning practices the Sandoz GmbH Kenya needed to adopt a flexible organizational structure, aligned in cognizance of the changing needs of the environment and their customers. Structures and systems therefore were noted to be essential components enhancing effective and efficient implementation of the organizational strategic planning practices.

The findings further revealed that Sandoz GmbH Kenya undertook evaluation and control of strategy. The findings showed that evaluation of achievement was carried out against set targets. In this regard, a number of tools were deployed specifically by control owners including Sales and Activity Trackers for Sales, P&L for Finance, TMS and ePMP for Human Resource, Coaching Template for People development, Risk monitoring and Deviations in Compliance among others. Interviewees attested to the fact that, the exercise of reviews under evaluation and control was carried out periodically including up to weekly, monthly, quarterly, semiannually and annually through the use of the listed tools a combination of which formed the Balanced Score Card system.

Pertaining strategic planning communication across Sandoz GmbH Kenya, the findings revealed that communication was carried out and achieved through meetings in the form of Workshops, Town Halls, Cycle Briefs and One on One Meetings. Communication was also done electronically through emails and I-Learnings. Other forms included Memos, Posters and through Newsletters. According to the interviewees, this combination of forms and media of communication was efficient and effective in that it allowed the organization to communicate to all its employees within a short time allowing for feedback and clarification at the same time.

Concerning the tools and techniques used in the process of developing strategies for operations, the results revealed that the interviewees agreed that the Balanced Score Card formed an integral tool in the evaluation of employee performance during implementation of strategic planning practices as incorporated through the ePMP and

TMS systems, customized to provide an all rounded evaluation of performance at Sandoz GmbH Kenya. These performance tools were utilized to provide a standardized approach of identifying the areas of weakness that in turn required improvement and also reward the employees who demonstrated outstanding performance through reward and recognition. Performance targets were set and agreed in line with the global strategic objectives of the organization. Each employee had access to ePMP and TMS, online tools that provided employees with platforms to rate their performance against the agreed targets at the beginning of the year. The online tools were formulated with the four perspectives of the Balanced Score Card which included financial, internal business process, the customer, as well as learning and growth.

Benchmarking was observed according to the interviewees as another tool used for developing operational Strategies at Sandoz GmbH Kenya. In this regard, relevant comparisons were made against Industry standards with the organization selecting appropriate strategic planning practices for achieving performance. The Human Resource Policy for instance borrowed heavily from Benchmarking. Similarly, the findings revealed that the organization embraced the two-way form of communication approach in which management communicated to the employees their views concerning any decision, plan or strategy with the employees having an opportunity to respond by voicing their opinions. This allowed employee participation in decision making and ensured that their views and aspirations were captured in the decision making process by the management. Regarding how strategic planning improved performance of Sandoz GmbH Kenya, the results revealed that embracing strategic planning practices enabled the organization to

keep track of its performance, identify and thus improve on areas of weakness. Strategic planning practices ensured that not only were targets set and achieved but also that the process was monitored and evaluated for control and remediation. This was achievable due to management's ability to make follow-ups and positively influence the employees to work towards achieving set targets and goals. In addition, the interviewees indicated that through the process of monitoring and evaluation, the organization was able to deploy controls which resulted in the picking of early warning signs, identify risks and put mitigation measures in place to ensure strategic plans remained on course.

With regard to feedback mechanism as part of strategy implementation at Sandoz GmbH Kenya, the interviewees unanimously agreed that giving and receiving feedback formed an integral part of strategy implementation. In this respect formal weekly, monthly, quarterly, semi-annually and annual sessions provided forums through which employees at different levels of the strategy implementation process and other stakeholders interacted in a structured manner in providing and reviewing feedback. Additionally, feedback to a certain extent formed a basis of gauging Stakeholder satisfaction. Among tools that were used in obtaining or giving feedback included the Multi-rater Reviews, 360 degree Reviews, Global Employee Satisfaction Survey and Appraisal forms which were found to be very effective.

Concerning the strategies and processes that were used by Sandoz GmbH Kenya to enhance performance, objective setting, monthly targets and periodic evaluation of achievement ranked at the top three. Control owners carried out monthly evaluations

which were aimed at ensuring a consistent close monitoring of employee achievements against set targets, as well as measuring this achievement against the overall organization's objective to ascertain that the progress was in the right direction. A shared Vision and Mission ensured that the organization worked harmoniously towards a common goal within the organization's objectives, values and behaviors.

The interviewees pointed out the following among the other strategies that were adopted by Sandoz GmbH Kenya to enhance organizational performance. Training and development programs which presented the employees with opportunities to improve on their skills and capabilities in implementation of strategic planning practices. Alignment, leveraging and team building activities were adopted to enhance organizational performance. This increased synergy within teams and acted as a unifying factor for the employees motivating them to embrace teamwork towards shared organizational objectives. Reward and recognition was used to motivate exemplary performance as well as sales bonuses and incentives. Performance Improvement Programs (PIP) were also put in place to remedy performance below expectations. Stellar performers were also given Stretch assignments in their areas of interest to offer them opportunities and growth avenues into higher positions as a way of recognizing their input.

Periodic evaluation of the organization's performance by the top management was made to ensure that Sandoz GmbH Kenya remained on course towards achieving its objectives and goals. This also enabled detection and remediation whenever shortfalls were occasioned during the strategic planning process. The employees were expected to

achieve set performance targets through the guidance of their respective direct reports. These direct reports also had targets set out by the Senior Leadership Team (SLT). The Heads of Departments had the responsibility of influencing the employees to work towards achievement of their set targets as documented in their objective setting exercise captured in the ePMP. Regular communication from management to the employees ensured a status update on strategy implementation and approaches intended to drive achievement of the overall organizational objectives. The need to adopt strategic planning practices and their impact on individual employees and the organization as a whole was also regularly communicated. In addition, the management expounded on the organizational objectives and the basis of the adoption of strategic planning practices in enabling Sandoz GmbH Kenya to realize its strategic objectives in line with its Mission and Vision. The presence of integrated systems and processes within the organization allowed for information sharing between the top management, employees and other stakeholders geared towards ensuring information exchange in an efficient and effective manner for decision making and the coordination of organizational activities.

With regard to the impact on organizational performance as a result of the adoption of strategic planning practices, the findings confirmed that there was progressive improvement on the performance of Sandoz GmbH Kenya in a number of ways. The interviewees attested to the fact that Sandoz GmbH Kenya's financial Performance, market share, employee and customer satisfaction had improved. Additionally, the findings revealed that the organization's operations were more focused and efficient resulting in improved overall performance.

4.6 Strategic Planning Practices and Performance

With regards to the strategic planning practices with the greatest contribution towards performance, the findings revealed that strategic planning was used in coordinating the organizational activities ensuring prioritization. Focus and emphasis lay in channeling resources to strengthening operations. This resulted in employees and other stakeholders working towards the achievement of common goals by establishing consensus around intended results in addition to evaluating the organization's direction in a bid to accommodate the ever evolving customers' needs. Further, the findings revealed that through strategic planning Sandoz GmbH Kenya was able to identify and make key decisions and execute specific actions that mould and steer the organization into the future. The interviewees attested to the significance of formality which they indicated acted as a guide in implementing strategic goals and objectives. Formality gives the basis upon which the processes and procedures providing guidance to the organization in realizing set goals and objectives are anchored.

In regards to employee participation and management participation, the findings underscored the significance of engaging and ensuring employees work in unison adopting shared approach and sense of ownership towards the realization of organizational objectives. A participatory approach adopted by management ensured the achievement of the above agenda by roping employees into decision making. The facilitation necessary in terms of tools and equipment required for the job captured the attention of all the interviewees who unanimously pointed out to the significance of alignment and focus towards achieving set goals and objectives.

4.7 Discussion

The findings revealed that the strategic planning practices adopted by Sandoz GmbH Kenya included the formulation of a strategic plan. This was the key pillar that shaped the strategic planning process in regards to implementation of strategy. The strategic plan acted as a blueprint guiding the who and how strategic planning process was to be carried out detailing all the activities that required to be carried out in order to support implementation of the strategy. Sandoz GmbH Kenya management adopted formalized implementation of strategic plans roping in all employees with assigned specific roles and responsibilities. This were clearly spelt out and communicated clearly to each employee. Consistency is thus established between these findings and Aldehayyat and Twaissi (2011) who put emphasis on the significance of ensuring that the roles and responsibilities of the employees and the top management are formal in executing the strategic plan. This also entails all the activities to be conducted in order to enhance strategic plan implementation.

The senior management embraced a two-way communication approach in which the management facilitated employee participation in key decision making processes pertaining the strategic planning process. In this regard the organization was able to significantly reduce the chances of resistance to change since the employees had a sense of ownership and felt part and parcel of the process of strategy implementation. This improved unity and created harmony between top management and the employees in working together towards set goals and targets. These findings are in agreement with Gica and Balint (2012) who attest to the importance of embracing a two-way

communication approach that allows a mechanism of feedback enabling all the stakeholders to take part in key decisions. In this regard the organization is able to minimize resistance to change owing to the fact that employees' views and inputs are genuinely considered and incorporated in arriving at all the Key decisions. These findings are also in agreement with the Stakeholder Theory in which Donaldson and Preston (1995) observed that there is focus on management level decision making in which every stakeholder's interest is valuable, in addition no particular set of interest is superior to the other.

The senior management provided direction to the employees to inspire their focus on implementation of the strategic plans based on an informed allocation of the organization's resources to achieve a competitive advantage. This was critical in ensuring that the organization adopted the right direction with the employees' efforts and other resources being directed towards the core purpose of implementing the strategic plans. These conform to the Resource Based View theory, that the competitive advantage achieved by a firm is an element of the uniqueness of its resources (Carpela & Gordon, 2011). Thus the review of the resources available at the organization's disposal forms an important point of convergence. Duckworth and Moore (2010) opine that the management of the organization is critical to the success or failure of the firm as custodians of the organization's resources. Senior management influences the organizational direction by taking into consideration stakeholder interests and making prudent investment decisions through engaging in activities that propel the organization towards achieving its strategic goals and objectives. In addition, the findings confirmed

that management participation was important in the implementation of strategy. The findings pointed to the finding that the senior management acted as a role model and led by example steering the organization in the right direction. Management participation in strategy implementation pointed at a show of commitment to successfully implementing strategic plans geared towards improving the organization's performance. The management made it their primary objective that the strategic plans were aligned to the organizational goals and objectives. These findings are consistent with Yusuf and Saffu (2005) who lays a lot of emphasis on management participation; they opined that this pointed at commitment displayed by the management with emphasis on the need to involve employees in decisions making even at different levels.

Employees' participation was observed as important in the implementation of strategy. This was achieved by the involvement of employees in key decisions and explaining to them the significance of implementing strategic plans. This achieved the intended purpose of attaining unity of purpose between management and the employees in working to achieve the common organizational goals and objectives. The senior management provided the employees with the right strategic planning tools and requisite training to ensure that the optimal utilization of the tools in the implementation of strategic plans. This is consistent with Elbanna (2010) who opined that the employees that were provided with the right tools and equipment were highly motivated to work, improving their productivity.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter discusses the major findings and the conclusions drawn from data analysis in the preceding chapter. In keeping with the main objective of the study, the conclusion and the recommendations arrived at; specifically address the influence of strategic planning practices on performance of Sandoz GmbH Kenya. Based on this, a raft of recommendations follows in addition to areas of further study.

5.2 Summary of Findings

Whereas the objective of the study narrowed down to establishing the influence of strategic planning practices on performance of Sandoz GmbH Kenya, the findings attested to the fact that the organization formulated a strategic plan in line with its global objectives as envisaged in the Novartis Mission and Vision. The strategic plan was spearheaded by the Senior Executive Team who took charge of the strategic planning process allocating resources and taking ownership of the process directly and through departmental heads. Through team meetings, cycle briefs and town hall meetings, strategy meetings took place which comprised objective setting, environmental scanning, risk analysis and target allocation culminating in the 'go to market' execution plan. The go to market plan was formulated through participatory consultations with the Senior management and all the other stakeholders. The formulation of a strategic plan was vital and detailed all the activities that were to be undertaken including the time frames within which specific activities were expected to be completed and milestones measured.

The findings pointed to management participation as a significant aspect and imparting desirable influence on employees to remain focused in working towards their set goals and objectives and thus effectively contribute to execution of strategic plans. The management in this respect therefore represented an important pillar in the implementation of strategic plans. The senior executive team represented an influential source of encouragement, inspiration and guidance in crafting the goals and objectives of the organization and ensuring it steered in the right direction. The senior management availed financial resources to facilitate the activities aimed at strategic plans implementation. In addition it was the management's responsibility to avail to the employees every other necessary resources and facilities to support implementation of strategic plans.

The findings revealed that Sandoz GmbH Kenya provided its employees with requisite strategic tools and support in the form of training to facilitate effective contribution in the implementation of strategic plans. These tools enabled the employees to carry out their duties in an efficient and effective manner enhancing their performance in the execution of strategic plans. Ensuring that every employee was equipped with the right tools and equipment in addition, the knowledge empowered them to realize their full potential and contribute positively towards implementation of strategic plans. These findings remain consistent with Gica and Balint (2012) in whose view the use of tools and techniques enhances effectiveness in planning resulting in efficiency. This is attributable to the organization's overall level of performance.

Further, the findings pointed to a management that practiced participatory leadership by involving its employees in key decision making. By so doing, the management intended to achieve a broader representation of other stakeholders in the decision making process ultimately driving acceptance and ownership of the process. In addition the findings established that feedback was a fundamental performance indicator in measuring stakeholder satisfaction and improvement areas. These findings are consistent with Wijewardena and Fonseka (2004) who lays emphasis on the significance of employee involvement in key decision making processes to effectively capture their aspirations and reduce substantially resistance to change. The findings pointed to objective setting and benchmarking as some of the strategic planning practices that contributed positively towards improved performance, and in ensuring the organization continued to discover new ways to improve and extend people's lives, while remaining a trusted leader in changing the practice of medicine.

The findings revealed that, Sandoz GmbH Kenya had enhanced communication and efficiently disseminated organizational information in an effective manner which impacted on operations hence improved performance. Integrated information systems in place provided for information exchange and sharing in a seamless manner that promoted innovation and ultimately organizational performance. Another strategic planning practice that positively impacted on organizational performance was participatory communication. In this regard, senior management embraced employee participation in important decisions enhancing harmony and promoting teamwork. Training and development programs offered by the management increased the employee's ability to

comprehend and fully participate in the execution of strategic plans. Facilitating employees through adequate resource allocation played a pivotal role towards implementation of strategic plans; it significantly increased their efficiency as well as effectiveness executing the strategic plans aimed at achieving the organization's objectives. These results are in agreement with Aguilera and Jackson (2003) who argued that systems integration, a two-way communication, provision of and resource allocation, provision of facilities, training and development, and continuous evaluation played a critical role in positively influencing performance.

5.3 Conclusion

The objective of the study was to investigate the influence of strategic planning practices on organizational performance of Sandoz GmbH Kenya. The study found that the strategic planning practices adopted by Sandoz GmbH Kenya included objective setting, formulation of a strategic plan, participatory decision making, reward and recognition, training and development and employee participation. The adoption of these practices was observed to have a positive influence on the performance of Sandoz GmbH Kenya.

The findings further concluded that formality, management participation, employee participation and the adoption of strategic planning tools and techniques as adopted by Sandoz GmbH Kenya in its strategic planning process had a positive impact on organizational performance. The existence of a formal strategic planning process in particular and its culmination in the strategic plan was identified as the single biggest

influence to organizational performance. Senior management took charge of this process offering guidance and leadership through structured management participation.

5.4 Recommendations

The study recommends that Sandoz GmbH Kenya should continue practicing formal strategic planning for enhanced effectiveness and efficiency as well as improved organizational performance. The organization should also continue to strengthen its strategic plans with the one, three and five year term plans, emphasis should be increased on evaluation and control to ensure feedback generated goes into strengthening the formulation and implementation processes in driving the achievement of their set goals and objectives. Finally, the study recommends an enhancement of employee participation in the strategic planning and implementation process, more investment should be channeled into training and development with a long term view in building capabilities. Emphasis should also be laid in prudence while aligning global objectives to the local market.

5.5 Limitations for the Study

Difficulties were experienced in scheduling participants for the face-to-face interviews owing to their busy schedules. The limited time available was also a constraint for the process. The manager in charge of Regulatory Affairs was out of office on official duty and thus the researcher missed out on the invaluable insights from the department. Another limitation emanated from the reluctance of the interviewees to volunteer certain information owing to its confidential nature. This was however overcome with assurances

that information gathered would be treated with utmost confidentiality and only used for the intended academic purposes.

5.6 Suggestions for Further Research

This being a case study specific to Sandoz GmbH Kenya, the researcher recommends that for a more generalized conclusion to be possible on the strategic planning practices adopted by pharmaceutical companies in Kenya, other organizations should be studied. The use of a survey can also be employed to enable the comparison of different organizations in the industry at the same time. A repeat survey can be of significant help to offer distinct advantage through the ability to capture and document the net effect in terms of change. Repeating the survey at a different time with the use of the same set of questions, would enable us to gather information that is easily comparable and therefore researchers can conduct a comparative study in a different pharmaceutical company in Kenya.

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APPENDICES

APPENDIX I: PERSONAL LETTER OF INTRODUCTION

Benjamin Munyao Nzuki

P.O Box 72802-00200

Nairobi.

19th October, 2017

Mr. Marseille Onyango,

The Country Head,

Sandoz GmbH Kenya,

Africa Re Building, Hospital Road-Upperhill,

P.O Box 46057-00100, GPO

Nairobi, Kenya.

Dear Sir,

**RE: REQUEST TO CARRY OUT RESEARCH AT
SANDOZ GmbH KENYA**

I am a post graduate student at the University of Nairobi, School of Business pursuing a Master of Business Administration (MBA) Degree and currently undertaking a Research project on Strategic Planning Practices and Organizational Performance of Sandoz GmbH Kenya. The purpose of this letter is to request for your support in completing this course by granting permission to collect data from your organization.

The information generated by this research will be treated with utmost confidentiality and will be purely for academic purposes. A copy of the findings will be availed to you on request at the end of the study. Attached is a reference letter from the University of Nairobi. Thank you in advance.

Yours faithfully,

Benjamin Munyao Nzuki

Reg No. D61/79136/2015

Mobile: +254 723 809 712

APPENDIX II: UNIVERSITY LETTER OF INTRODUCTION I



UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

8 September 2017

TO WHOM IT MAY CONCERN


Dear Sir/Madam,

RE: NZUKI BENJAMIN MUNYAO REGISTRATION NO: D61/79136/2015

This is to confirm that the above named is a bona fide student in the Master of Business Administration (MBA) degree program in this University.

He has successfully completed Part I (Coursework) of his studies and has embarked on Part II (Research Project).

Any assistance offered him will be highly appreciated.


PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS



APPENDIX III: UNIVERSITY LETTER OF INTRODUCTION II



**UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS**

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 14/10/2017

TO WHOM IT MAY CONCERN

The bearer of this letter BENJAMIN NIUNYAO NZUKI

Registration No. DE1/79136/2015

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



**PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS**

APPENDIX IV: APPROVAL LETTER FROM THE ORGANIZATION

SANDOZ A Novartis
Division

Benjamin Munyai Nzuki
P.O. Box 72802-00200
Nairobi
Kenya.

Dear Benjamin,

RE: PERMISSION TO COLLECT DATA FROM SANDOZ KENYA CLUSTER.

I am pleased to notify you that you will be allowed to collect data from Sandoz Kenya cluster.

The data that you will collect will be limited to use for the furtherance of your MBA studies. You will be required to sign the confidentiality agreement to bind you not to share any confidential information that you may come across during and after the data collection process. All information obtained must not be shared with external parties and competitors.

I take this opportunity to wish you the very best in your studies.


Yours faithfully,


Marseille Onyango
Country Group Head, Sandoz Kenya Cluster.
Mobile: +254 721 433 339
marseille.onyango@sandoz.com

APPENDIX V: SUPERVISOR ALLOCATION FORM

clean

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CHAIRMAN
 BUSINESS ADMINISTRATION DEPT.
UNIVERSITY OF NAIROBI
 SCHOOL OF BUSINESS
 P. O. Box 30197, NAIROBI
MBA PROPOSAL/PROJECT SUPERVISION ALLOCATION FORM

SECTION A: (To be completed by the student)

Name of student: BENJAMIN MUMYAD NZUKI Reg. No.: AG1/79136/2015

Department: BUSINESS ADMINISTRATION

Specialization (Tick as appropriate)

i) Marketing	[]
ii) Human Resource Management	[]
iii) Strategic Management	[<input checked="" type="checkbox"/>]
iv) International Business	[]
v) Insurance/Risk Management	[]
vi) Entrepreneurship	[]
vii) Finance	[]
viii) Accounting	[]
ix) Operations Management	[]
x) Management Information Systems	[]
xi) Procurement & Supply Chain Management	[]

Mobile phone: 0723 809 712 Email: nzukibenjamin@gmail.com

Proposed Title of Study: STRATEGIC PLANNING AT SANDOZ GMBH KENYA

Name of Preferred Supervisor(s): (i) Prof. Zachary B. Anam (ii) Prof. Martin Ogutu (iii) Prof. Hans Aca

Signature of student: *[Signature]* Date: 22/02/17

SECTION B: (For Official Use only. To be completed by the Department)

i) Name of Supervisor Allocated: F. Kibera Mobile No.: 0722-513259

Supervisor: PROF. Z. ANAM Mobile No.: 0722505217

Co-Supervisor (If any): _____ Mobile No.: _____

Moderator: PROF. M. OGUTU Mobile No.: _____

Proposal Presentation/Submission Dates:

Proposal Presentation: _____ Oral Defence: _____ Project Report Submission Date: _____

ii) **Approved by Thematic Coordinator:**

Name: PROF. Z. ANAM Signature: *[Signature]* Date: 22/02/2017

Approved by Chairman of Department:

Name: Prof. Mumyad Signature: *[Signature]* Date: 22/2/17

NOTE:

1. A student shall not commence proposal writing before allocation of University supervisor.
2. Original Transcript, Fees Statement and Synopsis should be attached to this form. This form is available in the Department, SOB website or Ambank House. Students get their copy later from the Department after allocation is done.
3. The approved copy of this form must be attached to the proposal when submitting for moderation and presentation and when submitting the final project.
4. Original to be filed in the Department.
5. Turnitin report **MUST** be attached to the proposal when submitting for moderation, presentation and when submitting the final project.
6. Each student **MUST** fill in the attached declaration form on plagiarism and collusion.

cleared for moderation
[Signature]
31/8/2017

APPENDIX VI: INTERVIEW GUIDE

Research Objective:

To establish the influence of strategic planning practices on the organizational performance of Sandoz GmbH Kenya.

Section A. Demographic Information

- i. Does Sandoz GmbH Kenya have vision and mission statements?
- ii. How long have you served in this organization?
- iii. Which position do you occupy in this organization?
- iv. Which department are you in?
- v. How long have you served in your current position?
- vi. What do you like most about the positions you hold?

Section B: Strategic Planning Practices at Sandoz GmbH Kenya and their impact on Organizational Performance.

- i. Describe the process of objective setting in your organization?
- ii. Describe the process of environmental scanning (external analysis) in your organization?
- iii. How is strategy formulation conducted in your organization?
- iv. Describe the process used by Sandoz GmbH Kenya in strategic planning formulation.
- v. Mention the strategic planning practices used by your organization?
- vi. Describe the process of strategy implementation at Sandoz GmbH Kenya?
- vii. How does your organization undertake strategy control and evaluation?
- viii. How is strategic planning communicated across your organization?
- ix. Which tools and techniques do you use to develop strategies for operations?
- x. How has strategic planning enhanced performance at Sandoz GmbH Kenya?

- xi. Is feedback mechanism part of strategy implementation in your organization?
- xii. What are other strategies and processes used by Sandoz GmbH Kenya to enhance its performance?
- xiii. Has your organization improved performance as a result of the adoption of strategic planning practices? If yes, please explain in details
- xiv. Identify some of the strategic planning practices that your think have the greatest contribution on the organizational performance.