STRATEGIC MANAGEMENT PRACTICES ADOPTED BY VETERINARY PHARMACEUTICAL COMPANIES IN KENYA

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DECLARATION

This research proposal is my original work and has not been presented for examination to any other university.

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This research proposal has been submitted for examination with my approval as the University Supervisor

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DEDICATION

Dedicated to My Family

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My gratitude goes out to my supervisor, Dr. Muya Ndambuki for painstakingly taking me through this exercise. I cannot forget to thank my classmates of year 2014 for the many academic discussions we shared. To my family, I am grateful to you for holding my brief in many family events that I had to miss during my studies. To God Almighty, Your Name Be Praised.

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ABSTRACT

The objective of this study was to determine the strategic management practices by veterinary pharmaceutical companies in Kenya. This study was a cross sectional descriptive survey. In a cross sectional study, data is collected at one point in time. The intention of the researcher is to collect data that gives the prevalence of a phenomenon at a particular point in time. The population of this study consisted of all manufacturers of veterinary pharmaceutical products in Kenya. There were a total of seventeen (17) registered veterinary manufacturing firms according to the Pharmacy and Poisons Board (2016). All the registered companies as at this time were included in the study. The study was therefore a census. Primary data was collected using a structured questionnaire. The questionnaire which was be designed using a 5- Point Likert scale consisted of Two main parts. Data was summarized and presented using tables and percentages. Descriptive statistics were computed to provide an idea about the spread of the data. These statistics included the mean and standard deviation. . A moderately high percentage of respondents indicate that they involve lower level managers and external stake holders. Consultants are used by only 33 5% of the total respondents. The organization's mission and vision are considered to a very large extent (Mean=4.78). This is so possibly because the mission and vision of the company provide it with direction and focus. The competition, availability of resources and the developments in the economic environment are considered to fairly large extent (Mean above 4.00 but below 4.5). Developments in the political environment and the company's previous experiences do not have a large effect in the design of strategy. From the findings it can be concluded that most of the firms in veterinary pharmaceutical manufacturing actually do strategic management. It was revealed that a majority of the respondent companies invest in strategic management and preparation of mission and vision statements.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategy is about making sure that the firm gets where the management wants it to be at a given time. Mintzberg (1994) defined strategy as a pattern in a stream of decisions. Essentially therefore the strategic intentions of a company emerge and become clear when examined in totality. McKeown (2011) argues that strategy is about shaping the future and is the human attempt to get to desirable ends with available means. Kvint (2009) explains that strategy is a system of finding, formulating, and developing a doctrine that will ensure long-term success if followed faithfully. When there is turbulence in the organization, whether occasioned by environmental strategy serves as an organizational compass, pointing the direction to where we need to go without disregarding where we are or where we've been. Strategy is a crystal ball of the organization, around which all of the elements of the business can focus and rally.

Strategic management practices refer to all those activities that the firm engages in an attempt to derive strategy and get strategic direction. These activities include environmental scanning, strategic formulation, planning, implementation and control. All these activities arguably lie in a continuum and they are so programmed such that one leads to another but a subsequent activity may inform an earlier one thereby modifying it (Kvint, 2009). Planning is noted as one of the most complex types of human activity and is focused on substantiation and organization of anticipated activities. Plans are informed by environmental analysis which determines the direction the firm can take. The resource based view of the firm holds that above average rent can only be realized by pursuit of competitive positioning. This competitive positioning may be achieved through strategic planning. The resource dependency theory holds that organizations make plans in response to environmental dynamics. The implication is that a firms' strategy is a summary of the developments in its environment.

The challenges that animal health institutions currently face are complex and changing and include the need to improve access to and quality of health services and reform standard processes. Institutions must also rise to the challenge of emerging diseases, lack of resources or new resource streams, and legislative requirements among other challenges. To address these challenges, managers and their teams must be fully aware of the fact that their organization's future depends to a large extent on the provisions they make for that future and the decisions they make to place their organization in the best possible situation considering the prevailing circumstances. To achieve this, organizations need a planning process based on strategic thinking.

1.1.1 Strategic management

Strategy is an organizational process that involves formulation implementation and control (Mueller, 2014). Strategic management cannot be conceived as mere operational effectiveness alone, nor as just armchair theorizing and strategic planning; both are important aspects of strategy, and neither is a sufficient conception of strategic management without the other. Strategic management is also dynamic, involving both content and process, planning and action. According to Alzam (2010) strategy can be emergent and is often the realization of both intentional strategy formulation and, as the organization acts on those plans, tactical responses to the unexpected. Strategic management has been succinctly explained as the art of matching a firm's internal environment with its external environment (Mavado, 2014).

The functional areas of finance, marketing, accounting, operations, and human resources often apply specific paradigms to specific business problems and considerations, usefully setting aside complexity in favor of a sharp focus on various disciplinary considerations. In contrast, strategy is about bringing all the underlying values of these disciplines back together. In practice, business managers do not typically encounter challenges as isolated, atomistic problems with narrow disciplinary implications; rather, they navigate business issues through a whole range of complex, cross-disciplinary considerations (mavado, 2014).

1.1.2 Strategic management Practices

Glaister, Dincer, Tatoglu, and Demirbag (2009) observe that strategic planning practice was the articulation and elaboration of strategies or visions that already existed. Harrington et. al., (2004) conclude that a firm's strategic planning practice guide all those activities necessary to adapt to the environment and also include those activities associated with performance. Santos (2011) explains further that formal strategic planning practice enable the management to establish right and proper strategic path for the firm as a whole. Slater, Olson, and Hult (2006) observe that an active and systematic assessment of environmental conditions was very important for actualizing strategic intentions of the firm since formal analysis of external and internal environments generated information that enabled top level management taking proactive actions in uncertain environments.

Ghobadian, O'Regan, Thomas and Liu (2008) argue that by assessing the external environment, some issues of non-market nature related to firms' formal strategic planning practices were found. The issues included behaving socially responsible towards communities and natural environment. O'shannassy (2003) asserts that companies always analyze internal stakeholders in their strategic planning practice. For instance, when were regularly engaging their employees in strategic discussions as a part of formal planning process, they were likely to develop such strategies and practices that increased the chance of success (Covin & Miles, 2007).

The strategic management practices of a company are derived from the strategic management process that a company pursues (Ghobadian, et al. 2008). The process begins with strategy formulation and ends with strategic control. In between the two is strategy implementation. This is the interpretation aspect of strategic management. The interpretation of strategy varies from company to company and also among industries.

1.1.3 Veterinary Pharmaceutical Manufacturers in Kenya

Veterinary profession in Kenya can be traced back to 1890 when the Department of Veterinary Services (DVS) was established to cater for the white settler farmers during the colonial era. During the pre-independence era, veterinary services were mainly provided by the private sector which was mainly composed of British veterinarians. The Veterinary Policy is provided for in the Fourth Schedule of the Constitution of Kenya. It aligns developments in the animal resource industry to the Constitution as well as the Kenya Vision 2030 and the international animal health laws, treaties, agreements and conventions ratified by Kenya. There were a total of seventeen (17) registered veterinary manufacturing firms according to the Pharmacy and Poisons Board (2016).

The overarching treaty is the World Trade Organization agreement particularly the agreement on the Application of Sanitary and Phytosanitary measures which Kenya ratified on 23rdDecember

1994 and came into effect on 1stJanuary 1995. The Policy recognizes that Kenya is a member of the Common Market for East and Southern Africa, the East African Community and the Inter-Governmental Authority on Development and therefore harmonizes with the relevant provisions of the constitutive treaties for these Regional Economic Communities.

1.2 Research Problem

Strategy is an organizational process that involves formulation implementation and control (Mueller, 2014). Harrington et. al., (2004) conclude that a firm's strategic planning practice guided all those activities necessary to adapt the environment and also including those associated with performance of organizations. Santos (2011) explains further that formal strategic planning practices enable the management in establishing right and proper strategic path for the firm as a whole. Even though the format for strategic planning is nearly universal, there might exist differences in the manner in which organizations the process. These differences may be occasioned by firm differences such as ownership, resources, intentions, planning horizon, industry and so on (Mavado, 2014). The intensity or rigor with which the management implements the strategic planning process is closely correlated with performance (Harrington et. al., 2004).

The pharmaceutical industry in Kenya is generally very vibrant (Munyole, 2015). The pharmaceutical manufacturers for both human and animal products show intense competition. With just about seventeen manufacturers of veterinary products in Kenya, the country compares favorably with countries such as Nigeria and South Africa. Imported products cannot also be wished away because their effect is to intensify the competition in this industry. Combining the intra industry dynamics parlayed above with the general Kenyan macro environmental factors means that companies in this industry have to content with short to medium term planning. Long term planning is apparently nearly not just feasible, it may also not be practical given the environmental turbulence. Manufacturers of veterinary pharmaceutical products therefore must closely examine the strategic management practices they are engaging in.

Research on strategic management practices is extensive but then there are certain discernible contextual, methodological gaps. Munyole (2015) studied the marketing strategies adopted by veterinary pharmaceutical firms in Kenya to enhance performance. The focus of this study was clearly different from that of the current study in terms of conceptualization. Githinji (2014) studied the Strategic management practices adopted by the directorate of veterinary services, ministry of agriculture, livestock and fisheries, Kenya. Clearly the context was different from the context of the current study. The current study sought to answer the following research question: What are strategic management practices adopted by manufacturers of veterinary pharmaceutical products in Kenya?

Research Objective

The Objective of this study was to establish the Strategic management practices of Veterinary Pharmaceutical companies in Kenya

1.3 Value of the Study

This study will be useful to managers of veterinary pharmaceutical companies in Kenya and beyond. The findings will inform practitioners of management on the issues to consider in the strategic planning activities of their companies.

The findings will be useful to scholars because they test theory in a sector in which there is paucity of research on strategic matters that is the pharmaceutical industry. Future researchers will therefore get direction on research priorities.

For policy makers the findings will be extremely useful in the determination of policy on the veterinary pharmaceuticals subsector. The formulation and implementation of proper strategy will enable players in the industry to thrive and in the long term push the cost of veterinary drugs products down.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical framework on which the study is founded. A theoretical framework is derived strongly guided by the conceptual lay out of the study i.e the variables under investigation. Relationships that are apparent should also be presented. This study has only one variable under investigation and this is the variable around which the literature review rotates.

2.2 Theoretical Foundations

This study is founded on two theories: the resource based view and the resource dependency theory. The postulations of the resource dependence theory are that firm behavior is contingent upon the environmental developments within the firms environment. The dynamic capabilities view of the firm is premised on the assumption that incremental rent can only be attained if the resources of the firm are made responsive to the firm’s environment.

2.2.1 Resource Dependence Theory

The Resource dependence theory (RDT) is attributable to Jeffrey Pfeffer and Gerald R. Salancik in the year of 1978 at the Stanford University (Pfeffer & Salancik, 1978). The result of empirical studies on RDT leads to the premise of RDT that is an organization can be viewed as an open system, dependent on contingencies in the external environment (Pfeffer & Salancik, 1978). Understanding the environment of an organization gives indicators on the likely behaviour of an organization (Pfeffer & Salancik, 1978).

According to Drees and Heugens (2013) most of the foundational assumptions of the resource dependence theory are still intact and applicable in modern day practice. The basic assumption of this theory is that an organization, or more precisely a manager, tries to ensure the organizational survival. According to the resource dependence theory the organization's ability to acquire and maintain resources is key to organizational survival. Pfeffer & Salancik (1978), however, provided several additional assumptions to the RDT.

The reason is that some organizations are isolated or protected from specific events in the environment thereby reducing the impact a certain environmental event could have. As a result therefore, some organizations do not respond to developments in the environment but either crush through them or simply do nothing about it (Hillman et al., 2009). Unawareness about developments in the environment could also make some organizations not respond at all. However studies make clear it that organizational environment is not a given reality, since organizational environments are created through a process of attention and interpretation of each individual company. Another influence is the strength connection of an organization to its environment.

2.2.2 Dynamic capabilities Theory

The Dynamic capabilities theory was introduced by David Teece and Gary Pisano in 1994. It is premised on the ideas of the resource based view which explains that the source of competitive advantage lies within a company's ability to manage internal resources(Das & Teng, 2000). The postulation is that because some firm resources are specific to firms and cannot be easily imitated, firms differ in terms of their resource base. It is this inimitability that essentially leads to competitive advantage (Das & Teng, 2000). At the heart of the resource based view are the postulations that an organization is seen as a collection of resources that are simultaneously valuable, rare, imperfectly imitable and non-substitutable, these variables essentially enable the company to reap superior rents (Bowman & Ambrosini, 2003).

In this context, the resource based view focuses on the unique internal resources within firms and exploiting firm specific assets to achieve competitive advantage (Teece, Pisano, & Shuen, 1997). This is supported by Bowman and Ambrosini (2003) who argue that the foundation of the resource based view is not capable of supporting sustained competitive advantage. It was proposed that sustainable competitive advantage would be attributed to those companies that were able react rapidly and in a flexible manner to innovation, product, process and others while simultaneously possessing the capacity to manage firm specific capabilities in such a way as to effectively coordinate and redeploy internal and external competences (Teece et al., 1997). This ability to achieve new forms of competitive advantage by being flexible and fast in dealing with changing market environments is what was referred to as dynamic capabilities by Teece and Pisano (1994). The dynamic capabilities theory is viewed as the firm's ability to renew competences so as to adapt to changes in the business environment and the second being the ability of strategic management to use these competences to match the requirements of the environment (Teece et al., 1997).

2.3 The Strategic Management Process

Evidence in literature provides guidance as the relationship between the strategic management process and the strategic management practices of the firm (Mavado, 2013; Hallinen et al., 2014). Essentially then, for one to appreciate the strategic management practices of a company one may have to interrogate the strategic management process of the company. Mavado (2013) suggests the following as a firm's strategic planning process. This assertion follows both the positioning and design schools, which consider the strategic process as being divided into three sequential stages: formulation, implementation, and control (Junqueira et al., 2015). The author, however, cautions that firms may or may not follow the same process.

According to Wheelen and Hunger (2002) the management's vision of what the organization seeks to do and to become is commonly termed the organization's mission. The purpose of a mission statement is to establish the organization's future course. It defines: who we are, what we do and where we are going. This sets out a particular business position. This question pushes managers to consider what the organization's business make up should be and to develop a clearer mission of where the organization needs to be headed over the next five- to - ten years.

Hallinen et al., 2014) the purpose of setting objectives is to convert the mission statement into specific performance targets. They serve as yardsticks for tracking an organization's performance and progress. The challenge of trying to close the gap between actual and desired performance pushes an organization to be more inventive and to exhibit some urgency in improving both its financial performance and its business position. It is advisable to set challenging but achievable objectives to help in guarding against complacency. The objectives set must ideally embrace a time horizon that is both short-term and long-term. Short-term objectives spell out the immediate improvements and outcomes desired by managements. Every unit in the Strategic Management Process organization needs concrete, measurable performance targets, indicating its contribution to the overall corporate objectives. When organization's objectives are broken down into specific targets for each unit, lower-level managers are held accountable for achieving them. A results-oriented climate emerges, with each part of the organization striving to achieve results that will move the whole organization in the intended direction.

When managers understand both environments, they can devise a better strategy to achieve targeted strategic and financial results. An organization's strategy is always a blend of prior moves and approaches already in place and new actions being mapped out. An organization's strategy that is mostly new most of the time, signals erratic decision-making and weak strategizing on the part of the managers (Thompson & Strickland 1992). Quantum changes in strategy can be expected occasionally, especially in crisis situations but they cannot be made too often without creating undue organizational confusion and disrupting performance.

Strategic choice may be defined as the decision to select from among the grand strategies considered, the strategy which will best meet the enterprise's objectives.

There will be four components to any of an organizational strategy (Hofer &

Schendel, 1979): the name scope, the extent of the organization present and planned interaction with its environment as one significant factor. According the authors this could be referred to as the organizational domain. Johnson and Scholles (1995) similarly propose scope as a key aspect of strategic choice base which arises from organization purpose and aspiration. In addition, resource deployment is an important aspect of strategic choice. Literature suggests that the organizations past and present resource and skill deployment will affect how it achieves its goals and objectives. Financial strategy needs to take care of the risk returns and therefore such decisions made by management relate directly to added value of the organization (Johnson and Scholles, 1999). The skill level of an organization enables it deliver a service or a product in a manner that cannot be reproduced by any other organization. This is also be referred to as distinctive competence. Another component of strategic choice is that which relates to competitive advantage. Any strategic decision in an organization must address itself to the unique position that organization develops against its competitors. Johnson and Scholles (1999) further suggest that achieving competitive strategy is an essential base of strategic business unit of an organization (Parker, et al., 1995).

On strategy implementation, Noble (1999) notes that certain issues must be observed such as harmonizing strategy and structure, achieving cross functional coordination and establishing interdepartmental communication networks among others. Rapert et al. (2002) concern themselves with strategic consensus and they are specific on shared understandings and priorities. Consensus is key, because strategy implementation requires unanimity in interpretation. It is the manager's responsibility to promote and unified direction of the people in the organization. Strategic consensus has been reported to be connected with the success of a strategy implementation process and increased performance. As a mean of enhancing strategic consensus frequent vertical communication plays a crucial role. As organizations are social collectives the communication is a mechanism to transmit ideas and values and increases the identification, which is also linked to Noble's (1999) involvement in the Formulation stage. Rapert et al. (2002) see a lack of clear common understanding as a major barrier to strategy implementation. This thinking is in line with the opinion of Beer and Eisenstat (2000).

Strategy implementation needs to be controlled. The top management must be involved in monitoring the direction and reviewing the process and may make interventions where the view for the objective is lost or where resources may need re-allocation. Lorange (1998) suggest that some new strategy activities should be abandoned in an early stage, so that resources can be saved at unprofitable activities and be better used where they really have major, potential payoffs. This is kind of a proceed-drop decision. Another important aspect of control is that managers should try to let people be creative, let them do what they think is best in specific situations.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that guided data collection and analysis of the data. The research design provides broad direction on how the study was conducted. The population under study is also established. Data collection and analysis methods are also discussed.

3.2 Research Design

A research design is a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings (Burns & Grove, 2003). Parahoo (1997) describes a research design as a plan that describes how, when and where data are to be collected and analyzed. Polit et al. (2001) define a research design as the researcher's overall intentions for answering the research question or testing the research hypothesis.

This study was a cross sectional descriptive survey. In a cross sectional study, data is collected at one point in time. The intention of the researcher is to collect data that gives the prevalence of a phenomenon at a particular point in time. According to Burns and Grove (2003), descriptive research is designed to provide a picture of a situation as it naturally happens. It may be used to justify current practice and make judgment and also to develop theories. Survey research is used to quantitatively describe specific aspects of a given population and frequently these aspects often involve examining the relationships among variables.

3.3 Population of the Study

The population of a study is defined as the total number of subjects that can be used to provide data on the phenomenon of interest. On the determination of the population of a study, Friedman (1999) notes that the study population should be defined in advance, ensuring that there is an unambiguous statement of inclusion criteria. The impact of these criteria on study design, ability to generalize, and participant recruitment must be considered.

The population of this study consisted of all manufacturers of veterinary pharmaceutical products in Kenya. There were a total of seventeen (17) registered veterinary manufacturing firms according to the Pharmacy and Poisons Board (2016). All the registered companies as at this time were included in the study. The study was therefore a census.

3.4 Data Collection

Primary data was collected using a structured questionnaire. The questionnaire which was be designed using a 5- Point Likert scale consisted of Two main parts. Part A was designed to collect data on the demographic characteristics of the respondent institutions. These demographic characteristics may have a correlation with the strategic planning practices of the company.

Part 2 was designed to collect data on strategic management practices. However, owing to the vast number of items under this, the researcher has divided this section of the questionnaire further into formulation, implementation and control. This format enabled organized formatting of the instrument to facilitate better analysis. The respondents consisted of senior managers in these companies preferably those of divisional managers and above. These persons were considered to be in a position to provide pertinent information.

3.5 Data Analysis

Questionnaires were sorted and responses coded. Data was captured into a suitable statistical package for further analysis. Data was summarized and presented using tables and percentages. Descriptive statistics were computed to provide an idea about the spread of the data. These statistics included the mean and standard deviation.

CHAPTER FOUR: DATA ANAYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis that was performed on the data and also the findings there from. The findings are finally discussed to determine their consistency or otherwise with empirical research.

4.2 Response Rate

The population of the study was seventeen manufacturers of veterinary products. Questionnaires were distributed to all members of the population. However, only fifteen questionnaires were filled and returned. It is these fifteen that were used for data analysis. This represented 88% of the population. This response rate was considered good enough for further analysis.

4.3 Number of Years in Operation

This question was meant to determine the number of years the company has been in operation . This would provide information on the age of the company. The belief is that there might be a relationship between the number of years a company has been in existence and its strategic management planning practices.

Table 4.1 Number of years in operation

Number of Years	Number of companies	Percentage
Less than 5	1	6.7 %
5- 10	3	20%
10-15	5	33.3 %
15-20	6	40%
Above 20 years	1	6.7 %
TOTAL	15	100%

Source: Research Data, 2018

Table 4.1 shows that only 6.7 % of the respondents have been in operation for less than 1 5 years. The findings indicate that 73.3 % of the respondents have been in business for a period of between 10 and 15 years. This is a sufficient period of time for a majority of the respondents to have performed strategic planning for at least two cycles.

4.4 **Annual Sales Turnover**

This question captured data on the sales turnover of the respondent companies, The sales turnover of a company is a fairly good indicator of its performance over time.

Table 4.2 Annual Sales Turnover

Sales Turnover	**Number of Companies**	**Percentage**
Less than Sh. 10 Million	1	6.7 %
10- 50 Million	1	6.7 %
50- 100 Million	3	20 %
100- 150 Million	4	26.7 %
Above 150 Million	6	40 %
TOTAL	15	100 %

Source: Research Data, 2018

The analysis on Table 4.2 above indicate that only 13.4 % of the respondents had less than 50 Million shilling annual turnover. It was reported that 20 % of the respondents had a turnover of between Sh.50 and 100 Million. Over 66 % of the respondents indicate that their turnover is in excess of Sh.100 million .

4.5 **Strategic Management Practices**

Respondents were required to indicate the extent to which their companies were performing the activities provided in the questionnaire.

4.5.1 Involvement in the planning process

This section of the questionnaire sought to determine the degree to which the following parties were involved in the strategic planning process. The responses are provided in Table 4.3 below:

Table 4.3 Positions involved in the strategic planning process

Position	**Number**	**percentage**
The CEO	15	100 %
Senior Managers	15	100 %
Middle Level Managers	14	93 %
Lower Level managers	10	67 %
External Stakeholders	10	67 %
Consultants	5	33 %

Source : Research Data, 2018

The findings in Table 4.3 indicate that all companies involve the CEOs and senior managers in strategy formulation and implementation. A similarly high percentage of the respondents indicate that involve middle level managers. A moderately high percentage of respondents indicate that they involve lower level managers and external stake holders. Consultants are used by only 33 5% of the total respondents.

4.5.2 Considerations in Strategic Management

This part of the questionnaire was designed to collect data on the issues that are considered very critical in the strategic management undertakings of the company. The findings are as provided in Table 4. 4

Table 4.4 Considerations in Strategic Management

Statement	Mean	Std. Dev
We take into account our mission and vision	4.78	0. 12
We consider our competitors	4.34	0.23
We are strongly guided by our resources	4.23	0.06
We take into account the Economic environment	4.21	0.03
We consider developments in the political environment	3.78	0.07
We consider our previous experiences	2.76	0.05

Source: Research Data, 2018

Table 4.4 above shows that in the design of strategic direction, companies do consider multiple factors. The organization's mission and vision are considered to a very large extent (Mean=4.78). This is so possibly because the mission and vision of the company provide it with direction and focus. The competition, availability of resources and the developments in the economic environment are considered to fairly large extent (Mean above 4.00 but below 4.5). Developments in the political environment and the company's previous experiences do not have a large effect in the design of strategy

4.5.3 Measures undertaken to improve the Strategic Planning Process

The researcher sought to establish the measures that companies have taken to improve the strategic planning process. The findings are presented in Table 4. 5 below.

Table 4.5

STATEMENT	**Mean**	**Std. Dev**
All corporate units have to make their contributions to strategy implementation	4.67	0.05
Top managers support new strategy and express this clearly	4.98	0.67
Feedback mechanism is part of the strategy implementation	4.87	0. 54
Ensure that all participants have a solid understanding of business, its strategy and the underlying assumptions	4.78	0.34
Middle managers can contribute their knowledge to the setting of the strategic agenda	4.56	0.23
Strategy implementation is combined with capital allocation	4.34	0.65
We Structure the environment for analysis into different segments	4.08	0.45
Management team treats strategic management as part of its daily responsibilities	3.62	0.34
We run a tailored management process	2.87	0.32

Source: Research Data: 2018

4.6 **Discussion of Findings**

This part presents the discussion of the findings. This is a comparison of the findings and empirical reports to determine the extent of consistency or otherwise. Findings indicate that all companies involve the CEOs and senior managers in strategy formulation and implementation. A similarly high percentage of the respondents indicate that involve middle level managers. A moderately high percentage of respondents indicate that they involve lower level managers and external stake holders. This finding supports literature (Johnson,2002). Literature supports the argument that senior management staff must involved in the strategic management process. The organization's mission and vision are considered to a very large extent. This is so possibly because the mission and vision of the company provide it with direction and focus. The competition, availability of resources and the developments in the economic environment are considered to fairly large extent. Developments in the political environment and the company's previous experiences do not have a large effect in the design of strategy. This finding supports Hunt & Morgan (2005) and Analoui & Karami (2003). The organization's mission and vision are considered to a very large extent. This is so possibly because the mission and vision of the company provide it with direction and focus. The competition, availability of resources and the developments in the economic environment are considered to fairly large extent. Developments in the political environment and the company's previous experiences do not have a large effect in the design of strategy. This finding is once again consistent with literature (Gibus & Kemp, 2003 ; Gomez – Mejia & Palich, 2011).

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the findings, a conclusion and recommendations for practice and further research.

5.2 Summary

This study sought to establish the strategic management practices adopted by veterinary pharmaceuticals manufacturing companies in Kenya. Data was analyzed using descriptive statistics. The findings show that only 6.7 % of the respondents have been in operation for less than 1 5 years. The findings indicate that 73.3 % of the respondents have been in business for a period of between 10 and 15 years. It was reported that 20 % of the respondents had a turnover of between Sh.50 and 100 Million. Over 66 % of the respondents indicate that their turnover is in excess of Sh.100 million . The findings in The respondents indicate that all companies involve the CEOs and senior managers in strategy formulation and implementation. A similarly high percentage of the respondents indicate that involve middle level managers. A moderately high percentage of respondents indicate that they involve lower level managers and external stake holders. Consultants are used by only 33 5% of the total respondents.

The findings show that in the design of strategic direction, companies do consider multiple factors. The organization's mission and vision are considered to a very large extent (Mean=4.78). This is so possibly because the mission and vision of the company provide it with direction and focus. The competition, availability of resources and the developments in the economic environment are considered to fairly large extent (Mean above 4.00 but below 4.5). Developments in the political environment and the company's previous experiences do not have a large effect in the design of strategy

5.3 Conclusions

From the findings it can be concluded that most of the firms in veterinary pharmaceutical manufacturing actually do strategic management. It was revealed that a majority of the respondent companies invest in strategic management and preparation of mission and vision statements. A great percentage of the respondents indicated that they actually do involve their senior managers and CEOs in strategic management. A similarly high percentage of the respondents indicate that involve middle level managers. A moderately high percentage of respondents indicate that they involve lower level managers and external stake holders. Literature supports the argument that senior management staff must involved in the strategic management process. The organization’s mission and vision are considered to a very large extent. This is so possibly because the mission and vision of the company provide it with direction and focus. The competition, availability of resources and the developments in the economic environment are considered to fairly large extent. Developments in the political environment and the company’s previous experiences do not have a large effect in the design of strategy. This finding supports Hunt & Morgan (2005) and. The organization’s mission and vision are considered to a very large extent. This is so possibly because the mission and vision of the company provide it with direction and focus. The competition, availability of resources and the developments in the economic environment are considered to fairly large extent. Developments in the political environment and the company’s previous experiences do not have a large effect in the design of strategy.

5.4 Recommendations

The following recommendations can be made in relation to practice and further research. The researcher recommends that veterinary manufacturing firms consider intensifying the involvement of external stakeholders in strategic management. Many companies indicated that they involve their CEOs and senior managers. This however may fail to involve critical stakeholders such as customers.

It is recommended that future research efforts be aimed at establishing the practices in each of the phases of strategic management, beginning from strategic formulation, implementation to control. Future researches can also be longitudinal in nature so that the adoption of different strategies over time can be explained

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QUESTIONNAIRE

SECTION A: DEMOGRAPHIC DATA

1. Name of the Company…………………………………………………..

2. Number of Years in operation

   ( ) Less than 5

   ( ) 5-10

   ( ) 10-15

   ( ) Above 15

3. Annual Sales Turnover

   ( ) Less than Sh. 10 Million

   ( ) Sh. 10- 50 Million

( ) Sh. 50- 100Million

( ) Sh. 100-150 Million

( ) Above 150 Million

4. Number of Products in the market

( ) Less than 10 Products

( ) 10- 20 Products

( ) 20- 30 Products

( ) Over 30 Products

SECTION B: STRATEGIC MANAGEMENT PRACTICES

Sub-Section B1: Involvement in the planning process

On a scale of 1 to 3, 1 peripherally or not at all and 3 Centrally, indicate the extent to which the following were involved in the strategic planning process.

	1 **Not at All**	**2** **Moderately**	**3** **Centrally**
The CEO			
The Executive Team			
Senior Managers			
Middle Level Managers			
Lower Level managers			
Employees			
External Stakeholders			
Consultants			

Sub- Section 3: Considerations in Strategic Planning

This question is designed to establish the extent to which the company takes into account certain considerations in the strategic planning process. On a scale of 1 – Not very important to 5 very important indicate the extent to which your company considers the following

Statement	**1**	**2**	**3**	**4**	**5**
We consider the political environment					
We take into account the Economic environment					
We consider our competitors					
We are strongly guided by our resources					
We consider our previous experiences					
We take into account our mission and vision					

Sub- Section 2

To what extent does your organization apply the following measures to improve the planning process and get optimal results from strategic planning process? **Use a 5 point scale where; l=Not at all, 2= a little extent, 3= moderately extent, 4= great extent, 5= very great extent.**

STATEMENT	**1**	**2**	**3**	**4**	**5**
Management team treats strategic management as part of its daily responsibilities					
Ensure that all participants have a solid understanding of business, its strategy and the underlying assumptions					
We run a tailored management process					
We Structure the environment for analysis into different segments					
Middle managers can contribute their knowledge to the setting of the strategic agenda					
Top managers support new strategy and express this clearly					

All corporate units have to make their contributions to strategy implementation					
Strategy implementation is combined with capital allocation					
Feedback mechanism is part of the strategy implementation					