

**STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE  
OF DRUGS FOR NEGLECTED DISEASE INITIATIVE, AFRICA  
REGIONAL OFFICE, NAIROBI**

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## DECLARATION

I Beatrice Cherotich, hereby declare that MBA project title “Strategic Management Practices and Performance of Drugs for Neglected Diseases Initiative Africa Regional Office, Nairobi” is my novel presentation and has not been presented to any college, institution or university for conferment of any degree, diploma or certificate.

Signature  Date: 1<sup>st</sup> December 2022

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## SUPERVISOR’S APPROVAL

The research project submitted by Beatrice Cherotich titled “Strategic Management Practices and Performance of Drugs for Neglected Diseases Initiative Africa Regional Office, Nairobi” has been handed in with my endorsement as the appointed university supervisor.



Sign

Date: **6<sup>TH</sup> DECEMBER 2022**

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## **DEDICATION**

This research project is dedicated to my parents Charles Sawe and Marcella Sawe who had passion for education and for the love and support they rendered me when I started this journey. You inculcated good values and morals throughout my childhood and formative years which has enabled me to reach heights of education that I have today. I also dedicate this to my son, Leon Baraka has been respectful, understanding, and hardworking.

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## **LIST OF ABBREVIATIONS**

|       |   |
|-------|---|
| NGOs  | Non-Governmental Organizations                      |
| SMART | Specific, Measurable, Attainable, Realistic, Timely |
| DNDI  | Drugs for Neglected Disease Initiative              |
| R&D   | Research and Development                            |
| HIV   | Human Immunodeficiency Virus                        |
| NTDs  | Neglected Tropical Diseases                         |
| SWOT  | Strengths Weaknesses Opportunities Threats          |
| NHIF  | National Hospital Insurance Fund                    |
| WHO   | World Health Organization                           |
| MSF   | Médecins Sans Frontières                            |
| M&E   | Monitoring and Evaluation                           |
| SM    | Strategic Management                                |

## **OPERATIONAL DEFINITION OF TERMS**

|                                  |   |
|----------------------------------|---|
| <b>Strategic planning</b>        | All actions undertaken by an organization in formulating and implementing decisions which determine the direction of the entity                         |
| <b>Environmental scanning</b>    | An assortment of activities conducted to analyse both internal and external environment   |
| <b>Strategic implementation</b>  | Actions undertaken by an entity to ensure that strategies set by the organization are executed  |
| <b>Monitoring and Evaluation</b> | Monitoring and evaluation (M&E) is a powerful public management tool that can be used to improve the way governments and organizations achieve results. |
| <b>Performance</b>               | Accomplishments of various objectives set by departments or businesses  |
| <b>Competitive strategies:</b>   | An assortment of various techniques that firms employ to position themselves in the market to curb competition and appealing to the prospects           |

## **ABSTRACT**

Intense competition faces the current global market. The proliferation of NGO organizations in the recent past has placed these organizations in a competitive edge in terms of funding opportunities. The decline in performance has seen organizations take tougher measures of survival evidenced by mergers, closures, partnerships, acquisitions, and staff layoffs. The low impact at community level has negatively affected the achievement of strategic goals and this has painted a bad picture to the donors. NGOs have also not been left out from effects of the turbulent external environment demonstrated by political, environmental, social, technological, and economic factors. Recently, the effects of Covid-19 have interrupted operations of various organizations, and this has to a great extent disrupted the achievement of strategic goals. Due to these cutthroat dynamics, some NGOs have adopted strategies aimed at building very dynamic and viable competitive positions to achieve their strategic goals. It is however unexplored how these modest strategies adopted influence performance. This study endeavoured to fill this gap by determining how these strategic management practices influence performance of international NGOs in Kenya. A case study design was adopted for this research and the target population comprised of seven senior managers concerned with organization's strategy at DNDI. Collection of primary data was conducted by use of an interview guide to gather valuable and high-quality data. A content analysis approach was used to analyse the qualitative information from the seven interviews. The findings show that the organization strongly adopts strategic management practices, and this has a positive impact on the performance of the organization.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

Intense competition faces the current global market, which implies that the organizations that are prepared to face the competition are to great extent expected to survive than the least prepared (Samara et al, 2022). Strategic management is one of the methods that many organizations employ to ensure their survival amidst of increased competition. Johnson and Scholes (2002) describe strategic management as a tool that enables managers to have blueprint of the organization above the long-term goals thereby achieving beneficial gains for the organization by reconfiguration of its assets amidst a turbulent environment. Therefore, the NGOs are required to strategically position themselves in the changing and turbulent market environment by developing and adopting superior SM practices (Bryson, 2017).

This study is anchored on contingency theory which is supported by resource-based and institution theory. The contingency theory proposes that effectiveness of a given strategy is factor- dependent. Unquestionably, strategies can either be right or wrong based on the situation, environmental factors, and other marketing forces, which form the criteria for the evaluation of the NGOs (Cole & Kelly 2011). Secondly, resource-based theory postulates that despite how good a strategy can be; an organization must deploy resources to implement it (Aboramadan, 2018). For survival of a given organization, it requires resources that are dependent upon its environment. The institution theory (Jary & Jary, 1991) postulates that several autonomous factors outside productive efficiency determine the success of a given NGO and include efficient control of resource and productive activities (Meyer & Rowan, 1997). This study is necessarily attributed to NGOs being faced with an increasingly competitive environment making adoption of strategic management practices unescapable.

According to Edwards (2019), although firm performance is normally reflected by financial outcomes, Non-Governmental Organizations (NGOs) serve to improve people's

livelihoods. Thus, their success depends on nurturing independent grassroots institutions and connecting them with markets and political structures at higher levels. Therefore, for organisations to achieve the intended outcomes from personnel, international NGO managers and supervisors must comprehend and put into practise tactics which might improve performance. Because of the corporate world's intense competition, this becomes increasingly complex and demanding (Kimunguyi, Memba, & Njeru, 2015). International NGOs encounter a variety of operational problems as they work to accomplish their objectives (Abu-Nahel et al, 2020). Moreover, the growth in the number of NGOs has been coupled by decrease in resources from the donor community creating a turbulent and ever-changing environment that has led to their adoption of strategic management practices (Mwai, Namada & Katuse, 2018).

### **1.1.1 Strategic Management Practices**

Strategic management is a science and art of managing strategies. It mainly focuses on analysis of internal and external environment, goal setting and implementation, and monitoring and evaluation. Strategic planning, environmental scans, strategy formulation, strategy execution, strategy monitoring and strategy evaluation are all examples of strategic management practises (Palladan & Adamu, 2018). Owing to continuous activities in comparable environmental settings, firms with varied organisational structures have developed identical strategy patterns (Alashloo, Castka & Sharp, 2005). Firms face the struggle of developing a clear link between the mission, vision and role. Strategic management offers such organizations the model that can be adopted to counter the challenges associated with the firms and can be key in determining how to successful deliver quality services at low costs (Samara et al, 2022).

Strategic management practices provide overall direction to the organisation. The effective and sustainable implement of the strategic management practices is dependent on various stakeholders who are developing strategic management practices based in line with the environmental concerns and values they uphold for their survival. Different strategic management practices have been adopted by different authors across existing literature. Aboramadan and Borgonovi (2016) adopted environmental scanning, strategy formulation,

strategy implementation and evaluation when assessing non-financial performance of NGOs in Palestine. This study will adopt strategic planning, strategic implementation, and strategic evaluation as the strategic management practices.

### **1.1.2 Organizational Performance**

Firm performance relates to accomplishment of the company in relation to certain metric, like production or quantifiable goals (Otieno, 2013). Organization concept is a controlled relationship between the production factors and monetary resources with aim of promoting the organizational vision, mission, and core values (Carton, 2004). Illo, (2012) defined organizational performance as the degree of standard indicators that relate to organizational effectiveness and environmental sustainability. The extent to which company achieves its objectives within a specific timeframe is considered as organisational performance. It is the ability of a company to carry out tasks more effectively than its rivals (Almajali, Almamro, & Al-Soub, 2012).

Financial and non-financial measurements have been used to analyse organisational performance. Recognizing a company's initiatives and their impact on its production is made possible by the performance appraisal (Tulcanaza-Prieto, Shin, Lee & Lee, 2020). Nevertheless, considering its primary purpose for existing is really to advance a societal goal, measuring the effectiveness of NGOs is difficult (Da Silva, Riana & Soares, 2020). Effectiveness and availability to funding during fundraising efforts are commonly used performance evaluation indicators, but they do not provide a complete picture of an NGO's effectiveness. Shih and Putri (2018) contend that NGOs' financial operations, disclosure, and capacity for fundraising should all be considered when evaluating their performance.

### **1.1.3 Non-Governmental Organizations in Kenya**

Non-governmental organizations (NGOs) are not-for-profit, government-independent institutions that are established on a national and international and community levels to serve a social or political goal. For the last four decades, NGOs have progressively become part of research for economists, scientists, political and sociologists whose focus is on

development issues. NGOs progressively became part of the research agenda of ‘development studies’, the interdisciplinary field of scholarship from 1990s. Salamon and Anheier (1997) conducted a quantitative study which measured the scope and relative size of NGOs, with its focus being understanding the diversity of NGOs. On the other hand, there has been an upsurge on detailed ethnographies on NGOs by anthropologists’ scholars and other collections, for instance editions by Igoe and Kelsall (2005). (2007) highlighted activities that NGOs undertake, and these can be defined as three roles: catalysts, implementors and partners. The implementor’s main role is to marshal resources to support provision of goods and services to people who need them. A catalyst’s role mainly involved promoting change through creative thinking while a partner works together to share the risk.

Kenya has seen an increase in number of registered NGOs from 6806 in 2009 to 11262 in 2019, this is according to the annual NGO sector report 2018/2019. NGOs have played a significant role in supplementing government’s development projects as the country aims to achieve strategic objectives including, Kenya Vision 2030, Sustainable Development goals and the 16 NGO annual sector. However, the sector has had its own share of challenges. The sustainability index stands at 66% this is because most NGOs are still in the evolving stage. Most of these organizations depend on foreign donor funding and are susceptible to external factors. The report also highlights poor management structures and weak accountability mechanisms necessary for growth and sustainability. NGO boards are faced with the challenge of exercising oversights for the respective organizations, and this has led to low compliance levels in submission of their annual reports.

#### **1.1.4 Drugs for Neglected Diseases Initiative**

The Drugs for Neglected Diseases initiative (DNDi) is an international, non-profit, and R&D organization. It was established in 2003 by the MSF, WHO 5 other international research institutes. It strives to save lives and improve the health of peoples living with neglected sicknesses around the world, by discovering and developing new treatments by leveraging on research and development efforts and ensuring equitable access to these diseases. Its mission is to develop new treatments for persons ailing from neglected



diseases and bridging the gaps that exist in essential medications for these diseases through initiation and coordination of various drug research and development projects. This is done in collaboration with the public sector, pharmaceutical industry, international research community and other relevant parties. DNDI values innovation and people, takes courage in the face of adversity and observes high integrity

DNDi has had its bunch of performance issues in the recent past. The NGO has been put in a competitive edge in terms of funding opportunities, it has faced increased costs of operation due to external factors such inflation and Covid-19 that has disrupted a lot of organization's plans and delayed projects. This had a potential of lowering the impact at community level for some projects. However, DNDi has adopted strategic management practices to overcome these challenges. It has a global team of experts, consultants and partners who strategically formulate, plan, implement and evaluate its strategies. The NGO has formulated, implemented, monitored, and evaluated strategies. The organization analyses its environment to ensure that it positions and presents itself well to the external environment.

## **1.2 Research Problem**

Strategic management practices play a key role in organizational performance. Firms that adopt strategic management practices experienced improved performance through reduced operational and other costs (Shih & Putri, 2018). The implementation of strategic management practices improves performance of a firm by reducing on costs and improving on incomes and donations (Tulcanaza-Prieto, Shin, Lee & Lee, 2020).

The international NGOs in Kenya have experienced poor performance in the recent years with some ceasing their operations due to performance challenges. This has been seen in stalled projects, lack of funding, reduced funding efficiency and reduction in their impacts to communities within which they exist (NGO-Board, 2021). Kenya has been experiencing an increase in number of international and local NGOs in recent years (NGO-Board, 2021). Besides, the increase in the number of NGOs, it has been coupled by decrease in resources from the donor community creating a turbulent and ever-changing environment within the NGO sector in Kenya.

International NGOs like DNDi have also been experiencing challenges related to delayed project completion, underspending, and increased operational and project costs. DNDi has not been spared. For example, 2020 expenses reached EUR 59.3 million, down 6.4% (2019: 63.1 million). It also experienced an increased number of stalled projects in 2021 due to the reduction in donor funds. To stay afloat and overcome the various challenges facing them, international NGOs in Kenya like DNDi have adopted strategic management practices.

The performance of Dedebit Credit and Savings Institution in Eastern Tigray was the subject of a research conducted by Meresa (2019). The focus was on Dedebit credit and saving institution other than DNDi. The findings showed a positive correlation (Sig.=000) between sales growth and strategic management practices used in this analysis. These conclusions therefore showed that adoption of strategic management practices have direct positive relationship with corporate performance. Agwu (2018) did analysis of impact related to strategic management on the organisational performance of Nigerian SMEs and focused on Nigerian SMEs. It can thus be deduced from this study that when SMEs implement and formulate business strategies successfully, there is a possibility of increase in the number of customers which subsequently leads to improved business capability and increased market share. Mohamed and Mohamud (2021) studied effect of strategic management practices on organizational performance in NGOs in Mogadishu, Somalia. The focus was on NGOs in Somalia. The findings demonstrated that potential opportunities exist and can be harnessed effectively through analysis of the PESTEL factors.

A survey on overall impact of strategic leadership techniques on effectiveness of non-governmental organisations (NGOs) participating in the United Nations Environmental Program (UNEP)'s environmental campaign in Kenya was conducted by Mutole (2019). The research found that strategic leadership enhanced performance of the NGOs. At a mean of 3.6154, findings from the study established that quite a number of respondents agreed with the statements on organizational leadership, that: it improves and maintains value of the organization; to relevant stakeholders, it discloses significant information in a timely manner with a mean of 3.2436, it ensures coordination and cooperation for the remedies

of environmental problems with 74 stakeholders with a mean of 4.05; it ensures timely issue of annual reports to major stakeholders in a timely manner with a mean of 3.3205; and lastly it ensures effective communication of daily operations to relevant stakeholders with a mean of 4.1667. The study focused on UNEP with the current study focusing on DNDi. The study also compared strategic leadership other than strategic management practices to performance. Amir and Muathe (2018) did a study on strategic change management and performance of Non-Governmental Organizations in Mandera County. The research was done as a survey of many NGOs in Mandera while the current was done as a case study. The study also looked at strategic change management with the current looking at strategic management practices. The studies have based their research on variables differing with those of the current research. For example, Amir and Muathe (2018) related performance to strategic change management other than strategic management practices. Mutole (2019) compared strategic leadership other than strategic management practices to performance.

Some studies have based their research in different sectors/areas and organizations other than DNDi. Mutole (2019) involved environmental NGOs under UNEP while Amir and Muathe (2018) involved NGOs in Mandera County. Odhiambo and Njuguna (2021) did a study on strategic management practices and performance of health NGOS in Nairobi City County. The survey focused on health NGOs in Nairobi City County leaving a gap for DNDi. Gure and Karugu (2018) on their research on strategic management practices and performance of small and micro businesses in Nairobi City County, Kenya. The research concentrated on SMEs other than NGOs. Karimi and Kavindah (2021) studied strategic management practices and performance of National Hospital Insurance Fund in Nairobi city county, Kenya. The study was limited to National Hospital Insurance Fund in Nairobi city county. The outcome of strategic management practices on performance of Commercial Banks in Kenya, Ongongo and Mang'ana (2022) focuses on Commercial Banks in Kenya other than DNDi. The studies have also adopted different methods in undertaking their research. For example, Mutole (2019); and Amir and Muathe (2018) adopted a questionnaire for data collecting and adopted mixed data analysis methods. However, the current will adopt an interview guide with qualitative data analysis methods.

The researcher answers the question: What is the effect of strategic management practices on performance of Drugs for Neglected Diseases Initiative (DNDI) in Kenya?

### **1.3 Research Objective**

The objective of the study is to determine the impact of strategic management practices on performance of Drugs for Neglected Diseases Initiative (DNDI)

### **1.4 Value of the Study**

Theoretically, the investigation would be of importance to the scholars and researchers within thematic area of strategic management. The scholars would find it valuable in that it will provide literature that would enable them to undertake their academic assignments with ease. The study will be a source of literature that can be used in development or improvement of strategic management theories. Researchers may also find it valuable in that the study would have research gaps that may form basis for further research on strategic management practices and performance of NGOs.

In practice, the study may be valuable to the management of DNDI and other international NGOs. In studying the impact of strategic management practices on performance, it will enable the management of DNDI to understand how the strategic management practices adopted within NGOs influences its organizational performance. This would enable them to come up with strategies and plans that would see their organization experience improved organizational performance in future. The management may also review the recommendations made in the paper and implement the best of them.

In policy, investigation would create valuable impact to policy makers like the NGO board and their decisions. Policy makers would understand the effect of strategic management practices on performance of NGOs in Kenya. This would enable them to formulate relevant policies that would enable the NGOs to perform better through improved strategic management practices.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents literature related to strategic management and organizational performance. The study discusses the theories that anchor the investigation. The chapter also reviews theoretical literature related to strategic management practices. The research gaps are also established in this chapter.

#### **2.2 Theoretical Foundation**

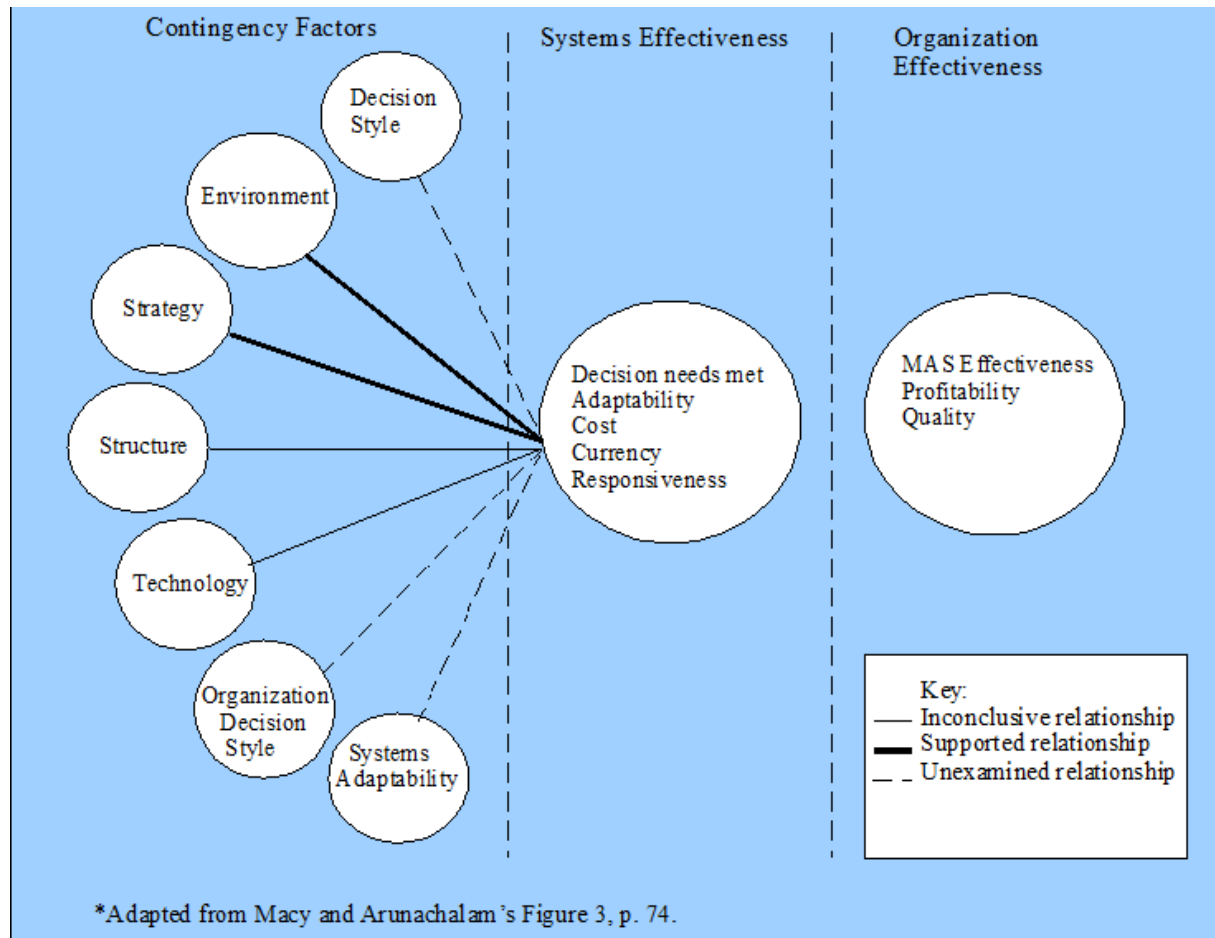
This section reviews the theories underpinning this study. The main theory will be contingency theory by Lawrence and Jay Lorsch (1967). The theory will be supported by Resource Based Theory by Wernerfelt (1984); and Institution Theory by Meyer and Rowan (1977).

##### **2.2.1 Contingency Theory**

Paul Lawrence and Jay Lorsch (1967) postulated contingency theory from the term contingent that is used to mean that something is dependent on events and circumstances. They examined ten firms in three diverse industries, plastics, food, and containers with aim of determining whether their operation in different environments of the three industries would correspond to the variations in their internal structures. The theory postulates that there is no paramount way for organizing, leading, and decision making in each organization. It elaborates that the effectiveness of a given organization strategy is autonomous thus there are no right or wrong SM practices (Cole & Kelly, 2011). Contingency theory gives a platform for an analysis of organization that takes organizations and their numerous subsystems as adaptive bodies in relation to their environment. The theory is limited in that it excessively emphasizes on the capability of the environment to determine the internal structure and fate of organizations.

Figure 2.1 illustrates an updated contingency framework which highlights the relationships between systems effectiveness and decision style, environment, strategy, structure and technology. Organization decision style, systems adaptability and decision style are yet to be examined and they represent opportunities for future research (Macy, G. and V. Arunachalam, 1995)

**Figure 2.1 Updated contingency Framework**



### **2.2.2 Resource Based Theory**

Wernerfelt (1984) developed resource-based theory to support the idea that a company's strategy and its available resources work in line to help it achieve its goals. It suggests that a company will have a greater likelihood of success if it uses the finest and more appropriate collection of resources for its activities. Consequently, the assets of the business will determine the strategic management techniques. According to the concept, a corporation is described by its assets. The term "resource" is restricted to specific qualities which increase company's efficacy and efficiency (Wernerfelt, 1984). The theory's implications for investigation include that diverse organisations' strategic management strategies which rely on overall resources they have, which are frequently influenced by factors including business size, legal structure, and sector. Ultimately, the effectiveness of a company depends on strategic management techniques used (Hieu & Nwachukwu, 2019).

According to Barney (1991), a company's assets are the main performance factors and should preferably support the corporation's performance and sustained competitiveness. Thus, correlation exists connecting the resource-based view concept company's performance, particularly regarding achieving a long-term competitiveness. Additionally, the resource-based viewpoint is supported by Porter's industrial assessment (Wright, Pray, Lado, & Kroll, 1995). Utilizing resources is made possible by the hypothesis, increasing company's worth. The essential tenet of hypothesis is that an organisation's ability to preserve its competitive advantage depends on how effectively it utilises its valued and essential assets. The theory suggests that numerous resources used by firms are inelastic and are a source of economic rent for example the highly skilled and creative labourer's as well as managers who can work effectively with teams. The analysis was however critiqued to the point of no explanations on the prices that were paid to acquire the factors of production (Barney, 1986).

Penrose (1959), in his book *The Theory of the Growth of the Firm* focused mainly on firms being simple tools of production and not viewed from the demand and supply functions based on the traditional models. She argued that firms should be approached and understood from an administrative perspective that coordinates the activities of various functions of the organization and as a collection of productive resources. She noted that collective bundles of productive resources could vary significantly from firm to firm because they could be heterogeneous despite being in the same industry. Unlike Ricardo who focused on limited resources, Penrose studied competitive propositions of inelastic productive resources including top management groups, managerial teams and entrepreneurial skills. She also noted that there could be additional productive resources that could be identified. In her studies particularly on entrepreneurial skills, she observed that some entrepreneurs are more inventive in fundraising, others more adaptable, others give better judgement, and some are ambitious.

Another study contributing to the RBV theory is the antitrust regulation theoretical antecedents. Where, according to (Scherer, 1980) studies, he concluded that social welfare is maximized better when there is perfect competition and economists have also come up with models that describe when there are occasions when an industry experiences less than perfectly competitive markets, the social welfare implications of these markets and resolutions if any, that can restore social welfare and enhance competition.

The social welfare and antitrust studies led to development of 'structure conduct performance' (SCP) paradigm which suggest that the range of activities undertaken by the firm and its performance is defined by the firm's industry. Businesses that operate differently from the perfectly competitive landscapes may have an autonomous conduct that can enable them achieve levels of performance that may reduce the social welfare. Demsetz (1973), however critiqued the SCP model, arguing that the industry structure was not a determining factor of the firm's performance and that firm's superior performance is not a prima facie evidence that the firm is undertaking anti-competitive activities. Further, Demsetz, noted that a firm's success may be a result of luck or competent nature of a firm in addressing customer needs.



### **2.2.3 Institution Theory**

Meyer and Rowan (1977) developed the institution theory. Institutional theory relates organizations to social institutions including family and political systems. The success of a given NGO is autonomous to efficient coordination and control of productive activities. Irrespective of their efficiency in production, organizations with developed institutional cultures are better placed to succeed in each environment, hence gain legitimacy, and acquire resources needed for their survival. The institution theory forms a basis for evaluation of extend of adoption and implementation of organizational SM practices (Bjorkman et al., 2007).

The concept argues that organisations grow attached to a specific technique, pattern, or notion that may not always be the most effective way to accomplish their stated goals. The theory is limited in that it is difficult to place the theory in a single organizational approach including the environment because institutional analysis employs a wide variety of disciplines. Besides, the theory is limited to the relative negligence of the human factor as an active agent possessing interest and intentions. The human actors are the ultimate carriers of regularized patterns of behaviour, routines, traditions, values, and support institutions patterns of behaviour and interests that are critical to strategic implementation (Wheelen & Hunger, 1995).

### **2.3 Strategic Management Practices and Performance**

Fundamental presumptions and behaviours that businesses have a direct impact on how they design and carry out their strategies are known as strategic management practises (Thompson & Strickland, 2006). In essence, strategic management techniques help firms operate better. By implementing initiatives that take advantages of a company's core competencies, by reacting to ecological advantages, by neutralising outside risks, and by averting inherent internal weaknesses, strategic management practises aim to give businesses a prolonged competitive advantage (Reading, 2012). This indicates that where strategic management practices are adopted the organizations experience high and improved organizational performance.

Empirically, majority of the studies have shown that Strategic management practices influence organizational performance. The studies have shown that adoption of strategic management practices. Odhiambo and Njuguna (2021) on health NGOs in Nairobi City County found that strategic management practices improved organizational performance metrics. Gure and Karugu (2018) in their study in small and micro enterprises in Kenya supported the findings that strategic management practices lead to improved organizational performance through cost leadership and focus strategy. Mohamed and Mohamud (2021) also found that strategic management practices improved performance levels.

However, Agwu (2018) in an analysis of impact of strategic management on business performance of SMEs in Nigeria, found that SME's competitive advantage and business strategies were the practices that increased performance through number of customers and market shares. However, the organizational structure as a strategic management practice had no significant impact on business performance. Meresa (2019) in the case of Dedit credit and saving institution in Eastern Tigray found that strategic management practices had no significant effect on performance.

Despite the strategic management practices improving organizational performance, there is no consensus on that. This is because some of the empirical studies done on strategic management practices and firm-based performance have shown that strategic management practices had no link with organizational performance. In describing the relationship, the authors have adopted different practices which may create a challenge in confirming the relationships.

## **2.4 Empirical Studies and Research Gaps**

In Nairobi County, Odhiambo and Njuguna (2021) conducted research on the performance of health non-governmental organisations. A descriptive research strategy was used to conduct the investigation. The survey's primary audience was the senior management of 98 healthcare Organizations. To choose the necessary participants, stratified randomization was employed. 131 employees of health NGOs made up the sample group for the study.

The quantitative findings of the investigation were presented using counts, averages, and sample variance. Anova, linearity, and correlations were also adopted. According to the report's results, performance and strategic practices were positively and significantly correlated.

Gure and Karugu (2018) conducted research within Nairobi City County, Kenya on the performance of small and micro enterprises. A descriptive research methodology was employed in the investigation. In the 17 operating in Nairobi, the survey's demographic consisted of SMEs controlled by young people. 100 business owners that answered the survey are indeed the participants. A selection of 30 participants was chosen, and they were uniformly distributed. Using a survey, the main information was gathered. Using SPSS, descriptive statistics was used. Organizational performance was improved by the strategic management methods of cost leadership, focus strategy, and combination strategy.

Karimi and Kavindah (2021) investigated the performance of the National Hospital Insurance Fund, and its strategy management approaches. The NHIF Fund was indeed the sole organisation for whom the report's longitudinally descriptive design was suitable. 250 staff members from NHIF headquarters' human resources, administrative, research & innovation, marketing, finances, and strategic departments made up the investigation's targeted group. A sample of 153 participants was obtained using the stratification simple randomized selection methodology. Primary data was gathered using standardized (closed-ended) questionnaires. The surveys were checked and validated among 10 participants chosen from the Ministry of Health before the real investigation. By asking foreign supervisory for their opinions, validities were implemented. For the delivery of surveys, dropping and picking techniques were used. Utilizing SPSS, the obtained information was examined. They employed both describing and causal inference stats. The outcomes show strategic variables influenced firm performance.

The result of strategic management methods on performance of Kenyan banking firms was examined by Ongongo and Mang'ana in 2022. To identify the issue with strategic management, this investigation used a comprehensive investigation of Kenya's banks; as a result, a descriptive survey approach was used. With the help of 40 banks, the research

conducted a census of the whole banking sector. Managers made the respondents. Both primary and secondary information were used. To make sure that associations across the factors were identified, descriptive statistical analysis, connections, and multiple regression were carried out. It has been proven that effective strategy management techniques significantly and favourably affect bank performance.

The effect of strategic management somewhat on operational performance of SMEs in Nigeria was examined by Agwu (2018). Questionnaires were utilized to gather information from 120 managers. Descriptive statistics and regression analysis were adopted to analyse them. They noted that SME's competitiveness and commercial approaches substantially improved their customer and market share numbers correspondingly. Nevertheless, the organisational structure had a favourable influence on SMEs' trading volume.

In NGOs in Mogadishu, Somalia, Mohamed and Mohamud (2021) investigated the impact of strategic management approaches on organisational performance. Descriptive research methodology was used. This investigation employed non-probability purposeful sampling, often known as judgemental sampling. The target population was 100, and the sample size was 50. To acquire quantifiable information for this study, self-administered surveys were used. The association was discovered using a regression model. The findings show that organisational performance in the chosen telecom enterprises in Mogadishu, Somalia, was significantly and favourably impacted by predictor variables.

Meresa (2019) investigated how strategic management approaches affected the performance of an organisation using the example of the Dedebit Credit and Savings Institution in Eastern Tigray. The investigation's main goal was to determine how strategic management methods affected business success. From 346 people who were sought for this investigation, 128 Dedebit Credit and Saving Institutions were selected. Findings indicated that performance was not significantly impacted by strategic management approaches.

**Table 2.1: Summary of Empirical Studies and Research Gaps**

| <b>Study</b>   | <b>Methodology-<br/>Research<br/>design</b> | <b>Key Findings</b>  | <b>Research Gaps</b>                         | <b>Focus of<br/>Current<br/>Study</b>                     |
|--|---|--|--|---|
| Strategic management and performance of health NGOs within Nairobi City County, Kenya<br><br>(Odhiambo & Njuguna, 2021)                  | Descriptive research design                 | There is a positive and significant connection across strategic management practices and organizations' performance                            | Focused on health NGOs leaving a gap of DNDi | Focusses on DNDi  |
| Strategic management practices and performance of small and micro enterprises in Nairobi City County, Kenya<br><br>(Gure & Karugu (2018) | Descriptive research design                 | Strategic management practices of cost leadership, focus strategy and combined strategy had a positive influence on organizational performance | Specifically focused on SMEs other than NGOs | The current study is empirical in nature focusing on DNDi |

|  |  |   |   |   |
|--|--|---|---|---|
| Strategic management practices and Performance of National Hospital Insurance Fund in Nairobi city county, Kenya (Karimi & Kavindah, 2021) | Longitudinal descriptive research design | Strategic management practices significantly influenced performance of NHIF                         | The study was limited to NHIF in Nairobi city county                                  | The present study concentrates on DNDi            |
| The impact of strategic management practices on performance of Commercial Banks in Kenya. (Ongongo & Mang'ana, 2022)                       | Descriptive research design              | Strategy evaluation practices possessed positive and significant influence on bank performance      | Focused on strategic management practices and performance of commercial banks         | This study focuses on Not for Profit organization |
| Evaluation of the effect of strategic management on the business performance of SMEs in Nigeria  | Descriptive research design              | SME's competitive advantage and business strategies were significant to increase in their number of | The study was limited to strategic management and performance of SMEs other than DNDi | Focused on DNDi                                   |

|   |                             |   |   |                |
|---|-----------------------------|---|---|----------------|
| (Agwu, 2018)  |                             | customers and market shares. organization structure has positive influence on transaction volumes but not significant |   |                |
| The outcome of strategic management practices on organizational performance in NGOs in Mogadishu, Somalia (Mohamed & Mohamud, 2021) | Descriptive Research Design | Strategic management had positive effects on organizational performance   | The study was done NGOs in Somalia                              | Based in Kenya |
| The effect of strategic management practices on performance of the case of Dedebit credit and saving                                | Descriptive Research Design | Strategic management practices had no significant effect on the institutional performance                             | Done on Dedebit credit and saving institution in Eastern Tigray | DNDI           |

|  |  |  |  |  |
|--|--|--|--|--|
| institution in<br>Eastern Tigray<br>(Meresa, 2019) |  |  |  |  |
|--|--|--|--|--|

Source: Researchers (2022)



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents research methodology adopted for this research. It will explain the research strategy, data collection and data analysis.

#### **3.2 Research Design**

This study adopted a case study design. This design identifies and describes the status of the variables of a study without manipulating the outcomes. This method fits this study in that it enables the researcher to describe strategic management practices and performance as well as show their status. It will also enable the researcher to show how the two relate in terms of one affecting the other. The design will enable the researcher to present the results as they are as the design does not support manipulation of outcomes.

#### **3.3 Data Collection**

This Researcher interviewed the top management of DNDi who provided information on strategic management practices and performance of the organization. Interviews were done on seven (7) managers This study used an interview guide to interview the 7 managers in DNDi. The guide contains open ended questions which will allow researcher to get deeper into the topic of research. The interview guide has no sections with the questions flowing from the first one to the last one. The interview guide has questions based on the strategic management practices and performance of DNDi.

Interviews were done both physically and virtually at a place convenient for both the researcher and the managers. Where the managers were not available, telephone interviews will be done. The researcher filled in the questionnaire based on the responses from the managers. This allowed the researcher to guide the interview with the key points indicated on the guide. Recording of the interviews was done with the consent of the interviewee.

**Table 3.1: Operationalization of Study Variables**

| <b>Variable</b>                | <b>Operational indicators</b>   | <b>Measurements</b> | <b>Measurement Scale</b> | <b>Data Collection Tool</b>  | <b>Data Analysis</b>   |
|--------------------------------|---|---------------------|--------------------------|------------------------------|------------------------|
| Strategic Management practices | Environmental Scanning <ul style="list-style-type: none"> <li>• SWOT analysis</li> <li>• Context of Organization</li> </ul>   | Likert Scale        | Interval                 | Interview Guide<br>Section B | Descriptive statistics |
|                                | Strategic Formulation and Planning <ul style="list-style-type: none"> <li>• Strategic Position</li> <li>• Strategic plan</li> <li>• Strategic choices</li> </ul>            | Likert scale        | Interval                 | Interview Guide<br>Section B | Descriptive statistics |
|                                | Strategic Implementation: <ul style="list-style-type: none"> <li>• Stakeholders involved</li> <li>• Strategic resources</li> <li>• Strategies implemented</li> </ul>        | Likert scale        | Interval                 | Interview Guide<br>Section B | Descriptive statistics |
|                                | Strategic Monitoring and Evaluation: <ul style="list-style-type: none"> <li>• Consistency</li> <li>• Suitability</li> <li>• Feasibility</li> <li>• Acceptability</li> </ul> | Likert scale        | Interval                 | Interview Guide<br>Section B | Descriptive statistics |
| Organization Performance       | <ul style="list-style-type: none"> <li>• Profits</li> <li>• Active donors</li> <li>• Projects completed</li> </ul>  | Likert scale        | Interval                 | Interview Guide<br>Section C | Descriptive statistics |

### **3.4 Data Analysis**

Data analytics was undertaken via content analysis. This is a qualitative data analysis technique that involves grouping data into themes for analysis. The themes are based on strategic management practices and performance. Numerous investigators tend to measure and evaluate the existence and meanings of words in addition to the connections between them to draw conclusions regarding study components. By analyzing and categorizing textual information, the approach can be utilized to draw verifiable conclusions. The data from the interviews is presented in prose form based on strategic management practices and performance.

## CHAPTER FOUR

### DATA ANALYSIS, FINDINGS AND DISCUSSIONS

#### 4.1 Introduction

This chapter presents analysis of data, interpretation of study findings and discussion of the results based on the study objectives stated in chapter 1. The purpose of the study is to establish the link of strategic management practices on performance of DNDI. An interview guide was employed as the data collection tool to collect primary data. The interview guide was designed according to the objective of the study. 7 top managers of DNDI were interviewed successfully. Most of the interviews were conducted via Microsoft teams and some were recorded for future reference. The research was done successfully, and the results are as below.

#### 4.2 Response Rate

The return rate was determined by the overall number of interviews that were conducted. A total of 7 interviews were conducted with target population being senior management concerned with strategy development, or their matches at DNDI. A response rate of 100.0% was attained (Table 4.1), with all 7 interview guides dully filled.

**Table 4.1: Response Rate**

|               | Frequency | Percentage |
|---------------|-----------|------------|
| Response      | 7         | 100%       |
| Non-Response  | 0         | 0%         |
| Response rate | 7         | 100%       |

Source: Survey Data 2022

#### 4.3 Demographic Profile

The study was earmarked to interview a total of 7 senior managers at DNDI. This included the Africa Regional Director, Senior Regional Operations Manager, Senior Regional Communications Manager, Senior Regional Human Resource Associate, Senior Finance Manager, Senior Manager Data Management and Biostatistics and HIV Head of Disease. The gender distribution among applicants was 3 Female and 4 Male. All managers had once completed a project and were well conversant with the subject matter and considering the levels of education as most of them had bachelor's degree and master's qualification. The data showed that they had worked more than 4 years in the organization, and some had several years in management experience. These factors gave an assurance that they were knowledgeable enough to provide proper and correct information on matters strategy and performance of the organization.

The response rate was at 100% as all the individuals were interviewed successfully and this meant that the researcher could give a conclusive recommendation on the findings. A response rate of fifty percent (50%) is considered suitable while a seventy percent (70%) rate is considered very good (Bailey, 2000). With this, a 100% rate is very commendable to make conclusions for this study.

#### **4.4 Content Analysis**

The data in the study was analyzed using content analysis. Groupings and relationships of words were determined.

##### **4.4.1 Environmental Scanning and Performance**

The findings show that 100% of the participants were of the opinion that the organization conducts environmental scanning through the SWOT analysis and context of organization. All the participants were aware of the risks associated if the external environment was not analyzed. The interviewees were asked the kind of strengths the organization possess and among the responses highlighted partnerships, skilled and motivated workforce, visibility, strong networks of high net- worth individuals and a data center whose services are often outsourced to ensure sustainability. The interviewees also highlighted some of the weakness including underspending, low level of collaboration among teams and

communication issues. On opportunities, the participants highlighted new funding opportunities, emerging tropical neglected diseases and technological advancements which could fasten R&D efforts. Threats highlighted by the 7 participants included PESTEL factors, among these was Covid-19 and climate change. On whether environmental scanning influenced performance, 86% of the respondents were positive that it impacted performance by a great extent. 14% of the respondents were not sure. 71% of the participants highlighted positive impacts to funding opportunities and 71% highlighted positive impact to on community projects. On change management, 86% of the respondents strongly agreed that scanning of the environment positively influenced change management. The outcomes are projected in Table 4.2.

**Table 1.2: Environmental Scanning and Performance**

|                  | <b>Funding Opportunities</b> | <b>Change Management</b> | <b>Community Projects</b> | <b>Overall Impact on performance</b> |
|------------------|------------------------------|--------------------------|---------------------------|--------------------------------------|
| <b>Positive</b>  | 71%                          | 86%                      | 71%                       | 76%                                  |
| <b>Tentative</b> | 29%                          | 14%                      | 29%                       | 24%                                  |

#### **4.4.2 Strategic Planning and Performance**

Outcomes show that 5 (71%) of the 7 participants to agreed that strategic positioning of the organization to a great extent influence performance. They highlighted the presence of external affairs team, who regularly communicate the brand segment of the organization through media engagements. 100% of the participants agreed that the presence of the strategic plan gives direction to the organization and sets milestones to be completed at each stage. This to a great extent positively influences performance. 86% of the participants emphasised the need to make strategic choices. They agreed that strategic alternatives should be developed but the best, most optimal alternatives should be chosen. According

to the findings, strategic planning positively influence performance. The outcomes are projected in Table 4.3

**Table 4.3: Strategic Planning and Performance**

| <b>Impact on Performance</b> | <b>Strategic Positioning</b> | <b>Strategic Plan</b> | <b>Strategic Choices</b> | <b>Overall Impact on performance</b> |
|------------------------------|------------------------------|-----------------------|--------------------------|--------------------------------------|
| <b>Positive</b>              | 71%                          | 100%                  | 86%                      | 87%                                  |
| <b>Tentative</b>             | 29%                          | 0%                    | 14%                      | 13%                                  |

#### **4.4.3 Strategic Implementation and performance**

The findings show that to a great margin, strategic implementation influence performance. Interviewees were asked if the organization involved stakeholders in their implementation strategies, 100% of the respondents agreed to this. On whether this had an influence on performance, 100% of the respondents agreed to this. Stakeholders highlighted included, partners, employees, pharmaceutical societies, international research institutes and governments. On the employment of strategic resources, 86% of the participants agreed that the organization employs strategic resources like very competent employees, consultants and expertise to implement their projects. 100% of the employees agreed that the organization has been accomplishing its projects. For instance, the organization has developed and delivered 12 field adapted treatments for neglected diseases. The outcomes are projected in table 4.4

**Table 4.4: Strategic Implementation and Performance**

| <b>Impact on Performance</b> | <b>Stakeholder Involvement</b> | <b>Strategic Resources</b> | <b>Projects Implemented</b> | <b>Overall Impact on performance</b> |
|------------------------------|--------------------------------|----------------------------|-----------------------------|--------------------------------------|
| <b>Positive</b>              | 100%                           | 86%                        | 100%                        | 95%                                  |
| <b>Tentative</b>             | 0%                             | 14%                        | 0%                          | 5%                                   |

#### **4.4.4 Strategic Monitoring and Evaluation, and Performance**

On whether the organization was implementing M&E strategies, 57% of the participants agreed that they were being implemented while 43% agreed that they were not fully implemented. 57% of the candidates believed the M&E framework was not consistent since it had just been developed and is under progress, 47% agreed that it was consistent. 71% of the interviewees agreed that it was suitable for the organization since it captures all the disease areas and departments. 71% of the participants agreed that the M&E framework is feasible but needs little training before use. 86% of the candidates believed the tool has been accepted by organization. 71% of the candidates believed the M&E strategies positively influenced performance. The outcomes are projected in Table 4.5



**Table 4.5: Strategic Monitoring and Evaluation and Performance**

|                  | <b>Consistency</b> | <b>Suitability</b> | <b>Feasibility</b> | <b>Acceptability</b> | <b>Overall Impact on performance</b> |
|------------------|--------------------|--------------------|--------------------|----------------------|--------------------------------------|
| <b>Positive</b>  | 47%                | 71%                | 71%                | 86%                  | 71%                                  |
| <b>Tentative</b> | 57%                | 29%                | 29%                | 14%                  | 29%                                  |

#### **4.5 Strategic Management Practices**

The findings show that DNDI conduct 4 major strategic management practices to stay afloat amidst of environmental turbulence, these include environmental scanning, strategic planning, strategic implementation and monitoring and evaluation. DNDI’s major objective is to develop new treatments for people living with neglected diseases.

Findings show that DNDI practice environmental scanning by analyzing both internal and external environments. 5 participants highlighted the use of SWOT analysis and Context of Organization in scanning their environment. DNDi has also been in the forefront in identifying and dealing with transversal issues like climate change, gender equality, paediatrics and focus on youths. Strategic planning is crucial to almost each organization. From the findings, DNDI has been in the forefront in practicing strategic planning evidenced by its 2021-2028, 8-year strategic plan of delivering 15 to 18 new treatments. The plan is driven by 5 cross cutting strategic imperatives including: Expansion of access to the drugs and delivering of new treatment to neglected populations addressing R&D gaps for Neglected Tropical diseases (NTDs) and viral diseases, including climate-sensitive and pandemic-prone diseases; Policy advocacy efforts to join with R&D actors and health leaders low and middle income countries to improve sustainable innovation systems that address the needs of neglected population; Contribute to advancing proactive agenda for maternal and paediatric health and gender-responsive R&D; Advocating for

transparency and open science; and Leveraging new technologies to accelerate R&D efforts and access.

Different strategies are implemented to achieve the core strategic objectives of delivering new treatments for neglected population. This is evidenced by the training, development, and retention efforts of employees to ensure that they are motivated to undertake tasks. According to the 2021 annual report, DNDI expenditure reached 66M euros, 89% of this being towards social mission, 4% being advocacy and 7% on general management. DNDI is undertaking several projects including developing new treatments for sleeping sickness, Chagas Disease, Mycetoma, Filaria HIV, Dengue, Hepatitis C, Malaria and Covid-19 The organization also focuses projects including children’s health innovation, gender responsive and gender equity R&D advancement, climate sensitive diseases confrontation, carbon footprint reduction and AI harnessing and new technologies to develop new treatments for neglected diseases

7 of the respondents acknowledged that reviews are often conducted at DNDi, these include quarterly and yearly reviews of action plans. A monitoring and evaluation tool has been developed to monitor the progress of various projects. DNDi has a monitoring and evaluation department which focuses of the evaluating the project progress.

**Table 2**

|                        |  |
|------------------------|--|
| Environmental Scanning | <p>The organization uses SWOT analysis and context of organizational approach to analyze its internal and external environment</p> <p>The organization has external affairs team who are always in the know when it comes to funding opportunities, policy advocacy events and global issues which affect the business</p> |
|------------------------|--|

|                                |   |
|--------------------------------|---|
|                                | <p>DNDi focuses on transversal issues such as climate change, gender equality, youth, and pediatrics</p> <p>Identification of neglected diseases within the neglected populations in the communities. For instance, Mycetoma disease in Ethiopia</p>  |
| Strategic Planning/Formulation | <p>DNDI has an 8-year, 2021-2028 strategic plan of delivering at least 15 to 18 new treatments by the end of 2028.</p> <p>Formulation of annual action plans clearly indicating the budgets, timelines, responsibilities, and objectives</p>  |
| Strategic Implementation       | <p>DNDI expenditure reached 66M euros, 89% of this being towards social mission, 4% being advocacy and 7% on general management. This is evidence that the organization is implementing its projects</p> <p>The organization is geared towards strategic human resource management who analyses the need for jobs, selecting competent candidates fit for the task, training, and retention.</p> <p>DNDI is undertaking several projects including developing new treatments for sleeping sickness, Chagas Disease, Mycetoma, Filaria HIV, Dengue, Hepatitis C, Malaria and Covid-19.</p> <p>The organization also focuses projects including children's health innovation, advancement of gender</p> |

|  |  |
|--|--|
|  | <p>responsive and gender equity R&amp;D, climate sensitive diseases confrontation, carbon footprint reduction and AI harnessing and new technologies to develop new treatments for neglected diseases</p>  |
| <p>Strategic Monitoring and evaluation</p> | <p>DNDi conducts quarterly and yearly reviews of action plans (Senior employees often travel to the Headquarters in Geneva for an in-depth review of actions)</p> <p>DNDi has a monitoring and evaluation department which focuses of the evaluating the project progress.</p> <p>The organizations have standard operating procedures for each department, and this is revised with time to reflect the changing needs. This is evidenced by QMS SOP's review meetings held with various departments</p> <p>Audits are performed including the use of SOPs and financial audits</p> |

#### 4.6 Performance

Organizational performance and success can be measured through the extent in which organizations meet their goals and objectives. The main objective of this study was to determine how the strategic management practices of DNDI influence its own performance. The researcher interviewed and probed the respondents on the extent in which strategic management practices impacts organizational performance of which respondents established that strategic management practices positively influence performance. The respondents laid emphasis on the need to conduct environmental analysis, formulation of appropriate strategies and proper communication of the strategies

to the stakeholders. Emphasis was also laid on the need to set SMART goals, proper implementation and adopting monitoring and evaluation strategies to ensure impact is felt at the community level. DNDi has had its share of challenges on the strategic formulation and planning, the right aligns

On the findings, the respondents focused on the 3 areas of organization performance; employees, partners and change management. On the change management, the teams felt that the management teams managed change effectively. They also felt that the employees of the organization were well motivated and relationship with partners was well established.

The organization managed to secure 52.5M euros in 2021 down from 56M euros in 2022 through the government, multilateral, civil society, and philanthropic donors. Considering external issues like Covid-19 which disrupted most of the organizations. We can conclude that DNDi performance is better in terms of fundraising efforts.

Since 2003, DNDI has developed and delivered twelve (12) field-adapted and affordable treatments delivered for six fatal diseases. 4 clinical research networks for sleeping sickness, leishmaniasis and chagas disease have been conducted. For Covid 19, Clinical Research coalition was developed comprising of 900+ members from nearly 100 countries, and 7,250 people trained on clinical trial management. Since 2003, new funding has reached EUR 767.5 million to support in the mission. The diverse global team of 230+ staff has been employed by DNDI to drive research, advocacy, and partnership. All this is towards delivering on the mission in addition to bringing the best science most neglected across 9 organizational hubs worldwide.

#### **4.7 Discussion of Results**

This section presents results from the study within both theoretical and empirical approaches relevant to how competitive strategies influence performance of NGOs. A presentation in the previous study findings in line with the theoretical anchorage are therefore discussed below:

#### **4.7.1 Linkage to theory**

The outcome of the study shows a positive linkage of strategic management practices and performance of non-governmental organizations in Kenya. This implies non-governmental organizations that strive for superior performance in Kenya should strategically scan their environment, undertake strategic planning and formulation, implement strategies and conduct monitoring and evaluation. These organizations should remain agile amidst the turbulent external environment. The management should focus on the overall systems effectiveness by putting into consideration the contingent factors including decision style, environment, strategy, structure, and technology. Also, management actions should reflect the commitment, safety and wellbeing of employees, and organization's brand positioning. These findings relate to the contingency theory by Paul Lawrence and Jay Lorsch (1967) which lays emphasis on agility and flexibility on different situations.

It is further established that strategic implementation efforts through involvement of various stakeholders, financial and human resources greatly influence performance of non-governmental institutions. Organizations need to set clear goals, allocate human and financial resources efficiently and assign responsibilities for task completion. These findings are in line with the resources-based view theory by Wernerfelt (1984), that better performance is linked to organizations that possess valuable and inimitable resources

Lastly, the findings highlight that for NGOs to work better, they ought to involve social systems like communities, governments, and cultural aspects of people in overall strategic management practice. These findings link with Meyer and Rowan (1977) institutional theory who emphasised on the importance of organizational social system.

#### **4.7.2 Linkage to Empirical Literature**

The findings linked strategic management practices to performance of non-Governmental organizations in Kenya. It is suggested from the outcomes that strategic management practices are employed by NGOs in Kenya to attain superior performance. It highlights that NGOs scan their internal and external environment, strategically formulate plans. The results further shows that strategic planning influences performance, the participants

pointed that action plans and understanding of organization's direction, positively influences how they work and perform. These findings agree with Odhiambo and Njuguna (2021) study that strategy formulation as well as strategy evaluation has positive relationship with the performance of health NGOs.

The results that implementation of strategies has a positive impact on performance are in line with Mohamed and Mohamud (2021) studies that formulation, implementation, and evaluation of strategies have significant and positive effects on organizational performance. The findings of the study also determined a positive influence of strategic evaluation to performance of non-governmental organizations. These findings are linked to Ongongo & Mang'ana, (2022) studies that linked strategic evaluation to bank performance. They are also linked to Gure & Karugu (2018) findings that Strategic management practices of cost leadership, focus strategy and combined strategy had a positive influence on organizational performance.

Further, Karimi & Kavindah, (2021) did a study on strategic management practices on NHIF and the findings show similarity with the current study that strategic management has an influence on the organization's performance. Agwu, (2018)) did similar studies on influence of strategic management practices and performance. The current findings of the current study agree with these studies. However, studies conducted by Meresa, (2019) on influence of strategic management on performance contradicts with the current study as it shows no impact to performance.

## **CHAPTER FIVE**

### **SUMMARY CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the findings of the study, draws conclusions, and offers recommendations for practice and policy based on the findings. It describes the limitations faced during the study and concludes with suggestions for further studies for future scholars and researchers.

#### **5.2 Summary of the study**

The findings showed that DNDi engages in four major strategic management practices. First, it practices environmental scanning which is conducted to ensure that proper strategies are formulated to achieve the set goals. DNDi adopts environmental scanning approaches such as SWOT analysis and Context of Organization. It also has an external affairs department which is focused on policy advocacy, grant management and external communications. Strategies formulated are then implemented on various disease level projects focusing on developing and delivering new treatments like sleeping sickness, filaria, Chagas Disease, Mycetoma, Dengue, HIV, Hepatitis C, leishmaniasis Covid-19 preparedness and Malaria. Its implementations efforts also include but not limited to gender responsive R&D and gender equity advancements, children's health innovation, climate sensitive disease responsiveness, carbon footprint reduction and harnessing new technologies and AI to address neglected diseases. Monitoring and evaluation are practised at DNDI through quarterly and yearly reviews of action plans, use of monitoring and evaluation tools to update progress and presence of monitoring and evaluation department that fully develops and formulates frameworks for M&E. The findings of the study conducted showed that strategic management practices have a positive correlation on the performance of DNDi.



### **5.3 Conclusion of the study**

The study concludes that DNDi is environment conscious, having scanned the external environment and understood the needs and challenges of communities, has formulated strategies that best aligns with its mission. The focus on R&D has enabled DNDi develop and deliver new treatments for neglected diseases and offered equitable access to the neglected populations. The presence of a communications department has created a lot of visibility for DNDi through communication of milestones for the disease areas, supporting visibility around key regional events, strengthening social media engagements, and implementing strategies to advance DNDi digital footprint in the region. DNDi has also fostered efforts of community engagement through signing MOUs with various county governments.

### **5.4 Recommendations of the study**

This study aims to address the strategic management's role in NGO performance. The study points that NGOs that practise environmental scanning by analysing their present situation through evaluation of threats, opportunities, weaknesses and strengths, community needs and stakeholders; position themselves better and hence improved performance. Further, the research shows that organizations that clearly outline their strategic objectives focusing on the vision, mission, strategies and goals; implement these strategies through adoption of various implementation models, ensuring a good monitoring and evaluation system is in place, tend to perform better both from financial and non-financial aspects. Moreover, NGOs that implement strategic management practices deliver services and projects that are impactful even at community level. Based on the findings, the researcher suggests the following strategic management practices be implemented by the NGO sector to enhance performance:

1. There is need for NGOs to analyse the present situation in terms of beneficiaries, services, and stakeholders.
2. Emphasis should be laid on analysis of external environment through evaluation of donors, competitors, socio-political influences, and stakeholders.
3. Evaluating strengths and weaknesses through internal environment analysis models

4. Adopting SMART approach when formulating long-term and short-term goals
5. Strategic choices need to be clearly defined in terms of objectives and strategies.
6. Regular review of mission statement goals and objectives considering variations in the working environment.
7. Emphasising on the significance of the organizational leadership and culture as key drivers on matters strategy implementation.
8. Monitoring and evaluation systems should be strengthened
9. Adopting a collaborative participatory model in formulation of mission statement and goals
10. Involvement of consultants and experts in strategic efforts of NGO organizations should be considered

## **5.5 Implications of the Study**

This section presents various implications drawn from the results and findings of this study and the respective conclusion to the strategic management practices and performance of DNDi. It will majorly focus on implications to the existing theory, industry, policy, and practice.

### **5.5.1 Implication to Theory**

The findings of this study reveals that there is a positive linkage of strategic management practices and performance of DNDi. The results imply that non-governmental organizations that seek superior performance ought to analyse their internal and external environments. This in line with the contingency theory by Paul Lawrence and Jay Lorsch (1967), which emphasised on the need for managers to be agile in their decisions especially when change needs to be adopted. Findings also showed a positive link of strategic implementation to performance. Organizations need to set clear goals, allocate human and financial resources efficiently and assign responsibilities for task completion. These findings are in line with the resources-based view theory by Wernefelt (1984), that better performance is linked to organizations that possess valuable and inimitable resources. Organizations perform better when there are social systems, good culture, and good relationships. The findings of this study showed involvement of the community, partners,

and governments in the implementation of strategies and this showed a positive correlation with performance. This is linked to the institution theory by Meyer and Rowan (1977), that organizations are social systems and involvement of people create better coordination.

### **5.5.2 Implications to Practise and Industry**

In practice, the study may be valuable to the management of DNDI and other international NGOs. In studying the impact of strategic management practices on performance, it will enable the management of DNDI to understand how the strategic management practices adopted within NGO influences its organizational performance. This would enable them to come up with strategies and plans that would see their organization experience improved organizational performance in future. The management may also review the recommendations made in the paper and implement the best for them.

### **5.5.3 Implications to Policy**

In policy, investigation would create valuable impact to policy makers like the NGO board and their decisions. Policy makers would understand the effect of strategic management practices on performance of NGOs in Kenya. This would enable them to formulate relevant policies that would enable the NGOs to perform better through improved strategic management practices.

### **5.6 Areas suggested for further research**

This study aimed at only measuring direct linkage of strategic management practices to performance of NGOs. Mediating and moderating variables like policies, donors, external constraints, and conditional funding should be considered for future research.

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# APPENDICES

## Appendix i: Introduction letter from the University



**UNIVERSITY OF NAIROBI**  
**FACULTY OF BUSINESS AND MANAGEMENT SCIENCES**  
**OFFICE OF THE DEAN**

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Our Ref: **D61/36734/2020**

November 1, 2022

### TO WHOM IT MAY CONCERN

**RE: INTRODUCTION LETTER: BEATRICE CHEROTICH**

The above named is a registered Master of Business Administration Student at the Faculty of Business and Management Sciences, University of Nairobi. She is conducting research on: **"Strategic Management Practices and Performance of Drugs for Neglected Disease Imitative, Africa Regional Office, Nairobi."**

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the Project.

The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

A handwritten signature in black ink, appearing to read 'Philip Mukola'.

**PHILIP MUKOLA (MR.)**  
**FOR: ASSOCIATE DEAN, GBS & R**  
**FACULTY OF BUSINESS AND MANAGEMENT SCIENCES**

*PM/mi*

## Appendix ii: Interview Guide

1. Does your organization adopt strategic management practices?  
.....  
.....
2. Does your organization undertake strategic planning?  
.....  
.....
3. To what extent does your organization undertake strategic planning?  
.....  
.....
4. How does strategic planning influence the performance of your organization?  
.....  
.....
5. Does your organization undertake strategic implementation?  
.....  
.....
6. To what extent has your organization implemented their strategies?  
.....  
.....
7. How does strategic implementation influence the performance of your organization?  
.....  
.....
8. Are the strategies adopted in your organization evaluated?  
.....  
.....
9. How often are they evaluated?



.....  
.....

10. Is monitoring of strategies done in your organization?

.....  
.....

11. How does strategic evaluation influence the performance of your organization?

.....  
.....

12. How has your organization been performing in the recent years?

.....  
.....

Thank You

### Appendix iii: Non-Profit Organizations in Kenya

|    | <b>Non Profit Organisations Based in Kenya</b>                |
|----|---|
| 1  | African Conservation Centre                                   |
| 2  | African Wildlife Foundation                                   |
| 3  | Aga Khan Foundation   |
| 4  | Amici del Mondo World Friends Onlus                           |
| 5  | Aspire organization   |
| 6  | Amref Health Africa   |
| 7  | Carolina for Kibera   |
| 8  | Cemiride  |
| 9  | Community Organization and Training for Risk Reduction; COTRR |
| 10 | DNDI  |
| 11 | East African Wildlife Society                                 |
| 12 | Family Health International                                   |
| 13 | Fauna and Flora International                                 |
| 14 | FEMNET  |
| 15 | The Fred Hollows Foundation                                   |
| 16 | Friends of Peoples Close to Nature                            |
| 17 | HF Foundation   |
| 18 | Awareness Against Human Trafficking (HAART)                   |
| 19 | Jamii Bora  |
| 20 | Netherlands Development Organisation                          |

#### Appendix iv: Work Plan

| Step                    | Jul-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 |
|-------------------------|--------|--------|--------|--------|--------|
| Concept Paper           |        |        |        |        |        |
| Draft Research Proposal |        |        |        |        |        |
| Final Proposal          |        |        |        |        |        |
| Data Collection         |        |        |        |        |        |
| Draft Thesis            |        |        |        |        |        |
| Complete Thesis         |        |        |        |        |        |

## Appendix v: Financial Budget

| <b>Item</b>                         | <b>Amount</b> |
|-------------------------------------|---------------|
| Typing, Editing and Printing        | 8000          |
| Data Collection                     | 10000         |
| Stationery, Photocopies and Binding | 20000         |
| Miscellaneous                       | 20000         |
| <b>Total</b>                        | <b>58000</b>  |

## Appendix vii: Turnitin Report



Date: **6<sup>TH</sup> DECEMBER 2022**

### STRATEGIC MANAGEMENT PRACTICES AND PERFORMANCE OF DRUGS FOR NEGLECTED DISEASE INITIATIVE, AFRICA REGIONAL OFFICE, NAIROBI

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