STRATEGIC MANAGEMENT PRACTICES ADOPTED BY MULTINATIONAL COMPANIES IN KENYA BY NGUNYI BEATRICE NJERI

by Carole nderitu

CHAPTER ONE: INTRODUCTION

1.1 Background

In the business world senior managers are realizing that the key to improve performance is the Strategic Management practices. This is applicable to all organizations and institutions whether local or international whose environment poses lots of challenges thus the need for strategic management practices. The survival and growth of an organization is based on how the organization interacts with its environment. Survival of an organization becomes paramount when the environment is adverse. The position taken by an organization in adapting to the unforeseen environment is vital to the success of an organization. To avoid a mismatch with the environment proper strategic management practices must be adopted, it provides a linkage between an organization and its surrounding environment and must match with its goals, values, the external environment, resources and structures and systems of an organization (Ansoff et al, 1996).

Various theories help in explaining the concept of strategic management practice and why they is need for firms to practice strategic management. These theories include industry and environmental based theory, resource based theory of strategy, organizational theory, game based theory of strategy and co-operation and network based theories of strategy. All these theories in one way or the other explain the Strategic management practice, however this study will be based on the organizational theory.

A multinational corporation can be described as a business enterprise with production, selling and service subunits in a single or multiple foreign regions, also known as transnational or International Corporation. A multinational firm is based on the perspective of the corporation in relation to the scope of activities. The definition maintains that if the management of a corporation has the view and the attitude that the factors of its sphere of operations and markets are multinational then the firm is indeed a multinational corporation (Mwende, 2013). Multinational Corporations are involved in an important role of linking rich and poor economies and in transmitting value systems, idea, capital and knowledge across borders. Their relations with institutions, organizations and individuals generate positive and negative spillovers for various group of stakeholder in both home and host countries.

1.1.1 The concept of strategic management

Strategic management is described as the art and science of developing, practicing also overseeing inter functional decisions that make it possible for an organization to achieve its objective. Strategic management involves understanding the organizations current position, making strategic decisions for the future and managing strategy in action (Ligare, 2010). Stead and Stead 2008 defined Strategic management as a continuous cycle which involves the efforts of strategic managers to tuning the organization to the environment in which it works in while developing competitive advantages. The competitive advantages make it possible for the company to employ opportunities and reduce threats to the environment. Whittington 2011 highlighted three ways to strategic management thinking. They have common ways of responding to factors other than the profits maximization and market positioning goals of the classical approach. Processual Strategic management integrates steps to manage and resolving of conflicts which arise from trade union actions via negotiation and compromise. Evolutionary Strategic management tries to fasten the development of strategy by decomposing it into multiple smaller changes, with continuous monitoring enabling more quick changes to the original plan. Systematic strategies observe organizations as an open system, getting inputs from society as well as impacting it. Systematic approach looks into explicitly considering social forces beyond the organization and its markets and competitors.

According to Pearce Robinson, (2011) strategic management offers the following benefits; the firm's ability to avoid problems is enhanced by strategic formulation activities. Managers who motivate subordinate staff attention to planning are assisted during review and forecasting tasks by staffs who are informed of the importance of planning for strategy. Also cluster based strategic decisions are highly gotten from the best available choices. The strategic management cycle ends up in better decision because groups' interactions create various strategies therefore forecast based on specialized perspective of group members improve the screening of options. Staff being incorporated in formulation of strategy makes it easy for them to understand productivity reward relationship in every strategic plan and thus improves their motivation. Spaces and overlaps in activities among individuals and groups are filled up as involvement in formulation of strategy makes it clear in differences of roles.

1.1.2 Strategic Management practices

The practices involved in strategic management are analyzing the situation of an organization, formulating competitive strategies which are carried out by the CEO together with other senior executives, implementing and evaluating them. Analysis of the internal situation of the firm is the first step and should be undertaken to determine the strength and weakness of the firms' internal environment. Moreover, external analysis must be undertaken to determine opportunities and threats (Hill et al 2013).

Strategic management is an ongoing process, and even though discrete points in times must be selected for the purpose of decision making, it must be done year-round. There are two schools of thought in strategic management. These are the school of design and the school of process. The design school maintains that strategic management is a logical activity that is formulated through analyzing the organization rationally. The selected strategy is then communicated and implemented in the organization. It heavily borrows from the traditional long-term planning which is not realistic in a dynamic environment .The process school appreciates what top level managers set aside to plan and let the employee implement (Amokoye,2010). The strategic management practices are the elements in the strategy management process. According to Ogolla 2007, Strategic management practices are generally the application of strategic management concept so as to ensure that the firm has the ability to attain its goals in the field of strategic management. The practice of strategic management entails dealing with the organizations vision, mission and objectives clearly and making sure that they are able to meet their desired goals. With the practice of Strategic management, being patient, dedication and working hard, the organizational learning that takes place through the practicing strategic management diverts the organizations attention to identifying its goals and vision. With up to date strategic plan, senior managers will improve, have the ability to put the plan to practice, make changes and measure the organizational performance.

1.1.3 Multinational Companies in Kenya

According to Muthiani 2012,a Multinational Company (MNC) is a company of high performance with a serious involvement through-out the world. It is a company whose important assets and activities are spread in many countries; it gets a quarter of its income from operations outside its country of origin. Multinational corporations can be classified into into four group's multinational decentralized corporation with strong home country presence, a global, centralized corporation that acquires cost advantage through centralized production, an international company that develops on the original corporations technology or R&D or a transnational enterprise that brings together the previous three classifications.

Kenya hosts approximately two hundred and twenty two (222) foreign and local MNCs. Multinationals originated in Kenya as early as 1650 and currently 61% of them are foreign –

owned while 39% are locally – owned in Kenya. Basically all sectors of the economy are covered by Multinational Corporations, many of which are from Europe. The only important sector that both foreign and local investment is constrained is those state corporations where the government still enjoys a statutory de facto monopoly. These are most likely constrained entirely to infrastructure such as power, mail service, fixed-line telecommunications and ports. Generally, in these divisions, ongoing commercialization and reform in the economic is giving room for individual businesses business (Samuel 2010).The most common foreign MNCs in Kenya include beverage and soft drink manufacturer Coca-Cola; Motor vehicle dealer Toyota and mobile operator Safaricom.

Over 70% of the MNCs are situated in the capital city Nairobi mainly in Industrial Area, whilst the rest are in Upper Hill, Westland's, Parklands and Mombasa road. Kenya and especially Nairobi is a major attraction to the MNCs because of its central location in the East and the rest of Africa, and a rapid growth collection of skilled manpower among others. Amidst the forces driving MNCs to Kenya are the creation of the common market, upgrading of the infrastructural, setting up of the fiber optic cable and the Lapset project, among others. The majority of the foreign MNCs are in the services sector, mainly banking, IT, hospitality etc.MNCs have grown extensively since 1950 due to rapid development between countries, because of large amount of asses that give multinationals power; governments in every country require the input of the investment. Multinational corporations have impacted the economic growth rate and improvement in standards of living.

1.2 The statement of the problem

Strategic management makes it possible the organization to avoid a mismatch with the environment. It is expected that only organizations who practice strategic management will have favorable effects on performance as long as it's not carried out haphazardly. Strategic management centers its focus on various fields including combining of; entire human resource, marketing; finance; production/operations; R&D and information systems. Its main goal being to assist the company in achieving success through the coming up with different strategies, their practice and evaluation (Wilson, 2013).

There are approximately 222 MNCs in Kenya, which take up 61% of all the foreign MNCs in Kenya. Employment from MNCs ranges from 26 to 80000 employees (Samuel, 2010).MNCs originating from Europe take up the largest portion, 53%, next being those from Asia consisting of upto 22%. MNCs have far reaching impacts as they impact the day to day lifestyle of consumers. Most of the target market is the middle income earners. The MNCs in Kenya operate almost in all industries; some of this is Agriculture, Banking, Tourism, Energy, and Public health, Construction, Transport and Manufacturing.

Several studies have been conducted in the strategic management field. Some of the international studies carried out are, Strategic management issues of multinational companies: A case study of coca cola company (Muzahidul, 2010), Caligiuri & Sarah (2010) wrote on Multinational corporation management strategies and international human resource practices. Local Studies include; Achieng (2013) wrote on Strategic Management practices and mobile transfer services in the telephony industry in Kenya, Mwende (2013) wrote on Strategic Management practices by world agro forestry center (ICRAF) in Kenya, and Ndirangu (2013) wrote on Strategic Management practices adopted by virtual city groups. Studies available on Multinational Corporations are Mutiso (2012), Multinational enterprises and host nations, Muthiani (2012) wrote on Multinational corporations in Kenya and application of bottom of the pyramid propositions. Whereas Strategic Management practices has widely been researched by many scholars no emphasis has been put on the use of Strategic Management practices in Multinational Corporations. Therefore the researcher seeks to fill the gap by answering the question; what are the strategic management practices adopted by Multinational Companies in Kenya?

Research questions involved are: Who is involved in implementation of strategic management practice, what resources are required for implementation of strategic management practice, what processes are involved in strategic management practice? How do MNCs implement strategic management practices?

1.3 Research objectives

The objective of this study was to determine the strategic management practices applied by multinational companies operating in Kenya.

1.4 Value of study

To future academicians and researchers, the findings will provide information on strategic management practice adopted in MNC's. They can also be able to identify a knowledge gap in the area of further study.

The findings will provide information on strategic management practice to potential and current scholars and researchers in the field of strategic management and multinational corporations may use the finding as a source of reference or in advancing on the research problem. In addition, it will give added information on strategic management practice of multinational companies in Kenya to business related course trainers as well as training institutions endeavoring to teach international trade in their curriculum.

The finding will also be used by stake holders who will be interested to know how Multinational Companies practice strategic management. This includes financial institutions, suppliers who will benefit in making good investment decisions.

The government will use the study in educating businesses on the importance of practicing strategic management in local businesses and ensuring smooth operation and growth. It can also be used by policy makers to understand the strategic management practices process. It will act as a guide for establishing best policies to effective strategic management practice.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter represents the literature review of the study. It captures the concept of strategic management practice. Arguments by various scholars on strategic management practice are also highlighted.

2.1 Theoretical foundation of the Study

The study was be anchored on the Organizational theory.

2.1.1 Organization Theory

In the theory of organization, its focus of interest is the organization (Dodgson, 2001).This is as a result of the complex tasks and grouping of organizations, managers who make sense of and use various ideas are in a better position to show their knowhow of organizations theory to handle various ways of analysis, decisions and plan the organizations make every day. It assists one to view the situation in different perspectives and this is important for comprehending, carrying out analysis and taking care of complexities in organizations life. The modern view focuses the organization as a single entity and considers positivists approach to come up with knowledge. This approach focuses on how to increase efficiency, effectiveness and other objectives through implementing theories relating to structure and controls. The symbolic-interpretive perspective views the organization as a community taken care by human relationship and uses a predominantly subjectivity ontology and interpretive epistemology instead of treating organizations as objects to be measured and analyzed (modernist perspective).Thus managers must have an understanding of the internal and external functions of the organization for them to be able to put into practice all that pertains to managing the organization strategically.

2.2 Pre-strategy planning practices

When an organization conceptualizes on strategic management practice, it focuses at various factors like who is going to lead the team involved in practice of strategic management and what resources will be required to make the practice work. Strategy Planning looks into describing the course of action and the needed resources by the team involved in strategy formulation. The plan selects the required participants, information sources, governance arrangements, team and schedule. A plan states how the strategy definition procedure works, that is who is involved, for what duration the strategy runs, what is the function of the team much more. Pre-strategy can be considered to be the first step in strategy formulation. Pre-strategy is the work of the top team and while it may be facilitated by outside resources, they should not have control over it. Pre-strategy work is opposed of cycles of data collection and collaborative meetings. Pre-strategy begins with collection of data, which results to identification of a list of candidate principles via executive interviews based by initial data diagnosis, discuss solutions and form the issues and context for strategy work (Mcdonald, 2012).

2.3 Strategic Management process

Strategic management is a continuous process which consists of the following elements; Situational analysis, formulation of Strategy, implementation of Strategy and strategy evaluation. Strategic management is a step by step group of analysis and choices that can increase the possibility that an organisation will select the best strategy that is a strategy that brings about competitive advantage (Barnley & Hestery, 2008).The strategic management process is ever changing and consists of a complex pattern of actions and reactions that are repeated at intervals usually annually. As more industries spread worlwide, strategic management is becoming a highly vital way to follow up developments internationally and this positions a company for long term competitive advantage. Businesses differ in the procedure they adopt to generate and focus their strategic management activities. Complicated planners have generated more informed procedures than less formal planners of the same magnitude. Tiny businesses that depend on the strategy formulation skills and a time span of an entrepreneur typically show case more shallow planning concerns than those of bigger firms in the industry (Charles & Jones, 2001).

Viewing strategic management as a process has several vital effects. Most important a change in any item will impact various or all other elements. For instance the origin of a company's mission and the company may impact the external environment and increase competition in its real operation. Also effect of assuming strategic management as a process is that formulation of strategy and implementation are step by step procedures. The third effect is the importance of feedback from institutionalization, monitoring and evaluation to the intial stages of the procedure. A fourth impact of considering strategic management as a process is the importance to consider it it as a changign system (Pearce et al, 2010).

2.3.1 Environment analysis Practices

Organizational environment is composed of both external and internal factors External factors are those that are not controlled by the organizational while internal factors are controlled by the organization (Coutler, 2005). Environment analysis 24 is the reviewing, evaluating and passing of messages from the external and internal environments to important individuals inside the corporation .According to Hill et al,2013 external analysis involves analyzing the organization's external environment with an objective of pin pointing strategic opportunities and threats that the organization. Three interrelated environments must be considered during carrying out an external analysis; the industry environment in which the company works under, the country or national environment, and the wider socioeconomic or macro environment. Changes in the external environment often present opportunities and new methods to achieve the objectives. An environment scan is carried out to identify available opportunities (Kingori, 2008). Environment scanning is important since it determines growths and forecast of elements that will impact the success organizational. Environment scanning is said to be putting together and making maximum use of the knowledge about occasions, patterns, trends and links within an organization internal and external environment (Coutler, 2005).

Analyzing the internal environment is the intial step of scanning the environmental that looks into revisiting the resources, capabilities and know how of a company. Organizations should observe the internal organizational environment. The purpose is to pinpoint the strengths and weaknesses of the company (Coutler, 2005). According to Hitt et al, (2000) the major objective of carrying out a SWOT analysis is to know how to position the firm so as to take advantage of opportunities while concurrently avoiding environmental threats. A focus on opportunities and threats along with a stakeholder analysis can be used to pin point key areas of an organization. Throughout the internal analysis (Strengths and weaknesses) the organization might monitor its resources, its current strategy and its performance (Toshe, 2006). SWOT analysis should result in getting to know a company's distinctive competencies and of opportunities that the company cannot take advantage of due to lack of sufficient, current resources (Wheelen et al 1990).

2.3.2 Strategy formulation practices

Formulation of strategy involves creating a vision, mission, identification of a companys external opportunities and threats, knowing internal strengths and weaknesses, comin up with long-term objectives ,formulating opportunely strategies to pursue .It includes making decision on the new business to start ,the business to do away with, the methods to distribute resources, whether to expand operations or diversify, whether to be part of markets internationally, whether to bring together or come up with a joint venture and how to keep off unfriendly takeover. Strategic formulation decisions submits an organization to individual goods, markets, resources and technologies over a long period of time (David 2011).Strategic formulation also known as strategic planning or long term planning starts with situational analysis that said to be the process of searching for a strategic fit between external opportunities and internal strengths while taking care threats and internal weaknesses (Wheelen et al, 2008).

2.3.3 Strategy Implementation practices

The strategic management process doesn't stop at when the firm makes a decision on what strategy or strategies to put into practice. There have to be be a transition of strategic thought into strategic implementation. Tools for successful implementation include annual objectives, policies and functional strategies. They work as guidelines for prcatice, showing and diverting efforts and tasks of organizations members (Mobisa, 1997). Implementation is a major focus of strategic management and is often considered after formulation of strategy. Once strategies have been formulated, they is need to be implement them as they are of no value unless they have translated into action. Strategy implementation needs a firm to come up yearly objectives, generate rules, encourage staff and distribute resources so that strategies formulated can be put into practice. Implementation of strategy involves coming up with a strategy supportive culture, generating an effective organizational structure, changing directions in marketing efforts, budget preparation, designing and making use of information systems and relating staff compensation to the performance of an organization (David, 2011). The process of implementing a strategy typically affects every part of the organization structure, from the largest organizational unit to the smallest frontline workgroup (Thompson et al, 1998).There is need for managers at all levels become strategic implementers in their fields of authority and responsibility and all employees should take part.

Each organization owns its own culture that is, the collection of beliefs, what's expected and values shared by the members of the corporation's and passed over from one generation of employees to another (Wheelen et al, 1995). An organization culture can either support strategy or work against it as a significant barrier. The grand strategy should be transformed into short-term operational strategic objectives and activities. It should be subdivided into a time-phased sequence of action programs. The annual objectives originate from long-term objectives, as do the functional strategies, as specified in the grand strategy (Coutler, 2005). The functional strategies are put into use through the combined job processes and tasks unique to each field, it's vital to focus on an organization environment in which all fields are working towards fulfilling the organizations vision, mission and goals. The daily operational plans should be incorporated into an organizations master plan. Generally, implementation of Strategy consists of four basic elements namely; identification of the general objectives, formulation plans, allocation of resource and budgeting and evaluation and control procedures(Pearce et al, 2009).The successful implementation of strategic decisions and plans largely depends on the procedure used in coming up with the strategies. Further implementation of strategic decisions involves operationalizing and institutionalizing strategy (Mutwiri, 2012).The positive effects attributed to effective strategy formulation and implementation are a variety. Among them includes, a means for analysis and thinking strategically, better coordination of the organizations activities, effectiveness, allocation and distribution of resources, improved monitoring of performance, clear and well defined objectives, better communication and a improvement in performance (Thompson et al, 1990)

2.3.4 Strategy Evaluation and control practices.

This is the final stage of Strategic management process, it is a procedure in which corporate tasks and performance results are looked into to so that the exact performance can be compared with expeted performance. According to Anthell and Spinelli 2011, one of the reasons to failure of strategic implementation is to insufficiently evaluate the dynanism of the employees, views, direction through which change is heading towards and provide results as part of the overall strategic plan. Failure to provide results end up in the objectives failing and removal of the strategic process group. To handle the matter, its vital to pick a facilitator who can monitor progress, carry out collection of data from various sources related to change and views, collect feedback and suggest extra actions or ideas to handle the plan or alternatively come up with changes to the plan or the organization as a whole. It is important for managers to know when specific strategies are not performing as required. Strategic evaluation is the intial means for extracting this information. The three basicl strategy evaluation activities are reviewing external and internal factors that are basis for present strategies, performance measuring and putting into practice needed action (David, 2011) .According to (Coutler, 2005) Strategy evaluation entails observing how the strategy has been put in place as well as the results of strategy. It is a procedure of observing corporate tasks and performance results so that the exact performance can be compared with the expected performance.

Strategy control on the other hand as given by Pearce and Robinson (2005) is concerned with keeping track on strategy during implementation, identifying problems or changes and making adjustments. It is an important phase mainly for purposes of achieving a successful organizational goal. Control is required to assure the performance is as desired. Control involves time to review of the inputs, activities and output undertaken during the strategic management process. If change in the strategic plan is required or redeployment of resources is important, change needs to be made as quickly as possible, even to reworking the entire strategic plan (Johnson 2003). Wheelen Hunger argues that several controls can be created to measure the performance of an organization. Exact performance result is measured by the output control while the behavior control focuses on the tasks that generate the performance and the resources that are used in performance are looked at by the input control. He further argues that behavior controls shows how an should be carried out through guidelines, rules, standard operating procedures and directions from a senior. Output control suggests what is to be fulfilled by being keen on the outcome of the behavior through the use of goals and target performance or milestones. Inputs control on the other hand targets resources such as knowledge, skills, abilities, values and motives of employees.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The research methodology specifies the nature of research methodology that was used for the purpose of this the study. This chapter outlines the methods and procedures that were to be followed in conducting the research. It describes the research design and goes beyond to explain the population of the study ,sample size, data collection methods and the data analysis techniques that were employed.

3.2 Research Design

This study employed a descriptive survey design. This research design was used to answer who, what, where, how much and the how of a phenomenon under study. According to (Bryman, 2008) A descriptive survey research consists of a cross-sectional design in relation to which data are collected and predominantly by questionnaire or by structured interview on more than one case. It is popular as it allows for collection of a vast amount of data from a sizeable population in a highly economical way. It is advantageous since a body of quantitative or quantifiable data is collected in connection with two or more variables. This research design was selected because it ensures fully describing the situation under study, making sure that there is minimum bias in data collection and to reduce errors in interpreting the data collected.

3.3 Population of study

The population of interest consisted of Multinational companies operating in all sectors of economy in Kenya. According to Kenya economic survey of 2007, the population was estimated to be 223 with most headquarters in Nairobi. Copper and Schilder (2003) defines population as the total collection of elements about which the researcher wish to base the study and inferences. The list of multinationals is attached as appendix 1.

3.4 Sample size and sampling design

The sample design used was probability sampling using simple random sampling technique. This method was preferred because each element of the population had an equal chance of being selected. Statisticians explain that a sample size of 30 or more will normally results in a sampling distribution that is very close to a normal distribution. The appropriate sample size for this study was 40 subsidiaries of 222 foreign owned multinational corporations in Kenya. A sample size of 40 was drawn using Microsoft Excel random numbers. A sample design is said to be a definite plan of getting a sample from a specific population. It refers to a method or procedure the researcher would adopt in obtaining items for the sample. A sample size is a subset of a particular population.

3.5 Data collection

The study used primary data, which was collected through use of a semi structured questionnaire. The questionnaire had two sections, section A which contained structured general questions about MNCs and a section B which contained semi-structured questions relating to strategic management practices. The purpose of the primary data was to establish strategic management practices used in MNCs'. The preferred method of delivering questionnaires was drop and pick method. The target respondents were all the strategy managers or the equivalent.

3.6 Data Analysis

Before processing the responses, the filled in questionnaires were edited for completeness and consistency. The data was descriptive in nature and hence descriptive statistics was used in analysis of the results. The descriptive statistics included tables, frequency distribution, variance, percentages, means, proportion, modes and standard deviation. Newton et al (2010) defined data analysis as systematically looking for patterns in the data collected and formulating ideas that account for those patterns.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter analyses the results of the data obtained through semi structured questionnaire and discusses those results. The study sought to find out to find strategic management practices adopted by Multinational corporations in Kenya. This study focused on the pre-planning strategy practices, Environmental analysis practices, strategy formulation practices, strategy implementation practices and strategy evaluation and control practices. The study was analyzed and presented using frequency, mean, standard deviation and charts.

4.2 Response rate

A total 40 multinationals firms were selected using probabilistic sampling using simple random sampling technique. 34 out of the 40 selected respondents filled in and returned the questionnaires, making a response rate of 85% out of the 40 selected respondents. Statisticians evidently show that a sample of 30 and above will usually result in a sampling distribution that is very close to a normal distribution .Also If the response rate is more than 60% of the sample size the data should further be analyzed.

4.3 Background information of the organization

4.3.1 Age of organization

The researcher sort to find out how long the organization had been in operation in Kenya and below are the findings.

Table 4.1:Age of organization

	Percent
5 or less	2.9
16-25 years	20.6
25 and above	76.5
Total	100.0

According to the findings in table 4.1 76.5% of Multinational organizations operating in Kenya were aged between 25 years and above in terms of age, 20.6 were between 16-25 years old, while 2.9% were less than 5 years old. This perceptibly contributed to the congruence in answering questions related to the research area.

4.3.2 Type of Ownership

Table 4.2: Type of ownership

The researcher sort to find out the type of ownership in multinational companies. Below are the findings:

	Frequency	Percent
Foreign	34	100.0

According to the findings 100% of MNCs operating in Kenya are foreign owned. This clearly shows that qualify to fall under the multinational companies category. This is our main focus of study.

4.4 Strategic management practices

The respondents were required to rate various statements on a scale of 1 to 5 that described, to what extent the organization practiced strategic management

4.4.1 Pre-planning strategy practices

The researcher sort to find out the pre-planning strategy practices adopted by multinational companies and below are the findings.

Table 4.3;Pre-planning strategy practices

	Mean	Std. deviation
Planning team	**4.56**	**.504**
Allocation of resources	**4.68**	**.475**
Time schedule for planning	**4.38**	**.493**

The findings in table 4.3 show that the respondents agree to a large extent they had planning teams with a mean score of 4.56,they further agree to a larger extent they set resources aside for strategic planning with a mean of 4.68 and also they develop time time schedule for planning at a mean score of 4.38. The standard deviation results displays less than 1 hence there was a consensus generally that pre-planning strategy practices were highly adopted by Multinational companies in Kenya. These findings agree with those of McDonald 2012, that pre-strategy planning involves data collection in regards to the number of candidates who will be involved in the strategic management process, discussion and forming issues on the context for the strategy work.

4.5 Environmental analysis

Table 4.4: Environmental analysis practice

	Mean	**Std. deviation**
Vision and mission of value	4.62	.551
Carry out SWOT analysis	4.62	.493
Practice Environmental analysis	4.62	.493

The findings in table 4.4 show that respondents agree to a larger extent that the vision and mission of the organization relates to environmental analysis practices with a mean of 4.62,they further agree that carrying out a SWOT analysis is related to conducting environmental analysis with a mean of 4.62,practicing internal and external environmental analysis is a requirement in Environmental analysis practices with a mean of 4.62.The standard deviation results displays less than 1 hence there was a consensus generally that environmental analysis practices were highly adopted by Multinational corporations in Kenya. These findings agree with those of Coutler (2005); Hill et al (2000,2013); Kingori (2008) who found out that organization must adopt to environmental analysis to better understand their internal and external environment and be able to relate the trends and patterns of an organization in relation to the organization internal and external environment. They further argue that, for an organization to achieve its vision and mission they should value the adoption of the environmental analysis as a strategic management practice.

4.6 Strategy formulation practices

Table 4.5: Strategy formulation practices

	Mean	**Std. deviation**
Relation of strategy formulation to objectives	4.68	.475
Skills and values possessed by strategy developers	4.32	.475

The findings in table 4.5 show that the respondents agree to a larger extent that strategy formulation practices are related to organizations long term objectives, mission and goal with a mean of 4.68 ,they further agree to a larger extent skills and values possessed by strategy developers is an important factor to consider during strategy formulation with a mean of 4.32.The standard deviation results displays less than 1 hence they was a consensus that strategy formulation practices are highly practiced by organizations. This findings agree with those of David (2011);Whelan et al(2008) who found out that formulation of strategy involves developing a vision, mission, recognizing an organizations external opportunities and threats ,identifying strengths and weaknesses and coming up long-term objectives and coming up with alternative strategies to put in place.

4.7 Strategy Implementation practices

4.6: Strategy implementation practices

	mean	**Std. deviation**
Allocation of resources	5.56	6.999
Current structure	4.47	.563
Supportive structure	4.32	.535
Employee compensation	4.85	.359
Financial resources	4.44	.504

The findings in table 4.6 show that the respondents agree to a larger extent that strategy implementation practices are related to allocation of resources with a mean of 5.56, they further agree that they link employee compensation to organizational performance with a mean of 4.85,also they tend to agree that strategy implementation is supportive to the current organizational structure with a mean of 4.47,they also agree to implementing an effective strategy supportive structure with a mean of 4.32 and provision of financial resources with a mean of 4.44.The standard deviation results displays a majority of less than one hence there was consensus generally that strategic implementation practices is a benefit to the organization. These findings agree with those ones of Mobisa (1997); David (2011); Thompson et al (1990,1998); Wheelen et al(1995); Mutwiri (2012) that strategy implementation relates to the various activities like resource allocation, budgeting and control procedure, coming up with a strategy supportive culture, creating an effective organizational structure, redirecting marketing efforts and linking staff compensation to organizational performance.

4.8 Strategy evaluation and control practices

Table 4.7 Strategy Evaluation and control practices

	Mean	Std. deviation
Key performance	4.79	.479
Evaluation and control	4.76	.496
Management staff	4.21	.479

The findings in table 4.7 indicate that the respondents agree to a larger extent that strategy evaluation and control practices are related to using key performance to track the success of the organization strategic initiatives with a mean of 4.79, they further agree that the level of participation in evaluation and control practice is present with a mean of 4.76, they further agree that they is the participation of strategy evaluation to the management with a mean of 4.21. The standard deviation results displays a majority of less than one hence there was consensus generally that strategy evaluation and control practices is a benefit to the organization. These findings agree with those of Anthell and Spinelli (2011); Coulter (2005); Pearce Robinson (2005); Johnson(2003) that failure to follow up on the implementation of strategic management practices is a failure to know what strategies are not working well in an organization. Tracking of strategy and tracing any kinds of problems and making changes is an important aspect in evaluation and control. Input and output controls are very important tools in managing and evaluating resources and the objectives of an organization.

In conclusion, different organizations agree that strategic management practice is a major drive for the organization to set up its objectives. They further agree that internal and external analysis of the environment is helpful for an organization to be able to determine its strengths and weaknesses. Thy further agree that strategic management practice is a road map to the success of the organization right from the strategy formulation to implementation.

4.9 Interpretations of findings

The study sought to examine the extent to which pre-strategy planning practices are adopted by multinational companies. The study found out that pre-strategy planning had a positive and significant effect on planning on how to carry out other strategic management practice activities. This is consistent with Mcdonald (2012) who revealed that planning defines how the strategy formulation works, that is who takes part in it, the duration the strategy runs, what the team will do and the cost.

The study also sought out to examine to what extent Multinational companies practice environmental analysis. The study found out that environmental analysis had a positive significant effect on achieving objectives of an organization. This is consistent with Coulter (2005) who supported environmental analysis since it helps determine developments and forecasts which will influence organizational success.

The study further examined extent to which Multinational companies practice strategy formulation. The study found out that strategy formulation is highly practiced in multinational organizations and skills and values possessed by those formulating strategy is very relevant (David, 2011).

The study further examined the extent to which Multinational companies practice strategy implementation. The study found out that strategy implementation is practiced to a large extent in multinational companies and the organizational structure; tools for effective implementation, budgeting and control are very relevant when implementing strategy. This is consistent with (Mobisa 1997, David 2011, Wheelen et al 1995) who argue that strategy is no value unless put in action. They also argue that strategy implementation needs an organization to identify its objectives, come up with policies of implementation, distribute resource evenly and motivate employees to enable successful ways of implementing strategy.

The study further examined the extent to which Multinational companies practice strategy evaluation and control practices. The study found out that Multinational companies found it important to monitor strategy implemented using key performance indicators and to a great extent involved the management staff to strategy evaluation. This is consistent with (David 2011, Pearce and Robinson 2005 and Johnson 2013) who believe that in order to attain a successful organizational goal ,it is important to monitor the progress of the implemented strategy.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section covers the summary of the finding; followed by conclusions and recommendations of the study the limitations of the study and finally the suggestions for further research are made. The study sought to find out the extent to which Multinational companies adopted strategic management practices

5.2 Summary of findings

According to the study majority of the organizations has been in operation for a period of between 25 and above years and are foreign owned. This clearly indicates that majority of the responses gotten were from experienced organizations thus the possibility of getting the required information was extremely high.

The study sought to find out the extent to which multinational companies adopted strategic management practices. The descriptive results showed that multinational companies adopted pre-planning strategy, which is important to strategy management practice because of selecting the strategy team, getting to know how to allocate resources and time.

The study also found out that Multinational companies adopted environmental analysis practices through conducting a SWOT analysis which involved analysis the internal environment and external.

The study also found out that Multinational companies adopt to strategy formulation practices through coming up with a vision, mission and getting to know the skills possessed by strategy developers.

The study further examined that multinational companies adopt to strategy implementation practices which is considered after formulation. Implementation of strategy looked into coming up with an effective organizational structure, budget preparation and compensation of employees based on their performance.

The study also found out that multinational companies adopt to strategy evaluation and control practice through continuous monitoring and checking on the performance of the strategy implemented. The multinational companies used key performance indicators to monitor the progress of strategy implementation.

5.3 Conclusion

The following conclusions were made based on the findings of the study:

The study concludes that most pre planning strategy practices revolved around selection of the planning team. Majority of the MNCs highly identified selection of planning team as one of the major factors that had to be looked at when planning for adoption of strategy practices. Environmental analysis was also seen to be a very sensitive issue in strategic management practice, since the vision and mission, carrying out SWOT analyses, practicing internal and external analysis were highly recommended by the MNCS. This shows that MNCs are committed to highly adopting to environmental analysis as a strategic management practice. Strategy formulation was also seen to be highly regarded by MNCs in relation to the long-term objectives, mission and goals. The findings also indicate that strategy implementation to a very great extent is related to allocation of resources in the MNCs. It was also observed that strategy evaluation and control practice is to a very great extent related to the use of key performance indicators in order to follow up on the adoption of strategic management as a practice.

5.4 Limitations of the study

Various limitations were encountered in carrying out the study. The duration allocated for data collection was too short. Some respondents were suspicious of the study although were assured of confidentiality being maintained which strained the ability for the questionnaires to be filled in.

Also some respondents could not understand the need for the study, thus making it difficult for the researcher to get the questionnaire filled. There was lack of cooperation from some organizations during the interview as they had to go out of their work schedule. However, the limitations didn't hinder the data collection.

5.5 Recommendations

The study recommends that the management needs to think positively of all practices that pertain to adoption of strategic management, they should consider practicing strategic management as a plus in an organization.

The study also recommends that staff operating in MNCs should be trained on the importance of adoption to strategic management practices in organizations and get a better understanding of its importance.

The study also recommends that secondary data should be used as a means of data collection to facilitate focus on MNCs with headquarters outside Africa.

The study recommends that to make it easy for collection of primary data ,it is advisable to first communicate with the senior persons of multinational companies since some respondents were suspicious of the study although they were assured of confidentiality of the information and were also afraid to give managerial data due to works ethics.

5.6 Recommendation for further research

This study focused on all multinational companies in Kenya, It is recommended that a similar study should therefore be done on MNCs with African headquarters in Nairobi. This will shed more light on strategic management practices in MNCs.

STRATEGIC MANAGEMENT PRACTICES ADOPTED BY MULTINATIONAL COMPANIES IN KENYA BY NGUNYI BEATRICE NJERI

ORIGINALITY REPORT

%11	%6	%0	%9
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	www.slideshare.net Internet Source	%2
2	Submitted to Africa Nazarene University Student Paper	%1
3	Submitted to University of Oklahoma Health Science Center Student Paper	%1
4	digitalcommons.unl.edu Internet Source	%1
5	uir.unisa.ac.za Internet Source	%1
6	Submitted to CTI Education Group Student Paper	<%1
7	erepository.uonbi.ac.ke Internet Source	<%1
8	Submitted to London School of Commerce Student Paper	<%1
9	Submitted to University of Nairobi	

Student Paper

<1%

10	Submitted to De Montfort University Student Paper	<1%
11	Submitted to Kenyatta University Student Paper	<1%
12	Submitted to Wawasan Open University Student Paper	<1%
13	Submitted to University of Northumbria at Newcastle Student Paper	<1%
14	"Sustainable strategic management: an evolutionary perspective", International Journal of Sustainable Strategic Management, 2008 Publication	<1%
15	Submitted to Saint Paul University Student Paper	<1%
16	www.imsciences.net Internet Source	<1%
17	Submitted to American Intercontinental University Online Student Paper	<1%
18	chss.uonbi.ac.ke Internet Source	<1%
19	Submitted to Teerthanker Mahaveer	<1%

	University Student Paper	
20	www.esparama.lt Internet Source	<%1
21	Submitted to University of Bradford Student Paper	<%1
22	Submitted to KIIT University Student Paper	<%1
23	Submitted to International University - VNUHCM Student Paper	<%1
24	Submitted to University of Wales central institutions Student Paper	<%1
25	lra.le.ac.uk Internet Source	<%1
26	Submitted to Imperial College of Science, Technology and Medicine Student Paper	<%1
27	www.ejobm.org Internet Source	<%1
28	myassignmenthelp.com Internet Source	<%1
29	Submitted to Oxford Brookes University Student Paper	<%1
30	Submitted to CITY College, Affiliated Institute	

	of the University of Sheffield Student Paper	<%1
31	Submitted to University of Malaya Student Paper	<%1
32	Submitted to CollegeAmerica Services, Inc. Student Paper	<%1
33	Submitted to University of Sunderland Student Paper	<%1
34	Submitted to Ghana Technology University College Student Paper	<%1

EXCLUDE QUOTES	ON	EXCLUDE MATCHES	< 10 WORDS
EXCLUDE BIBLIOGRAPHY	ON		