

EFFECT OF STRATEGIC PLANNING PRACTICES ON ORGANIZATIONAL
PERFORMANCE OF FIRMS IN PHARMACEUTICAL INDUSTRY IN KENYA: A
CASE OF COSMOS LIMITED

by

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A thesis presented to the School of Business and Economics

of

Daystar University
Nairobi, Kenya

In partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION
in Strategic Management

October 2022

APPROVAL

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DECLARATION

EFFECT OF STRATEGIC PLANNING PRACTICES ON ORGANIZATIONAL
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COSMOS LIMITED

I declare that this thesis is my original work and has not been submitted to any other college or university for academic credit.

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ACKNOWLEDGEMENTS

First, I want to thank the Almighty God for His guidance and providence, which has sustained me as I undertook this first part of my project.

I also wish to extend my sincere gratitude to my family, especially my husband Mr. Mutuku Milo, and my children, Ndinda Mutuku and Mutei Mutuku, for their understanding and support during my work on this research.

I also want to express my sincere thanks to my supervisors, Dr. Joanes Kyongo and Dr. Beatrice Ombaka, for having agreed to supervise this research paper and for their unrelenting support, assistance, and patience in reading the drafts and occasionally guiding me. Without that kind of support, this research would not have come to completion with such a desirable outcome.

It is also with much humility that I wish to recognize the efforts of my research assistants and the contributions they made at different levels of this study.

Finally, I want to thank the management of Cosmos Pharmaceutical Limited for their support through the provision of much-needed information, without which the study would not have been successful.

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LIST OF ABBREVIATIONS AND ACRONYMS

ICT	Information and Communication Technology
IFC	International Finance Corporation
SMEs	Small Medium Enterprises
SWOT	Strength, Weaknesses, Opportunities, and Threats

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ABSTRACT

The study investigated the effect of strategic planning on organizational performance of firms in the Kenyan pharmaceutical industry, the case of Cosmos Limited. The objectives were to determine the strategic planning practices adopted by the company, its organizational performance, and the effect of strategic planning on its performance. The study was mainly grounded on the resource-based view theory. The target population consisted of 33 senior and middle-level managers at Cosmos Limited, Nairobi, Kenya. The research adopted a census research design method as all of the population was under study. Semi-structured questionnaires were used in data collection, which was analyzed using Statistical Package for the Social Sciences (SPSS), statistics 26.0. The effect of strategic planning on organizational performance was analyzed using Pearson's Product Moment Correlation. The findings revealed that mission, vision, and value statement, Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis, strategy implementation, and strategic control are important practices used by the company in strategic planning. Furthermore, strategic planning had a significant effect on organizational performance. There was a moderately positive and significant correlation between SWOT analysis, strategy implementation, strategic control, and organizational performance, with a low positive correlation with mission, vision, and values. Environmental factors and organizational structure also affected the relationship between strategic planning and organizational performance. The study recommends the need for managers to establish proximity with their subordinates and effectively communicate the process of strategic planning. It concluded that strategic planning is an essential management tool that, when properly implemented, enhances organizational performance.

DEDICATION

I dedicate this research thesis to my beloved husband, Mr. Mutuku Milo, for his prayers, love, support, and encouragement that he gave me as I continued with my studies. I will forever cherish his inspirational encouragement when I nearly lost hope and his candid support when I needed it most.

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