

Strategic Management Trends and Performance of Cosmos Pharmaceuticals Limited Company in Nairobi City County

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Abstract: Over the past decade, pharmaceutical organizations have been working towards increasing their market share, improving the level of profitability and at the same time ensuring customers are satisfied with their products. However, only few firms achieve the objective through careful implementation of their plans and combined efforts of its workforce. This study therefore seeks to assess the influence of strategic management trends on performance of Cosmos Pharmaceutical limited Company. Specifically, the study sought to assess the influence of strategic acquisition digitization and creativity and innovation on the performance of Cosmos Pharmaceutical Limited Company. The study was anchored on balance scorecard model, resource based view theory and technology acceptance model. This study used a descriptive research design. The target population was 270 employees working at Cosmos Pharmaceutical Limited Company. This consisted of the management employees in the organization. Stratified random sampling was used to select 159 employees. The study used both primary and secondary data. The primary data was collected through use of questionnaires. On the other hand, secondary data was retrieved from the organization website and published journals. The study conducted pilot study to test validity and reliability of the data collection instrument. The research sought experts' opinion (supervisor) to enhance both content and face validity. In addition reliability of the research instrument was tested through use of Cronbach alpha. Data analysis was done through use of descriptive and inferential statistics with the help of the Statistical Package for Social Sciences (SPSS) version 25. Descriptive statistics such as frequency distributions and percentages were used to summarize basic features of the data while inferential statistics comprised of correlation and regression analysis. The study results were presented through use of tables and figures. The study found that strategic acquisition has a significant effect on performance of Cosmos Pharmaceutical limited company ($\beta_1=0.411$, p value= 0.000). In addition, findings revealed that digitalization has a significant effect on performance of Cosmos Pharmaceutical limited company ($\beta_1=0.225$, p value= 0.000). Furthermore, the results revealed that creativity and innovation has a significant effect on performance of Cosmos Pharmaceutical limited company ($\beta_1=0.349$, p value= 0.000). The study concludes that for organizations that carry out product acquisition in order to increase their product portfolio are likely to perform better. In addition, the study concludes that organizations that carry out digitalization in order to increase efficiency and effectiveness of operations are likely to perform better. Further, the study concludes that organizations that embrace creativity and innovation are likely to improve their performance in terms of market share profitability and customer satisfaction. Based on the findings, the study recommends that organizations explore the use of product acquisition as a strategy to facilitate growth as well as expansion of product portfolio for companies in order to improve performance. In addition, the study recommends that organizations should focus on digitalization in their operations to improve effectiveness and efficiency of operations which in turn leads to improved performance. Further, the study recommends that organizations embrace creativity and innovation are likely to improve their performance in terms of market share profitability and customer satisfaction.

Keywords: Strategic Management Trends, Strategic Acquisition, Digitization and Firm Performance

1. BACKGROUND OF THE STUDY

The international pharmaceutical sector has been subject of unprecedented and complex change over the last couple of years. Over this period, the pharmaceutical industry has stood up as one of the most innovative, inventive and productive sectors mainly due to how it has been adapting itself to the fluid market demands and market trends (Dragan Kesic, 2018). The intensified globalization has presented pharmaceutical companies with incentives to leverage on for them to be competitive. According to

Khatoun and Farooq (2016), the rising global competition, technological advancement and evolution of customer expectations are establishing a new normal that is compelling pharmaceutical firms to be competitive. As a result, pharmaceutical companies have resorted to several business strategic management strategies in order to cope with or beat competition.

IMS Health (2010) stated that world pharmaceutical market was valued at US\$ 875 billion with a growth rate of 4.1% over the previous year at the constant exchange rate. The volume of pharmaceutical industry has surged from USD 647 billion in 2005 to USD 875 billion in 2010, corresponding to an increase of 35.2%. During this period, the industry's growth rate has witnessed a declining trend from 7.2% in 2005 to 4.1% in 2010. This decline is mainly associated with the slowdown in economic activity, especially in the developed countries which consume a large quantity of global pharmaceutical products. In 2008, economic slowdown in developed countries culminated into one of the worst global financial and economic crisis since the Great Depression. The negative effects were felt across the globe and the pharmaceutical sector experienced the same situation.

Strategic management has been touted as critical in enhancing an organization's ability to achieve its objectives. As such, assimilating the strategies has been viewed as critical in enhancing business performance. To scholars such as Mohammadzadeh, Aarabi, and Salamzadeh (2013), the alignment between marketing strategy and financial strategy in Iranian pharmaceutical generic manufactures led to a significant impact on profitability of company resulting in rise of all three profitability indices. As such, the three scholars are of the view that the management of pharmaceutical firms should not consider decisions regarding marketing strategy independently of their financial strategy (Agu, Ozioma, & Nnate, 2016).

Aboramadan and Borgonovi (2016) indicate that through strategic management, the management of an organization is in a position to select the best possible alternatives. In any organization, analysis of the firm's interior and exterior design helps in establishing the organization's strengths, weaknesses, threats and opportunities. Strategic management helps in the assessment of the firm's competitive advantage as well as outlining the set objectives together with the set plans of outdoing competitors. In India, studies reveal that the performance of pharmaceutical companies has reported a decline in performance since the year 2018.

Mailu, Ntale, and Ngui (2018) focused on strategy implementation trends and the profitability of the pharmaceutical industry in Kenya. The research revealed that strategy implementation trends influence organizational profitability. In addition, Mailu, et al. (2018) revealed that the profitability of pharmaceutical industries is influenced by the organizational structure, organizational culture as well as organizational resources.

2. PROBLEM STATEMENT

Over the past one decade, pharmaceutical organizations have been working towards increasing their market share, improving the level of profitability and at the same time ensuring customers are satisfied with their products. Only few firms achieve the objective

Through careful implementation of their plans and combined efforts of its work force while the rest exit. In the agency theory the management is mandated by the organization share holders to maximize their wealth and profits (Daly, 2015). This necessitates the strategy formulation and implementation that leads to the anticipated organization performance. With the much done studies on strategy implementation practices and performance of organization showing a positive relationship; the high failure rate in the implementation indicates its complexity that is dependent on myriad of factors.

Similarly, Olaka (2017) characterized the influence of strategic leadership over strategy implementation within Kenya commercial banks. Strategy innovations have also been individually assessed against commercial banks performance in Kenya (Kiiyuru, 2014; Muchemi & Moronge, 2017). Muchira, 2013; Gitau, et al 2014; Muchemi, 2014; Waititu, 2016; conducted studies on strategy implementation practices by commercial banks in Kenya and recommended a comparative research to be conducted in other industries to identify similarities and differences. Waiganjo, et al (2012) only assessed the extent to which Strategic Human Resource Management (SHRM) practices affect the organization performance.

The pharmaceutical industry is a key driver expected to meet the Ministry of Health demand of health commodities. It's imperative that we have an analysis of pharmaceutical firm's strategic implementation practices and performance in Kenya; as this will be one of the prime markers used to inform the government on the capability of the local pharmaceutical firms on the UHC service delivery. Likewise, there are little or no empirical published studies in Kenya on this subject. Hence taken this topic to fill the gap.

According to Lai (2010), the linkage between firm performance and the organizational strategy adopted to enhance organization's competitiveness such as integrating technology across various processes and other measures including but not limited to fostering innovation, arguing that they are key to enhanced performance. In the same vein, it is of paramount to note that sound strategic management is crucial in enabling pharmaceutical firms perform effectively and stay relevant to their customer base. These views have largely been lent credence by studies on industrial organizations in Africa and the need for managerial strategies to galvanize their further growth and strategic positioning (United Nations Industrial Development Organization, 2010).

In lieu of the foregoing, the study sought to assess the influence of strategic management trends on performance of pharmaceutical companies using Cosmos Pharmaceutical Limited Company as the case study.

2.1. Overall Objective

The overall objective of this study was to assess the influence of strategic management trends on performance of Cosmos Pharmaceutical Limited Company.

2.2. Specific Objectives

- i. To establish the influence of strategic acquisition on performance of Cosmos Pharmaceutical Limited Company
- ii. To examine the influence of digitization on the performance of Cosmos Pharmaceutical Limited Company

3. THEORETICAL LITERATURE REVIEW

Theoretical review or framework is a summary of the theory in regards to a specific problem that is created through a review of previously tested knowledge of the variables involved (Nisha, 2017). This study was conducted based on balance scorecard Model, resource-based view theory and technology acceptance model.

3.1. Balance Scorecard Model

The balance score card (BSC) model was developed by Kaplan and Norton in 1992. The theory is concerned with organizational performance as well as control of the organization. The theory is used in estimating the performance of organizations mostly in the service sector. The theory however does not put into consideration the traditional financial indicators as a measure of organizational performance. Balance score card is a managerial accounting tools that is used in an organization to measure both financial and non-financial performance of the firm. It is used to examine both the past performance of the organization and the future performance (Jang & Sorin, 2017).

The balance score card model aims at translating the organization's vision and mission into actual performance indicators. It also aims at establishing a framework through which an organization can evaluate its actual performance with the forecasted performance (Babatunde, 2020). The model is based on four perspectives of organizational performance which include; customer perspective, growth perspective, financial perspective and learning perspective. According to Fartash et al (2017), the balance score card model can be related to cause-effect relationship between the four perspectives whereby the financial perspective is the end result of the other perspectives. Jang and Sorin, (2017) argues that the financial perspective is considered to be the most essential perspective of all the four perspectives and that's why it's placed at the top of the other perspectives.

The customer perspective suggestions of how the company should look like to the customers. The customer perspective measures include; market share; customer retention, customer satisfaction and customer value proposition non product characteristics. The third perspective which is internal

perspective demands that the company performs research and development in order to develop new or improved products for creation of more customer value. Lastly, the learning and growth perspective reflects the intangibles such as culture, teamwork, information and a company's human capital. These are measured in terms of worker satisfaction, worker's turnover, trainings and knowledge systems (Fadhl AlHosaini & Sofian, 2015). The BSC model therefore unveils an opportunity to the management on how an act on in any of the perspectives can have a domino effect on profitability of the company (Kaplan & Norton, & Nisha, 2017).

The model not only reminds the management on other metrics apart from the financial measurement but also puts emphasis on the need to track the product quality. The proponents of the BSC model, Horvath & Partner's (2002) propose that the main purpose of its implementation in a company should include: the need to simplify the planning process, the need for transparent reporting, the need to enforce the organization vision and mission and the need to criticize the classical indicators of performance. As the name "balance" suggests, it is as cohesion of the mutual perspectives to which a change or improvement of one perspective does not obscure another perspective. There should be equilibrium at all times between financial and non-financial criteria, long term and short-term organization goals and internal and external perspectives. Financial measures of performance have been dominant in a number of business sectors such as manufacturing, distribution and transport etc. In this study, balance score card was applied to assess the performance of Cosmos Pharmaceutical Limited.

3.2. Technology Acceptance Model (TAM)

This model was initially developed by Davis (1986). This theory explains the attitude behind the need to apply technological knowhow (Monyoncho, 2015). TAM deals with the perceptions rather than actual use. The theory holds that when technological advancement is introduced to the consumer, Perceived Ease of Use (PEOU) and Perceived Usefulness (PU) influences their final decision (Lule, Omwansa & Waema, 2016). PEOU then becomes the confidence level of the customer towards a system. If the customers view new technology to be of benefit both in the short and long run, they feel encouraged to use the technology. The level by which the customer considers such as system to enhance performance is the PU (Mojtahed, Nunes & Peng, 2017).

TAM ascertains that real use of a system is established by individual user's behavior or intention to use and inspired by how they view the system. TAM expounds that an individual's view towards new technology is directly related to the functionality and simplicity of it (Lim & Ting, 2016). This theory ascertains that the consumer influences the acceptance and functionality of a technology by their perception towards such a system (Mojtahed, Nunes & Peng, 2017). The theory further explains that customer's recognitions and suspicions about technological advancement are essential towards improving their state of mind that finally results into them using the system (Lim & Ting, 2016).

TAM also expounds on the consumer's attitude towards a given system (Lule, Omwansa & Waema, 2016). The theory clarifies, details and brings out reasons why customers accept or reject an advancement or data framework, (Mojtahed, Nunes & Peng, 2017). This research adopted the technological acceptance model to assess the influence of strategic management trends on performance of Cosmos Pharmaceutical Limited. Strategic management trends entails digitization creativity and innovation which are concerned with adoption of new technology hence the relevance of the technology acceptance model.

4. EMPIRICAL LITERATURE REVIEW

4.1. Strategic Acquisition and Organization Performance

In Australia, Jang and Sorin (2017) focused on the effect of strategic acquisition on the performance of Australian publicly listed acquirers. The study sought to estimate the performance of the firms in terms of market share, profitability and customer satisfaction. The research adopted descriptive survey design. Finding revealed that plant acquisition has no significant influence on the acquisition performance.

In Iran, Fartash et al (2017) researched on the influence of technology acquisition on organizational performance in knowledge-intensive organizations. The unit of analysis for the study comprised of 80 knowledge-intensive companies. The target group of interest comprised of 320 respondents including

executive managers, operations managers and R&D managers. Structural Equation Modeling was adopted for the analysis. Findings revealed that organization performance is positively and significantly influenced through technology acquisition. In addition, it was established that exploitation influence organization performance. The research also established that organizational innovation is significantly influenced by both technology acquisition and exploitation.

In Nigeria, Babatunde (2020) researched on the effect of knowledge acquisition capability on organizational performance of firms in multiple industries in Oyo State, Nigeria. The research used cross-sectional survey design. The sample size for the study comprised of 343 employees selected from multiple industries. The research used questionnaire as a tool for collecting primary data. Data analysis was done through use of regression and correlation analysis. The research revealed a significant relationship between knowledge acquisition capability and organization performance. Findings also revealed that implementation of strategic response capability influence organization performance.

In Rwanda, Estelle (2016) conducted a study on the effect of mergers and acquisitions on organizational performance of Development Bank of Rwanda. The study analysed financial data of the bank three years before the merger and three years after the merger. In addition, primary data was collected through use of interview schedules.

Findings established that the study found that merger and acquisition influence organization performance. It was found that the performance of Non-performing loans (NPL) was poor before the merger but improved after the merger. This was as a results of higher recovery rate of non-performing loans as compared to the situation before the merger.

Wangui and Were (2017) conducted a study on the influence of mergers and acquisitions on organization performance in Equatorial Commercial Bank. The research was done through descriptive research design. The target group of interest comprised of 159 respondents including heads of department and their assistants working in the commercial bank. The sample size for the study comprised of 48 respondents which is 30% of the target population. Primary data from the respondents was collected through use of survey data. Data analysis was conducted through use of descriptive and inferential statistics. The study results were presented through use of tables and figures. Findings revealed that merger and acquisition influence performance of the commercial banks. In addition, it was found that strategic placement, compensation strategy, management structure and strategic integration influence organization performance.

Gwaya and Njangiru (2015) conducted a study on the effect of mergers and acquisitions on financial performance of Banks. Census method was used in the study. The research targeted 14 commercial banks that have exercised merger from the year 2000. The research collected data through use of both open ended questionnaire as well as closed ended ones. Correlation analysis was adopted to analyze the collected data with the help of SPSS. Findings established that through merger and acquisition, the shareholders' value improved positively. The results established that the key reason for merger and acquisition among the commercial banks was to improve the profitability level of these firms. The study therefore concluded that performance after merger was better as compared to performance of these commercial banks before merger.

Ng'ong'a and Deya (2018) investigated on the effect of mergers acquisition on the profitability of commercial banks in Kenya. The research used descriptive research design. The target group of interest comprised of 231 senior employees working in 32 commercial banks. The research targeted commercial banks that had exercised merger and acquisition between 1994 and 2016. The sample size for the study was 67 respondents. The sample size was selected through use of stratified random sampling. Questionnaires were used in this study to collect primary data. The data collection tools provided both qualitative and quantitative data which was analyzed through use of descriptive statistics with the help of SPSS. The study results were presented through use of tables and figures. The study found that performance of these commercial banks was positively influenced through horizontal merger, conglomerate merger as well as lateral merger.

4.2. Digitization and Organization Performance

In Romania, Foerster-Metz, Golowko and Kompalla (2018) studied digital transformation and its influence on performance of ICT firms. Primary data was collected through use of questionnaires. The study targeted management level employees. The results were that artificial intelligence, Cloud computing and advanced algorithms all play a part and have an impact on how employees' behavior in and outside the organizations. Digitalization has hugely impacted on working population, the required skills, interactions, collaboration together with communication within a company both at the employee and the employer level.

In Uganda, Ssenkungu (2019) researched on the effect of stock control systems on a company's performance using Century Bottling Company, Kampala as a case study. Data was derived from primary as well as secondary sources. Raw data was obtained using questionnaires given to a group of 97 workers of Century Bottling Company, Kampala. The researcher also interrogated 3 departmental heads among other respondents. Secondary information was obtained from; publications, internet, and unpublished materials. Data analysis was done in tables and graphs. The results showed that indeed Century Bottling Company had identifiable sorts of inventory such as raw materials, work in progress and finished goods. It was also clear that the company carried out stock control. It is confirmed by the findings that indeed inventory control and an organization's profitability are closely related and the former largely affected the latter. However, the results showed that even though Century Bottling Company, Kampala had stock control, supervision and monitoring systems were not in place. The results also reflected a shortage of stock and lack of use of current systems and technology.

Mbaya, Alalai and Oseno (2017) did research on the trade process automation and operational performance of functional areas of seed companies in Western, Kenya. The study used descriptive and causal methods of research. The sample size consisted of 50 top managers. The research method used was the consensus method owing to the sample size. Primary data was collected using questionnaires. The findings indicated that indeed automation impacts on the profitability of those companies. It was also discovered that process automation led to operational efficiency of the companies, improved quality of products and enhanced production flexibility.

Kimutai and Kwambai (2017) researched on the effects of office automation and its organizational impact on Kenyan public universities. Raw information was gathered from the research group using open-ended and closed questionnaires. Quantitative data analysis was done via coding into the SPSS version data editor where conclusions were reached through mean and frequencies obtained from the analysis. Regression analysis was conducted to ascertain the impact of office automation and the effects on University of Eldoret as an organization. The results proved that office automation indeed impacts positively on the effectiveness of an organization.

Musaui et al (2017) performed research on the impact of inventory control on performance of the textile manufacturing companies in Kenya. The study used the convergent parallel mixed methods design. The research targeted a group of 196 workers from procurement departments and heads of departments in 15 cloth manufacturing companies in Nairobi County. A total of 139 respondents participated. Stratified and simple random sampling methods were applied in selection of the participating employees from the various firms. Questionnaires and interview schedules were used in collection of primary data. The research concluded that inventory control positively affects the profitability of textile firms and further recognizes its role in supply chain. They put systems in place and invested in modern material flow systems to enhance oversight, flawless and transparent flow of inventory that can be easily tracked along the chain.

Agu, Ozioma and Nnate (2016) researched on the effect of inventory managing inventory on performance of chosen manufacturing companies. The target population was 996 employees, from which a group of 285 respondents was selected using Taro Yemeni's formula at 5% error tolerance and 95% confidence level. The study relied on primary which was collected through use of questionnaires and interview guides. Of the 285 questionnaires that were given out, 270 of them were correctly filled and handed back to the researcher while the rest, 15% were not. The study found that inventory management is key to any firm's operation. As part of the companies' balance sheet, inventory is of valuable importance since most firms are taking steps towards reducing investment in fixed assets. From the results, it was concluded that inventory management has a positive effect on profitability of manufacturing companies.

5. SUMMARY OF LITERATURE AND RESEARCH GAPS

Although various studies have been conducted on strategic management trends and organization performance, these studies were limited to various countries, institutions and contexts hence these studies cannot be generalized to the current study. Table 2.1 shows a summary of the reviewed literature as well as the research gaps identified.

Table 2.1. Summary of Literature and Research Gaps

Author	Objective of the Study	Findings	Gap	Focus of the current study
Ssenkungu (2019)	The impact of inventory control systems on the profitability of the century bottling company, Kampala	The study established that control systems significantly influences organizational performance	This study addressed inventory control system which is an indicator of digitalization and failed to show the influence of automation of operations and digital tendering on organization performance	The current study focused on the influence of digitalization (automation of operations, inventory control System and digital tendering) on organization performance
Ng'ong'a and Deya (2018)	The effect of mergers on profitability of commercial financial institutions in Kenya	The research found that merger (lateral merger, horizontal merger, conglomerate merger and vertical merger) has a significant influence on profitability of commercial financial institutions	This research focused on the profitability of commercial financial institutions in Kenya which is different from performance of Pharmaceutical companies in terms of legal frameworks	The current study focused on strategic acquisition and performance of Cosmos Pharmaceutical Limited
Nyamoi ta (2017)	The influence of process innovation on financial performance in utility firms in Kenya	The research established that prepaid process innovation has a significant influence on the financial performance of the organization	This study failed to show the influence of product innovation and systems innovation which are key indicators of creativity and innovation in the current study	The current study focused on creativity and innovation (product Innovation, process Innovation and systems Innovation)
Fartash et al (2017)	The influence of technology acquisition on the performance of technology intensive organizations	The research also established that organizational innovation is significantly influenced by both technology acquisition and exploitation	This research was limited to technology acquisition and exploitation which is not a focus for the current study	The current research was limited to strategic acquisition

Mbaya, Alala and Oseno (2017)	Business process automation and profitability of the seed companies operating in western Kenya	Findings revealed that process automation influences the performance of seed companies	This study failed to show the influence of automation of operations, inventory control System and digital tendering on organization performance hence the study findings cannot be generalized	The current study sought to examine the influence of digitization on the performance of Cosmos Pharmaceutical Limited
Tuan <i>et al</i> (2015)	The influence of innovation on the employee productivity in the manufacturing sector in Hanoi – Vietnam.	The study found that the employee productivity in the manufacturing firms is affected by the organizational innovativeness in terms of product innovation as well as process innovation	This research was conducted in Vietnam hence the findings cannot be adopted to the current study. Countries vary in terms of geographical boundaries and institutional frameworks	This research focused on the influence of creativity and innovation on the performance of Cosmos Pharmaceutical Limited

Source: Author 2021

6. CONCEPTUAL FRAMEWORK

According to Fartashi et al, (2017), a conceptual framework is a tool used for analysis which shows how variables inter-relate. These variables entail the independent variables and the dependent variables. In this study the independent variables were strategic acquisition, digitization and creativity and innovation while the dependent variable was the performance of Cosmos Pharmaceutical Limited. Figure 2.1 shows the conceptual framework.

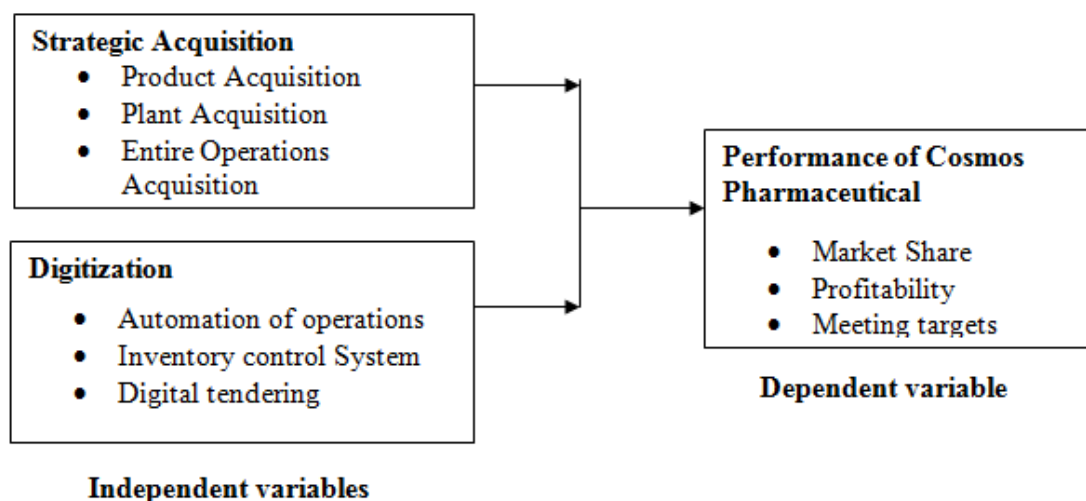


Figure 2.1. Conceptual Framework

Source: Author (2022)

7. RESEARCH METHODOLOGY

7.1. Research Design

In this research, descriptive research design was used. According to Mugenda and Mugenda (2018) descriptive research is concerned with the process of collecting data and analysing the collected data with an aim of describing the status of the phenomenon under investigation. In this research, descriptive research design was used in describing the impact of strategic management trends on performance of Cosmos Pharmaceutical Limited.

7.2. Target Population

This research targeted Cosmos Pharmaceutical Limited. This implies that the target group of interest entailed 270 employees working at Cosmos Pharmaceutical Limited.

7.3. Sample Size and Sampling Technique

In this research, Krejcie and Morgan sample size determination formula was used to determine the sample size of the study (Russell, 2013). Through use of this formula, the researcher was in a position to come up with a representative sample.

The study's total population was 270. The formula used for arriving at the sample size was;

$$\frac{x^2 NP(1 - P)}{(ME^2(N - 1)) + (x^2 P(1 - P))}$$

Where:

n=sample size

x^2 =Chi-square for the specified confidence level at 1 degree of freedom

N=Population size (270)

P=Refers to the proportion of the target group of interest that is assumed to possess the features being investigated. Since the proportion is not known, 0.5 was adopted. Chuan and Penyelidikan (2016) argue that the use of a proportion of 0.5 is the most preferred since it provides the maximum sample size. ME=desired margin of Error (Expressed as a proportion)

$$n = \frac{1.96^2 270 * 0.5 * 0.5}{(0.05^2 * 270) + (1.96^2 * 0.5 * 0.5)}$$
$$n = 159$$

In this research stratified random sampling technique was used in selection of 159 respondents.

8. DATA COLLECTION INSTRUMENTS

Primary data was obtained using semi-structured questionnaire. Questionnaires are tools for collecting both qualitative and quantitative data hence they were adopted in this research to collect first hand data from the respondents. The questionnaire had two sections, with the first part collecting the respondent's socio-demographic data. Part two composed of two sub-sections and had data on the independent variables (strategic acquisition, digitization, creativity and innovation) and dependent variable (the performance of Cosmos Pharmaceutical Limited).

8.1. Pilot Testing

A pilot test is a technique that is applied in testing research instruments before they are used in carrying out the actual study. Pilot test is mainly conducted to test the accuracy level of the research instrument (Saunders, et al 2019). According to Cooper and Schindler (2016) pilot test is conducted with an aim of identifying the weaknesses of the research instruments as well as establishing the effectiveness of the research probability sample.

To ensure reliability and validity of the research instrument, a pilot study was conducted by the researcher. Through the pilot test, the researcher was in a position to identify errors in the research instrument and correct them before conducting the data collection exercise. The pretesting sample was made of 16 respondents, representing 10% of the sample size. The respondents who participated in the sample size were not allowed to participate in the main study.

8.2. Data Collection Procedures

The researcher obtained a letter of confirmation from the University for Collection of data. A research permit was also obtained from National Commission for Science, Technology and Innovation. In addition, the research sought authorization from the management at Cosmos Pharmaceutical Limited to collect data from their employees. Data collection was by drop-off and pick later method. The respondents were given one week to fill the questionnaires. Follow ups were done on daily basis to check the progress. This accorded the respondents enough time to answer the questions. The researcher used this method due to the variances in respondents' time availability.

8.3. Data Analysis and Presentation

Before conducting the data analysis, completeness of the collected data was checked by the researcher. This process was followed by data coding, data entry, data cleaning as well as data computation. Data analysis was conducted through use of descriptive statistics and inferential statistics with the help of Statistical Package for Social Sciences (SPSS version 25) and Microsoft excel. The data collection instrument generated both quantitative and qualitative data. Thematic analysis was used in this research to analyse the qualitative data whereby the results were presented in a narrative form. On the other hand, Quantitative data was analysed through use of descriptive statistics and the study results were presented through use of tables and figures.

Bhattacharjee, (2012) indicates that, descriptive statistics entails frequency distribution, percentages, mean and standard deviation. On the other hand inferential statistics entails correlation and regression analysis. In this research Pearson correlation analysis was used to assess the relationship between the independent variables and the dependent variables. Further, multiple regression analysis was used to establish the strength of the relationship.

The regression model that was used is as shown in the equation number 3.1

$$3.1 \quad Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

9. RESEARCH FINDINGS AND DISCUSSIONS

9.1. Descriptive Statistics

Strategic Acquisition

The respondents were requested to rate statements on strategic acquisition and performance of Cosmos Pharmaceutical limited company. A five point Likert scale was used Whereby 1 represent not at all, 2 is Strongly disagree, 3 is disagree, 4 is agree and 5 is strongly agree. The results are as shown Table 4.2.

Table4.2. *strategic acquisition*

	N	Mean	Std. Deviation
Strategic acquisition influences organization performance	159	3.717	1.196
Product acquisition has been adopted as a growth strategy in the organization	159	3.792	0.961
The organization is planning for plant acquisition with other companies	159	3.943	1.115
Operations acquisition is an effective growth strategy for an organization	159	3.974	1.030
The organization has laid down plans for possible operations acquisition with another company	159	3.641	1.148
The organization has adopted effective strategies for any possible acquisition	159	3.798	1.118

Source: *Research Data (2022)*

From Table 4.2, the respondents agreed that operations acquisition is an effective growth strategy for an organization. This is shown by a mean of 3.974 (std. dv = 1.030). As shown by a mean of 3.943 (std.dv=1.115), the respondents agreed that the organization is planning for plant acquisition with other companies. Further, with a mean of 3.798 (std.dv=1.118), the respondents agreed that the organization has adopted effective strategies for any possible acquisition.

The participants agreed that product acquisition has been adopted as a growth strategy in the organization. This is shown by a mean of 3.792 (std.idv=0.961). As shown in the results, the respondents agreed that strategic acquisition influences organization performance. This is shown by a mean of 3.717 (std.dv=1.196). The respondents also agreed that the organization has laid down plans for possible operations acquisition with another company. This is shown by a mean of 3.641 (std.dv = 1.148). This implies that Cosmos Pharmaceutical Limited Company is evolving and planning on how to deal with competition and achieve the anticipated growth. The findings are in line with the findings of Jang and Sorin (2017) who indicated that strategic acquisition influences organization performance.

9.2. Digitization

The respondents were requested to rate statements on digitization and performance of Cosmos Pharmaceutical limited company. A five point Likert scale was used Whereby 1 represent not at all, 2 is Strongly disagree, 3 is disagree, 4 is agree and 5 is strongly agree. The results are as shown Table 4.3.

Table4.3. *Digitization*

	N	Mean	Std. Deviation
Our organization has formulated and implemented digitization strategies	159	3.754	1.145
Am satisfied with the effectiveness of the digitization strategies adopted in the organization	159	3.583	1.095
Most of the operations in our organization have been automated	159	3.698	1.199
In our organization there is minimum usage of paperwork	159	3.566	1.182
The organization has implemented inventory control system	159	3.911	0.989
Digital tendering is practiced in our organization	159	3.599	1.131
Am satisfied with the level of adoption of information technology in our organization	159	3.543	1.467

Source: *Research Data (2022)*

From Table 4.3, the respondents agreed that the organization has implemented inventory control system. This is shown by a mean of 3.911 (std.dv=0.989). As shown by a mean of 3.754 (std.dv=1.145), the respondents agreed that their organization has formulated and implemented digitization strategies. Further, with a mean of 3.698 (std.dv=i1.199), the respondents agreed that most of the operations in their organization have been automated.

The participants agreed that digital tendering is practiced in their organization. This is shown by a mean of 3.599 (std.dv=1.131). As shown in the results, the respondents agreed that they are satisfied with the effectiveness of the digitization strategies adopted in the organization. This is shown by a mean of 3.583 (std.dv=1.095). The respondents also agreed that in their organization there is minimum usage of paperwork. This is shown by a mean of 3.566 (std.dv=1.182). The respondents also agreed that they are satisfied with the level of adoption of information technology in our organization. This is shown by a mean of 3.543 (std.dv=1.467). This implies that Cosmos Pharmaceutical Limited Company has opted for digitization to enhance effectiveness and efficiency of operations. The findings are in line with the findings of Ssenkungu (2019) who indicated that digitalization improves organization performance.

9.3. Inferential Statistics

Inferential statistics (correlation analysis and regression analysis) were used to assess the relationships between the independent variables (strategic acquisition, digitalization and creativity and innovation) and the dependent variable (performance of Cosmos Pharmaceutical limited company).

9.4. Pearson Correlation Analysis

The linear association of interest in the study between the independent variables (strategic acquisition and digitalization) in conformity with the dependent variable (performance of Cosmos Pharmaceutical limited company) was investigated using Pearson’s correlation analysis as shown in Table 4.6

Table4.6. Correlation Coefficients

		Organization Performance	Strategic Acquisition	Digitalization
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	159		
Strategic Acquisition	Pearson Correlation	.891**	1	
	Sig. (2-tailed)	.000		
	N	159	159	
Digitalization	Pearson Correlation	.881**	.165**	1
	Sig. (2-tailed)	.001	.097	
	N	159	159	159

Source: Research Data (2022)

As shown in Table 4.6, there was a very strong relationship between strategic acquisition and the performance of Cosmos Pharmaceutical limited company ($r = 0.891$, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). This implies that Cosmos Pharmaceutical limited company has implemented strategic acquisition measures with an aim of improving the performance of the organization. The findings are in line with the findings of Jang and Sorin (2017) who indicated that there is a very strong relationship between strategic acquisition and organization performance.

Moreover, there was a very strong relationship between digitalization and the performance of Cosmos Pharmaceutical limited company ($r = 0.881$, p value =0.001). The relationship was significant since the p value 0.001 was less than 0.05 (significant level). This implies that Cosmos Pharmaceutical limited company has ensured digitization of its operations to enhance effectiveness and efficiency in the organization hence improving firm performance. The findings are in line with the findings of Ssenkungu (2019) who indicated that there is a very strong relationship between digitalization and organization performance.

9.5. Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (strategic acquisition and digitalization) and the dependent variable (performance of Cosmos Pharmaceutical limited company).The results are shown in Tables 4.7

Table4.7. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.936 ^a	.876	.877	.08869

a. Predictors: (Constant), Creativity and Innovation, Digitalization

Source: Research Data (2022)

From the findings shown in Table 4.7, r-squared is 0.876 implying that 87.6% of the variation

In the dependent variable (performance of Cosmos Pharmaceutical limited company) is explained by independent variables included in the study (strategic acquisition and digitalization). This means that there were other factors (12.4%) that influenced performance of Cosmos Pharmaceutical limited company but these were not taken into account by the regression model 4.7. The statistical significance of the model was determined using the analysis of variance and the analytical results indicated by Table 4.7.

Table4.8. Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	166.024	2	55.341	7035.008	.000 ^b
	Residual	1.219	156	.008		
	Total	167.244	158			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Creativity and Innovation and Digitalization

Source: Research Data (2022)

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 7035.008 while the F critical was 2.663. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model was used to predict the influence of strategic and acquisition on performance of Cosmos Pharmaceutical limited company.

Table 4.9. Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.163	.038		4.251	.000
	Strategic Acquisition	.411	.050	.424	8.305	.000
	Digitalization	.225	.033	.241	6.725	.000
a. Dependent Variable: Organization Performance						

Source: Research Data (2022)

Table 4.9 indicates that strategic acquisition, digitalization and creativity and innovation all had a positive influence on the performance of Cosmos Pharmaceutical limited company.

The regression model was as follows:

$$Y = 0.163 + 0.411X_1 + 0.225X_2 + \epsilon$$

As shown in Table 4.9, strategic acquisition has a significant effect on performance of Cosmos Pharmaceutical limited company ($\beta_1=0.411$, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. This implies that a unit increase in strategic acquisition led to improvement in performance of Cosmos Pharmaceutical limited company by 0.411. The findings are in line with the findings of Jang and Sorin (2017) who indicated that there is a very strong relationship between strategic acquisition and organization performance.

The results also revealed that digitalization has a significant effect on performance of Cosmos Pharmaceutical limited company ($\beta_1=0.225$, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. This implies that a unit increase in digitalization led to improvement in performance of Cosmos Pharmaceutical limited company by 0.225. The findings are in line with the findings of Ssenkungu (2019) who indicated that there is a very strong relationship between digitalization and organization performance.

10. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

STRATEGIC ACQUISITION AND FIRM PERFORMANCE

From the results, the respondents agreed that operations acquisition is an effective growth strategy for an organization. This is shown by a mean of 3.974 (std. dv = 1.030). As shown by a mean of 3.943 (std. dv = 1.115), the respondents agreed that the organization is planning for plant acquisition with other companies. Further, with a mean of 3.798 (std. dv = 1.118), the respondents agreed that the organization has adopted effective strategies for any possible acquisition.

The participants agreed that product acquisition has been adopted as a growth strategy in the organization. This is shown by a mean of 3.792 (std.dv=0.961). As shown in the results, the respondents agreed that strategic acquisition influences organization performance. This is shown by a mean of 3.717 (std.dv=1.196). The respondents also agreed that the organization has laid down plans for possible operations acquisition with another company. This is shown by a mean of 3.641 (std. dv = 1.148).

The study found that strategic acquisition has a significant effect on performance of Cosmos Pharmaceutical limited company ($\beta_1=0.411$, p value= 0.000). This implies that a unit increase in strategic acquisition led to improvement in performance of Cosmos Pharmaceutical limited company by 0.411. It is therefore essential for organizations to embrace strategic acquisition with an aim of improving performance.

DIGITALIZATION AND FIRM PERFORMANCE

From the results, the respondents agreed that the organization has implemented inventory control system. This is shown by a mean of 3.911 (std.dv=0.989). As shown by a mean of 3.754 (std.dv=1.145), the respondents agreed that their organization has formulated and implemented digitization strategies. Further, with a mean of 3.698 (std.dv=1.199), the respondents agreed that most of the operations in their organization have been automated.

The participants agreed that digital tendering is practiced in their organization. This is shown by mean of 3.599 (std.dv=1.131). As shown in the results, the respondents agreed that they are satisfied with the effectiveness of the digitization strategies adopted in the organization. This is shown by a mean of 3.583 (std. dv = 1.095). The respondents also agreed that in their organization there is minimum usage of paper work. This is shown by a mean of 3.566 (std.dv= 1.182). The respondents also agreed that they are satisfied with the level of adoption of information technology in our organization. This is shown by a mean of 3.543 (std. dv = 1.467).

The study found that digitalization has a significant effect on performance of Cosmos Pharmaceutical limited company ($\beta_1=0.225$, p value= 0.000). This implies that a unit increase in digitalization led to improvement in performance of Cosmos Pharmaceutical limited company by 0.225.

CONCLUSIONS

The study concludes that for organizations that carry out product acquisition in order to increase their product portfolio are likely to perform better.

The study also concludes that organizations need put into consideration various strategy acquisition options (product acquisition, plant acquisition and entire operations acquisition) to enhance firm performance.

In addition, the study concludes that organizations that carry out digitalization in order to increase efficiency and effectiveness of operations are likely to perform better.

The study also concludes that organizations need put into consideration various digitalization strategies (automation of operations, inventory control system and digital tendering) to enhance firm performance.

RECOMMENDATIONS

Based on the findings, the study recommends that organizations explore the use of product acquisition as a strategy to facilitate growth as well as expansion of product portfolio for companies in order to improve performance.

The study also recommends that organizations should consider exploring operations acquisition as a strategy to ensure effectiveness and efficiency of operations hence improving organization performance.

SUGGESTIONS FOR FURTHER STUDIES

This study focused on the influence of strategic management trends on performance of Cosmos Pharmaceutical Limited Company. Having been limited to Cosmos Pharmaceutical Limited Company, the findings of this study cannot be generalized to other companies in the Pharmaceutical sector in Kenya. The study therefore suggests further studies on the influence of strategic management trends on performance of other companies in the Pharmaceutical sector in Kenya.

Further, the study found that the independent variables (strategic acquisition, digitalization) could only explain 87.6% of the performance of Cosmos Pharmaceutical limited company. This study therefore suggests research on other factors affecting performance of Cosmos Pharmaceutical limited company.

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