Role of Strategic Management Practices In Organizational Performance of Customs Department in Mogadishu, Somalia

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Abstract: Somali customs department (SCD) forms part of the Ministry of Finance (MOF), which is divided in 6 departments namely; the DG’s office, Budget, Administration, Statistics, Revenue and Customs, and Regions. The purpose of this study was to ascertain the role of strategic Management Practices in the organizational performance of SCD in Mogadishu. SCD is facing challenges of not attaining the set goals and targets which are attributed to failure in strategic management practices at SCD. Specifically, the study was seeking to determine the role of environment scanning, ascertain the role of strategy formulation, find out the role of strategy implementation and assess the role of strategy evaluation on the performance of customs department. Preliminary review of literature showed that strategic management is one thing that is highly demanded to straighten up operations and to enable the SCD have vision and direction. The efforts so spent in this process should produce the desired rewards in making the SCD’s objectives attainable and its mandate legitimate. The study based itself on the agency theory which holds that there is separation of management (agents) from owners (Principals) of organization and contingency theory which holds that contingent factors such as technology, culture and the external environment influence the design and function of organizations. The study adopted a descriptive research design which provides qualitative and quantitative descriptions of the trends, attitudes and perception of the population of both two Seaport and AirPort with a population of 105 and 43 respectively. A total of 108 sample were interviewed to get responses by use of questionnaires as an instrument of collecting data. Data was analyzed by use of SPSS V23 to find the relationships and averages of the data in addition to graphical and tabular presentations for understandable presentation. From the finding Environmental scanning was believed to be a catalyst for the proper planning for changes. Strategy formulation is one of the strategic practices which include activities such as envisioning in the strategic horizon, that the organization should pay attention to implementation stage which may be due to resources needed for implementation. The best formulated and implemented strategies become obsolete as a firm’s external and internal environments change. It is essential, therefore, that strategists systematically review, evaluate, and control the execution of strategies. It is recommended that, the company should continue with such formulation activities with caution, they complement other strategic practices variables such as strategic implementation as they contribute to organizational performance negatively, ad should engage in scanning of the business environment as it contributes positive 1.359 positive units, implementation should also be considered as it contributes positive 0.353 units per unit spent and evaluation as it contributes 0.457 units per unit time or resource spent. This study therefore recommends that more studies be conducted on strategic practices that influence performances of organization. The study was carried out at SCD as a case study, the study recommends that more studies be done from a number of other companies for increase in knowledge and data.


1.1. Objectives of the Study

1.1.1. General Objective
The general objective of this study was to ascertain the role of strategic Management Practice in the performance of Somali Customs Department in Mogadishu, Somalia.

1.1.2. Specific Objectives
1. To determine the role of environment scanning on the performance of customs department in Mogadishu, Somalia.
2. To ascertain the role of strategy formulation on the performance of customs department in Mogadishu, Somalia.
3. To find out the role of strategy implementation on the performance of customs department in Mogadishu, Somalia.
4. To assess the role of strategy evaluation on the performance of customs department in Mogadishu, Somalia.

1.2 Research Questions

1. What is the role of environment scanning on the performance of customs department in Mogadishu, Somalia?
2. What is the role of strategy formulation on the performance of customs department in Mogadishu, Somalia?
3. What is the role of strategy implementation on the performance of customs department in Mogadishu, Somalia?
4. What is the role of strategy evaluation on the performance of customs department in Mogadishu, Somalia?

LITERATURE REVIEW

2.1 Theoretical Framework

2.1.1 Agency Theory

Agency theory explains that in modern corporations characterized by separation of ownership and control, the interests of shareholders and managers may diverge (Olivier, Howard, & Goussevskaia, 2008). In this context, managers will seek to maximize their own interests at the expense of shareholders. Agency theory has been applied to a variety of strategic management topics such as innovation, corporate governance and diversification. The contingency theory draws the idea that there is no one or single best way or approach to manage organizations (Omari, Wesonga, Otieno, & Kaburi, 2011). It recommends that organizations should develop managerial strategy based on the situation and condition they are experiencing. Finally, the agency theory which I have given precedence in this paper stresses the underlying important relationship between the shareholders or owners and the agents or managers in ensuring the success of the organization.

2.1.2 Contingency Theory

Contingency theory is an approach to the study of organizational behavior in which explanations are given to how contingent factors such as technology, culture and the external environment influence the design and function of organizations. The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the organizational structure and its information system. Contingency theories were developed from the sociological functionalist theories of organization structure such as the structural approaches to organizational studies by (Reid and Smith, 2000), (Chenhall, 2003) and (Woods, 2009). These studies postulated that organizational structure was contingent on contextual factors such as technology, dimensions of task environment and organizational size.

2.1.3 Goal Setting theory

The research on goal setting by Edwin Locke and his colleague Professor Gary Latham in 1980 at the University of Toronto shows that intentions to work toward a goal are a major source of work motivation (Ahmad, Wasay, & Malik, 2012). Edwin’s theory is that employees are motivated by having a goal to work towards and that reaching that goal improved work performance overall (McPheat, 2010). A goal is “what an individual is trying to accomplish; it is the object or aim of an action Goals tell an employee what needs to be done and how much effort will need to be expended (Berger, 2009). Goals indicate where individuals should direct their efforts when they are choosing among things to do. For instance, recognizing that an important assignment is due in a few days, goal setting may encourage you to say no when friends invite you to a movie this evening. Goals suggest how much effort an individual should put into a given task. For instance, if earning a high mark in accounting is more important to you than earning a high mark in organizational behavior you will likely put more effort into studying accounting

2.2 Discussion of Variables

2.2.1 Environmental Scanning

Business organizations operate in a turbulent environment and the changes in the environment impacts business. The changes that take place in the internal and external environments impinge on the policy decisions of business enterprises and cast profound influence in their working and efficiency. The external environmental factors are in a continual flux creating new opportunities and new threats to the company. They are always capable of producing major shocks, whichever Drucker has
called as, “an Age of Discontinuity” (Bayode & Adebola, 2012). In order to survive and succeed a company must consider and understand the environment and make policies to adapt to or alter the environment.

2.2.2 Strategy Formulation

Understanding of management strategy or organization policy and effectiveness is not as easy as some people believe; it requires looking at how company is gripped with the challenges and opportunities facing it. It requires proper evaluation on the position of an organization, whether the adopted strategy is working well and if not why and how should we go about it? Strategies are means of operationally signing a policy for goals and objective. For company to function very well and to be productive even to its maximum standard effective strategy should be impeded in such company, with this it will have positive effect on sales performance of such organization. According to (Dess, 2007) management’s strategies consist of the analysis, decision and action an organization undertakes in order to create and sustain competitive advantages.

This definition captures two main elements that go to the heart of the field of management strategy. (Adehis, 2011) explained that strategic management is also about assessing why some organization are doing fine and why some are doing otherwise in the same environment with opportunities and threats. (Kazmi, 2008) Said the management strategy of an organization entails three processes: which are analysis, decision and actions

2.2.3 Strategy Implementation

Firms must take necessary actions to implement their strategies. This requires leaders to allocate the necessary resources and to design the organization to bring the intended strategies to reality (Bayode & Adebola, 2012). Managers need to determine, how a firm is to compete so that it can obtain advantages that are sustainable over a length period of time. That means focusing on two fundamental questions. How should we compete in order to create competitive advantages in the market place? For example, managers need to determine if the company should position itself as the low-cost producer, or develop products and services that are unique which will enable the company to charge premium prices or some combination of both. Managers must also ask how to make such advantages sustainable, instead of highly temporarily in the market place.

2.2.4 Strategy Evaluation

The best formulated and implemented strategies become obsolete as a firm's external and internal environments change. It is essential, therefore, that strategists systematically review, evaluate, and control the execution of strategies (Grant, 2010). Neither strategy formulation nor strategy implementation is a once-and-for-all-time task. In both cases, circumstances arise which make corrective adjustments desirable. Strategy may need to be modified because it is not working well or because changing conditions make fine-tuning, or even major overhaul, necessary. Even a good strategy can be improved, and it requires no great argument to see that changes in industry and competitive conditions, the emergence of new opportunities or threats, new executive leadership, a reordering of objectives, and the like can all make a change in strategy desirable.

It is always a compulsory task for managers to monitor both how well the chosen strategy is working and how well implementation is proceeding, making corrective adjustments whenever better ways of doing things can be supported (Azhar, 2009). The function of strategic management is ongoing, not something to be done once and then neglected. The strategic-management process results in decisions that can have significant, long-lasting consequences. Erroneous strategic decisions can inflict severe penalties and can be exceedingly difficult, if not impossible, to reverse. Most strategists agree, therefore, that strategy evaluation is vital to an organization's well-being; timely evaluations can alert management to problems or potential problems before a situation becomes critical.

RESEARCH METHODOLOGY

3.1 Research Design

The study adopted a descriptive research design. This design provides qualitative and quantitative descriptions of the trends, attitudes and perception of the population by studying a sample of that population (Kothari, 2008). The study also purposely selected respondents to ensure all senior management personnel are included in the sample elements. This is because strategic issues primarily concern them. (Gadara, 2010) Holds that, descriptive designs are less expensive and can enable the researcher examine data from a wider area within a short time. This made this design even more appealing for this study.
3.2 Target Population

A population refers to all items of the study is also called a universe (Dawson, 2002) and to (Sekaran, 2010), it refers to the entire group of people or things of interest that the researcher wishes to investigate. The study’s focus was on all employees of both seaport and airport who are 105 and 43 respectively. Responses were sought from all responsible officers of the two ports under the customs department.

3.3 Sampling and Sampling Techniques

This study applied a stratified random sampling technique so that the research questions can be answered. According to (Theuri, 2015) this method gives the assurance of equitable distribution of wanted population characteristics through the selection of persons from the strata list. In this study the stratum comprised of all officers and employees in the two ports which are sea and airport. (Theuri, 2015) Adds that, a sample size of 10% is large enough so long as it allows for reliable data analysis and allows testing for significance of differences between estimates. To this end, a sample size of 108 as calculated by Slovene’s formula below was sufficient to be representative of the population.

\[
n = \frac{N}{1 + (Ne^2)}
\]

N – The Number of the study, n – the sample size, e – standard error = 0.05

\[
n = \frac{148}{1 + (148 \times 0.05^2)} = 108
\]

3.4 Data Collection Instrument

3.4.1 Primary Data

The study aimed at establishing the role of strategic management in performance of SCD. To obtain the study’s objectives, a mixture of structured questions and open ones were used in the questionnaire. According to (Mugenda & Mugenda, 2003) structured questions are easier to analyze as they are in an immediate usable form, are easier to administer and are economical to use in terms of time and money. Likert-type scale that ranges from 1(strongly disagree) to 5 (strongly agree) were used to quantify the responses to questions.

3.4.2 Secondary Data

Secondary data were obtained from available text books, academic journal, newspapers and such other published materials. The data collected from these sources were studied and reviewed to throw more light on the primary data.

3.5 Data Presentation and Analysis

(Kumar, 2005) Advises that a researcher must pay attention toward data organization and coding prior to the input stage of data analysis. If data are not properly organized, the researcher may face difficulty while analyzing their meaning later on. Following this advice, data were carefully coded and reduced to manageable chunks and hunks by use of SPSS Version 23. Statistical methods to reduce data such as calculation of central tendencies were used. The relevancy and relationships were determined by the simple regression analysis and correlation analysis techniques where

\[
Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + \varepsilon
\]

Y – outcome as a result of changes in any or all the variables, x_1 to x_4

‘a – is a constant, the results when all variables x_1 to x_4 are zero.

X_1 – environmental scanning

X_2 – strategic formulation

X_3 – strategic implementation

X_4 – strategic evaluation

‘b_1 – b_4 – Regression coefficients

\varepsilon – error term

The study employed Karl Pearson’s measure, known as Pearsonian correlation coefficient between two variables X and Y, usually denoted by r(X,Y) or r_{XY} or simply r is a numerical measure of linear relationship between them and is defined as the ratio of the covariance between X and Y, to the product of the standard deviations of X and Y.

The data was managed by use of tables, graphs and charts where applicable and greater analysis was done by the SPSS Version 23 tool since it is a simple tool for analysis of data and getting summaries. To (Kothari, 2008), Standard deviation is defined as the square-root of the average of squares of deviations, when such deviations for the values of individual items in a series are obtained from the arithmetic average.
4.4 Descriptive Analysis

4.4.1 Environment Scanning and Strategic Activities

The study sought to know what employees understood what strategy is, and 63% agreed that strategic management is the process and approach of specifying an organization’s objectives, developing policies and plans to achieve and attain these objectives whereas 37% understood it as a statement of how what resources are going. After defining strategy as stated in here, 100% of the respondents agreed that environment scanning activities really improve strategic performance of organization. The activities such as planning, envisioning, target setting after studying the environment were sighted as having greater impact on improving on performance success of SCD.

4.4.2 Strategy formulation

We saw, as explained in 4.4.1 above, that 63% understood strategic management as the process and approach of specifying an organization’s objectives, developing policies and plans to achieve and attain these objectives. This is affirmed by the responses to the question posed to respondents inquiring if the organization spending on strategic development and formulation activities was a waste of time and resources. 72% answered refusing that it was wastage of time and actually agreed that it was not wastage of resources.

4.4.3 Strategy Implementation

Asked about the organization’s strategic implementation activities having played a positive role in improving organization’s performance, the majority of respondent did not believe that the organization’s operations had impacted positively on positive performance. However, 28% realized that there were some role played in improving the SCD performance. This may be due to inadequate skills among the implementers of the strategies, lack of adequate resources among others. The table below shows the responses.

4.4.4 Strategy and Customer Satisfaction

Respondents were asked if they believed that existence of strategy would reduce customer complaints. The responses were that, 82% agreed whereas 18% never agreed that customer complaints reduce due to strategic activities. As a satisfied customer shall make a repeated consumption of services, it increases the performance of the organization.

4.5 Correlation and Regression Analysis

4.5.1 Correlation Analysis

The study applied correlation analysis because it is less expensive in terms of time and information to determine relationships. The study applied a statistical package SPSS V23 to code, enter and compute the measurements of relationships. From the study, there was a positive correlation between the ages of respondents to strategic activities as being a tool for achievement of organizational objectives – majorly financial performance. However, the relationship was seen to be at 2.9% and insignificant.

Table 4.18 - Correlation

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Strategic activities and organizational Performance</th>
<th>Age of Respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic activities and organizational Performance</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.611</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>71</td>
</tr>
<tr>
<td>Age of Respondent</td>
<td>Pearson Correlation</td>
<td>.029</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.611</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>71</td>
</tr>
</tbody>
</table>

4.5.2 Regression Analysis

The study conducted a multiple regression analysis in order to investigate the role of strategic practices on organizational performance of SCD. In this model, coefficients of determination explain the extent to which changes in dependent variable can be explained by the changes in the independent variables or percentage of variation in dependent variable (financial performance for this study) that is explained by all three independent variables (Environment scanning, Strategy formulation, Implementation and strategy evaluation).
Table 4.19 - Regression Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.966</td>
<td>.483</td>
<td>2.165</td>
<td>.554</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Environment scanning, Strategy formulation, Implementation and strategy evaluation.

b. Dependent variable: Organizational Performance

The four variables studied explain 48.3% of variance in the role of strategic practices on financial performance as represented by the $R^2$. This means that, the other factors not studied contribute 51.7% of variance in dependent variable which calls for further studies to assess role of strategic practices in organizational performance.

Table 4.20 - ANOVA (Analysis of Variance)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>86.857</td>
<td>4</td>
<td>21.71425</td>
<td>94.328</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>93.000</td>
<td>79</td>
<td>1.17721</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>179.857</td>
<td>83</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Environment scanning, Strategy formulation, Implementation and strategy evaluation.

The $F$ critical at 5% level of significance was at 5.44 since $F$ calculated was greater than $F$ critical (value = 94.3) this shows that the overall model was significant. The significance is less than 0.05, thus indicating that the predictor variables (Environment scanning, Strategy formulation, Implementation and strategy evaluation) explain the variation in the dependent variable which is organizational performance.

From the regression findings, the substitution of the equation:

$$Y = 0.27 + X_1 - X_2 + X_3 + X_4 + \varepsilon$$

Where $Y$ is dependent variable (Financial Performance), $X_1$ is environment scanning, $X_2$ is strategic formulation and $X_3$ being strategic implementation and $X_4$ being strategic evaluation. According to the equation, taking the four factors constant at 0.904, the constant factor is significant since it is less than 0.005, the role of strategic practices in organizational performance will be 0.27. The data also show that the unit increase in environment scanning will lead to a 1.359 positive increase in organizational performance, where as a unit increase in strategy formulation activities will lead to decrease of -0.219 organizational performance and a unit increase in strategic implementation activities will lead to a 0.353 increase in financial performance and finally a unit increase in evaluation will increase strategic performance by 0.457 units. At a 5% level of significance and 95% level of confidence, strategic activities had a 0.000 level of significance, formulation a 0.005 while implementation and evaluation had a 0.000 level of significance. By substitution Regression equation will be, $Y = 0.27 + 1.359_1 - 0.219_2 + 0.353_3 + 0.457_4$

Table 4.21 - Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.027</td>
<td>.226</td>
<td>.121</td>
<td>.904</td>
</tr>
<tr>
<td>Environment scanning</td>
<td>1.359</td>
<td>.092</td>
<td>.650</td>
<td>14.829</td>
</tr>
<tr>
<td>Strategic formulation</td>
<td>-.219</td>
<td>.078</td>
<td>-.126</td>
<td>-2.813</td>
</tr>
<tr>
<td>Strategic implementation</td>
<td>.353</td>
<td>.074</td>
<td>.203</td>
<td>4.750</td>
</tr>
<tr>
<td>Strategic evaluation</td>
<td>.457</td>
<td>.079</td>
<td>.501</td>
<td>3.650</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Performance

The results of the regression in table 4.18 show how Environment scanning, Strategy formulation,
Implementation and strategy evaluation of SCD influence the organizational performance and shows clearly the multiple regression equation

\[ Y = 0.27 + X_1 - X_2 + X_3 + X_4 \]

and by substituting variables \[ Y = 0.27 + 1.359X_1 - 0.219X_2 + 0.353X_3 + 0.457X_4 \] meaning, holding the variable at zero, the role of strategic practices on organizational performance will be 0.27. The data also show that the unit increase in environment scanning will lead to a 1.359 positive increase in organizational performance, where as a unit increase in strategy formulation activities will lead to a -0.219 organizational performance and a unit increase in strategic implementation activities will lead to a 0.353 increase in financial performance and finally a unit increase in evaluation will increase strategic performance by 0.457 units. At a 5% level of significance and 95% level of confidence, strategic activities had a 0.000 level of significance, formulation a 0.005 while implementation and evaluation had a 0.000 level of significance.

**SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

**5.1 Summary of Findings**

The objectives of the study were to find out the role of strategic practices on the organizational Performance of Somali Customs Department. Specifically, the study was to determine the role of environment scanning, strategic formulation, strategic implementation and strategic evaluation; which four are the strategic practices on and in the performance of the department.

**5.1.1 Summary of Background information**

Findings of the study are that the majority of respondents were male with a 71% and female only 29%. The majority of respondents were of age below 39, where 43% ranged from 18 – 29 and 35% were ranging from 30-39 and 17% were 40 and above. Data was collected from 83 respondents of which 4 were top management constituting 4.8% while supervisors and middle management constituted 12% and 83% were ordinary employees. The respondents’ 55% had served the organization less than 5 years, 31% between 5-10 years while 13% had served for more than 10 years. The last age bracket is where all top management were belonging. The respondents were generally with higher education where 68% were degree holders and 9% had Master’s Degree and only 23% were diploma holders and below.

**5.1.2 Environment Scanning and organizational performance**

Respondents’ view on the role of environment scanning on the performance of the organization was an overwhelming “yes” whereby 88% of all respondents agreeing. Environmental variables studied included identification of strengths and weaknesses of SCD and more than 83% were in agreement that the organization actually can know this through scanning. The other was the ability to identify opportunities which also received 86% and organizational threats be it political, technological, economic or cultural which also received a strong agreement of 36% and 49% agreement. Environmental scanning was also believed to be responsible to be a catalyst for the proper planning for changes. That environment scanning increases customer understanding leads to increases in revenues was supported by 79% of the total respondents.

**5.1.3 Strategy Formulation**

Strategy formulation is one of the strategic practices which include activities such as envisioning in the strategic horizon. A vision being a long term perspective was found out to be one of the subtle practice for goal setting and goal congruency. The respondents agreed by 72% that Vision was a base for setting the mission, objectives and goals it was seen that a unit investment in strategy formulation actually contributes negatively by 0.219 which may be due to the resources needed to do this and therefore contributing negatively to organizational performance as shown in the regression analysis.

**5.1.4 Strategic Implementation and Organizational Performance**

A 72% of respondents believed that implementation is a positive thing that contributes to organizational performance. Actually from the regression analysis a unit spending on implementation contributes positively by 0.353 units to organizational performance. This is in agreement with (Johnson, Scholes and Whittington, 2001) who advocate for careful implementation that is in line with the goals, objectives and mission. Implementation actually received an overwhelming positive response for its contribution by respondents agreed by an 87% that the organization should pay attention to implementation stage which may be due to resources needed for implementation.

**5.1.5 Strategic Evaluation**

Evaluations included reporting and variance analyses. The response on whether financial reports to directors received a 73% response in agreement as leading to improved performance. Reporting at
respondents considered covered reports concerning finances, variance reports and Human resource issues as described in the questionnaire. Reporting the variances proved to be of a vital importance in the analyses. The response on the question requiring respondent’s views on variance reporting and evaluation leads to increases or improvements in the organization’s knowledge of business opportunities received a total 81% agreeing that it does with only 5% disagreeing.

5.2 Conclusions

Strategic management is one thing that is highly demanded to straighten up operations and to enable the SCD have vision and direction. The efforts so spent in this process should produce the desired rewards in making the SCD’s objectives attainable and its mandate legitimate. The environment is dynamic in nature, therefore scanning is necessary to keep abreast of change; it reveals the elements or factors that constitute threats and opportunity to the overall objectives of the organization; o competitor’s activities can be monitored and appropriate strategies put in place to check market incursion; o it gives necessary inputs to the formulation and implementation of potent marketing strategies. SCD operates in a turbulent environment and the changes in the environment impacts business. The changes that take place in the internal and external environments impinge on the policy decisions of business enterprises and cast profound influence in their working and efficiency.

The task of formulating the strategy entails taking into account all of the relevant aspects of the organization’s internal and external situation and coming up with a detailed action plan for achieving the targeted short-run and long-run results. Understanding of management strategy or organization policy and effectiveness requires proper evaluation on the position of an organization. For SCD to function very well and to be productive even to its maximum standard effective strategy should be impeded in such company, with this it will have positive effect on sales performance of such organization. Strategy is a blueprint of all the important entrepreneurial, competitive and functional area actions that are to be taken in pursuing organizational objectives and positioning the organization for sustained success.

Implementing strategies is a noble activity and how to allocate resources over the organization's various business units, divisions, and functional departments making decisions that steer capital investment and human resources in behind the chosen strategic plan is always critical; some kind of strategy-supportive guidelines for resource allocation have to exist. Firms must take necessary actions to implement their strategies. This requires leaders to allocate the necessary resources and to design the organization to bring the intended strategies to reality (Bayode & Adebola, 2012). Managers need to determine, how a firm is to compete so that it can obtain advantages that are sustainable over a length period of time.

The best formulated and implemented strategies become obsolete as a firm's external and internal environments change. It is essential, therefore, that strategists systematically review, evaluate, and control the execution of strategies. Neither strategy formulation nor strategy implementation is a once-and-for-all-time task. In both cases, circumstances arise which make corrective adjustments desirable. Strategy may need to be modified because it is not working well or because changing conditions make fine-tuning, or even major overhaul, necessary. Even a good strategy can be improved, and it requires no great argument to see that changes in industry and competitive conditions, the emergence of new opportunities or threats, new executive leadership, a reordering of objectives, and the like can all make a change in strategy desirable.

5.3 Recommendations

Basing on the findings of this study and the conclusion thereof made, it is recommended as thus below;

5.3.1 Environmental Scanning

The organization should continue injecting resources in environment scanning activities since the activities lead to much awareness by management of the challenges, opportunities and threats facing the organization. Investments is such activities contribute 1.359 units per unit spending which is a positive result. The Company should engage in scanning strategy, not to make mistakes or act erroneously in its efforts to achieving the set goals. The organization should come up with a policy on the how well to guide the managers and implementers of these activities since they are the mirror into the business environment surrounding the SCD.

5.3.2 Strategic Formulation

The finding shows -.219 contribution to the organization performance as per unit spent on these activities, and is shown in the regression analysis results. Basing on the results, it is recommended that, the company should not continue with such
activities, unless they complement other strategic practices variables such as strategic implementation. However, further studies are recommended to comprehensively determine the extent of this negativity given all strategic practices variables that influence organizational performance other that only the four considered in this study which explain only 48.3% of the influence on performance.

5.3.3 Strategic Implementation

The activities are significant and contribute positively by 0.353 for each unit spent on these activities. The study recommends more investment in this area. Like in the environment scanning, a policy should be put in place on what to be included in the implementation and the benefits be communicated to the stakeholders, including both employees and Government and the surrounding community. A well implemented strategy is a success to all efforts well spent in formulating he said strategy.

5.3.4 Strategic Evaluation

The positive and good gesture depicted by the organization in its efforts to support strategic practices activities in terms of scanning, implementation and formulation should be upheld. Such efforts shall see the organization increase its revenue, customer loyalty and profitability. This has got multiplier effect on employee confidence, reduced customer complaints, all translating to positive financial organizational performance.

It is recommended that, a variation reporting which include in the company’s financials a detailed report of the organization, and also the reports to shareholders on organizations’ strategic practices activities be part and parcel of the reporting items in company financial. Reporting should always also include the relationships, where possible, of these activities to financial performance of organizations.

5.4 Recommendation for further studies

This study concentrated on the role of strategic practices on performance of SCD concentrating on environmental scanning, strategic formulation, strategic implementation and valuation. The four may not be the only strategic activities that are responsible for the organizational performance and others may play a role in successful performance of organization. This study therefore recommends that more studies be conducted on strategic practices that influence performances of organization. The study was carried out at SCD as a case study, the study recommends that more studies be done from a number of other companies for increase in knowledge and data.

REFERENCES


