

Strategic Management Practices and Organizational Performance Case Study: Sopico in Mogadishu Somalia

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Abstract: *The relationship between strategic management Practices and Organizational performance and used three objectives, To find out the relationship between strategic planning and organizational performance , To find out the relationship between strategic implementation and organizational performance and To find out the relationship between strategic evaluation and organizational performance in Mogadishu, and the study design In this study the researcher conducted through a descriptive study, the purpose of descriptive research is to describe an accurate profit of persons, events or situations. In additional, the study were used survey strategy collecting and study population at SOPICO was 60, and the sample study was 53, and the data analyzed using SPSS, and then the findings were Based on the findings in objective one presented that the level of objectives one "Strategic planning and organizational performance " and scored Average mean 3.31, while Standard deviation became 0.85. As the result collected from that staffs indicated. Based on the findings in objective two presented that the level of objectives two "Strategic implementation and organizational performance " and scored Average mean 3.43, while Standard deviation became 0.80 Therefore the result of objective two indicates that is mostly excellent and this is indicated, and Based on the findings in objective three presented that the level of objectives three "strategic evaluation and organizational performance" and scored Average mean 3.44, while Standard deviation became 0.85 Therefore the result of objective two indicates that is mostly very good and this is indicated, According the part of dependent variable that the level of presented that the level of "Strategic management practice and Organizational performance" and scored Average mean 3.44, while Standard deviation became 0.85 Therefore the result of objective one indicates that is mostly excellent and this is indicated, In the final the correlation between independent variable and dependent variable. Thus the strategic management practice has positive and strongly relationship with organizational Performance ($r=0.888$, $p=0.00$ and $\alpha \leq 0.05$) strategic management practice actively encourages with organizational Performance in Companies which tend to enhance productivity in that company of Performance in Mogadishu, Somalia. So that the study recommends, Proactively addressing underlying systemic causes of potential issues. And Establishing effective mechanisms to recognize and respond to red flags that is early warnings*

1. Introduction

The concept of strategic issue management (SIM) first emerged when practitioners of corporate strategic planning realized a step was missing between the SWOT analysis of the Harvard model and the development of strategies. That step was the identification of strategic issues. Strategic issue management (SIM) approaches are process components or pieces of the larger strategic planning process. (doyle, 2002)

This approach is primarily associated with Ansoff (1980) and focuses attention on the recognition and resolution of strategic issues - "forthcoming developments, either inside or outside the organization, which are likely to have an important impact on the ability of the enterprise to meet its objectives." Many firms now include a strategic issue identification step as part of full-blown strategy revision exercises, and also as part of less comprehensive annual strategic reviews (King 1982).

In Africa despite these research work has targeted to investigate the impact of the broad subject of strategic management on organizational growth and development in Nigeria existing studies in Nigeria, aimed at human resource development related studies on this study were on strategic planning an off shoot of strategic management of these studies in Nigeria, none accessed the impact of strategic management of planning on manufacturing sub-sector of the economy. To this effect, this study attempts to empirically analyze how strategic management can be used by manufacturing firms in Anambra State to effectively derive plans for growth and development. (Ilesanmi, 2011, 2007).

In the context of Somalia, it is located in the Horn of Africa, adjacent to the Arabian Peninsula., it has historically been seen as a very significant and strategic country in the area Academics and Somali anthropologists claim that Somali society is essentially a homogenous people, as they predominantly speak one language, have the same culture and following the same religion; Islam. As a result of the prolonged period of conflict, all systems of control had broken down. The current administration is making efforts to rebuild the systems of internal control so there is no research made by the private companies and their strategic management there is some improvement in adherence to systems of control in contrast to the recent past, although, a lottery needs to be done to strengthen the overall systems of internal control (Farah, 2012). So this study investigated the relationship between strategic management and Organizational performance in Mogadishu-Somalia.

Strategic management is the process and approach of specifying an organization's objectives, developing policies and plans to achieve and attain these objectives, and allocating resources so as to implement the policies and plans (David, 2005). The performance of organizations has been the focus of intensive research efforts in recent times. How well an organization implements its policies and programs and accomplishes its strategic intent in terms of its mission and vision is of paramount concern. Managers in both private and public organizations are becoming increasingly aware that a critical source of competitive advantage often come from indigenous product and services, best public relations strategy state-of-the-art technology and having an appropriate system of attracting and managing the organizations human resources. (Muogbo, 2013)

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The Objectives Of The Study was to find out the relationship between strategic planning practice and organizational performance in Mogadishu, to find out the relationship between strategic implementation practice and organizational performance in Mogadishu, to find out the relationship between strategic evaluation practice and organizational performance in Mogadishu.

This study investigated the relationship between strategic management and Organizational performance in Mogadishu and , This study be conducted from February up to August 2018 in Mogadishu.

2. Conceptual Framework



3. Literature Review

Rhee and Mehra (2013) clarified that the close linkage between competitive strategy and functional strategic activities is asserted to be a precondition to the achievement of optimal business performance. The debate about strategic management is not limited to its definition and its components, but it extended to how to measure, evaluate and manage it. Different models and methods have been used by different scholars, academicians and practitioners to measure, evaluate and manage strategic management practices and examine its influence on organizations' performance. Newbert (2007) used the resource-based view (RBV) to evaluate and manage strategic management.

Strategy evaluation involves setting control processes to continuously review, evaluate and provide feedback concerning the implemented strategies to determine if the desired results are being attained such that corrective measures may be taken if needed. Ondera (2013) examined strategic management practices in Mbagathi District Hospital, Nairobi, Kenya. The study revealed that, the hospital formulates implements and evaluates the work plan by involving all staff working at the hospital and that the management allocated funds based on the work plan to facilitate the process of strategy implementation.

A study about strategic management practice and organizational performance conducted in Kenya and it was Kenya's economy largely relies on the agriculture sector, which contributes 25.3% of Gross Domestic Product, out of which 2.63% is from the Horticulture sub-sector while 1.29% is from the flower industry. In spite of research in various aspects of strategic management practices in various sectors, there has not been a study on the influence of

strategic management practices on the performance of Floriculture Firms in Kenya, and this formed the general objective of this study which was carried in Kiambu County in central Kenya. A descriptive survey design was used with a target population of 21 floricultural firms out of which 10 firms were selected by simple random sampling, and 5 respondents from each of the 10 firms purposively chosen. Structured questionnaires were used to collect primary data. Chi- Square (X^2) test was used to test the four hypotheses to establish significance of association. The findings established that majority of the firms had a strategic plan ,implemented their strategic plans as planned, conduct strategy evaluation and control on their strategic management practices. Further, that strategy formulation, implementation, evaluation and control had significant influence on the performance of flower firms to a moderate extent. The researcher recommended that top-level managers should seek more input from the lower level managers and supervisors when formulating strategy so that the formulated plans are effective and in line with both long and short term. (y & Jacob, 2015)

Another study about effect of strategic issue management on organizational performance This project assesses whether strategic issues management activities contribute anything worthwhile to corporate performance by reporting study on the issues management strategies of Nestle food Nigeria PLC. Issues management activities - stakeholder integration techniques and capability development were used. A survey research design was adopted to link these activities to a broad array of organizational performance variables (profitability, sales volume, return on investment and corporate/technological reputation). Questionnaires were administered to hundred (100) management staff of Nestle using simple random and judgmental sampling techniques. The data collected were analyzed using descriptive statistics and chi-square statistical analysis. The questionnaire for the study was validated using content validity. .(Fashola, Omone & Oludayo)

The reliability of the questionnaire was confirmed by test-retest alpha coefficient of the data collected. The study discovered among others that organization that invest in the development of knowledge-skills and stakeholders resources are more efficient and This study has shown in the first tested hypothesis that there is significant effect of strategic issue management activities on the attainment of organizational performance, the role played by the industry is above 60% compare to other business sector of the nation such as banks, oil and gas and communication. .(Fashola, Omone & Oludayo)

The study reported have provide some evidence that issues management is indeed a strategic organizational functions in the sense that the adoption of issues management techniques can improve the performance and relative standing of organization that are with different societal and political issues.(Fashola, Omone & Oludayo)

Another study was targeting for strategic management on business was investigating the effect of strategic management by using Balanced Scorecard (BSC elements) on Jordanian Pharmaceutical Manufacturing (JPM)

organizations' business performance. To approach the aim of the study, practical data were collected from 13 companies out of 16 companies, by means of a questionnaire. The questionnaire was delivered to about 140 managers out of 250; only 95 questionnaires were completed, out of 95 questionnaires only 90 were suitable for further analysis. Statistical techniques such as descriptive statistics, t-test, ANOVA test, correlation, simple and multiple regressions were employed. To confirm the suitability of data collection instrument, a Kolmogorov-Smirnov (K-S) test, Cronbach's Alpha and factor analysis were used. The result of the study shows there is a significant implementation of the balanced scorecard variables among JPM Organizations, the learning and growth perspective rated highest average, followed by internal processes perspective, then financial perspective and customer perspective, respectively. Result also indicates that there is a high relationship among balanced scorecard variables and between balanced scorecard variables and JPM Organizations' business performance is strong. The result of the simple regression and the multiple regressions analysis shows that strategic management (balanced scorecard elements) has a direct impact on Jordanian Pharmaceutical Manufacturing Organizations' business performance. Finally, the result shows that the customer perspective has the highest effect on JPM organizations' business performance, followed by internal processes perspective, then learning and growth perspective and financial perspective, respectively. (Abdel-aziz & Saed, 2014)

4. Research Methodology

Research design is defined as: "The arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Selltitz, 1962). In this study the researcher conducted through a descriptive study, the purpose of descriptive research is to describe an accurate profit of persons, events or situations. In additional, the study were used survey strategy collecting primary data process of this study (robson , 2002).

The study population includes Sopico. The target populations of this study 60 population from (employees and managers) of Sopico cited by HRM Officer (Abdirasak, 2018), The justification of my choice is when you want to know something you must seek someone who well informed that topic, and reliable so i selected that reason according the time and cost so I used that target population of employees of SOPICO because they have some good strategies as I thought and I wanted to know that as reality

Data analyze by using statistical package of social science (SPSS, Version 20) that measure the degree of relationship between Brand awareness and customer attraction. The researchers preferred to use statistical package of social science (SPSS) version 20, because of its validity and reliability of analyzing the data.

Correlation

		Strategic planning	Strategic Implementation	Strategic evaluation	Organizational performance
Strategic planning	Pearson Correlation	1	.682**	.620**	.767**
	Sig. (2-tailed)		.000	.000	.000
	N	53	53	53	53
Strategic Implementation	Pearson Correlation	.682**	1	.792**	.789**
	Sig. (2-tailed)	.000		.000	.000
	N	53	53	53	53
Strategic evaluation	Pearson Correlation	.620**	.792**	1	.741**
	Sig. (2-tailed)	.000	.000		.000
	N	53	53	53	53
Organizational performance	Pearson Correlation	.767**	.789**	.741**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	53	53	53	53

** . Correlation is significant at the 0.01 level (2-tailed).

5. Major Findings

In this part of the study it discussed the research results and findings derived from questionnaire of the Sopico company in Mogadishu-Somalia according to their business types in Mogadishu Somalia

Based on the findings in objective one presented that the level of objectives one "Strategic planning and organizational performance " and scored Average mean 3.31, while Standard deviation became 0.85 so overall and this result indicates that the overall the Strategic planning and organizational performance in that company was Excellent. As the result collected from that staffs indicated. Therefore the result of objective one indicates that is mostly excellent and this is indicated,

Based on the findings in objective two presented that the level of objectives two "Strategic implementation and organizational performance " and scored Average mean 3.43, while Standard deviation became 0.80 so overall and this result indicates that the overall the strategic implementation and organizational performance in that company was Excellent. As the result collected from that staffs indicated, Therefore the result of objective two indicates that is mostly excellent and this is indicated,

Based on the findings in objective three presented that the level of objectives three "strategic evaluation and organizational performance" and scored Average mean 3.44, while Standard deviation became 0.85 so overall and this result indicates that the overall the strategic evaluation and organizational performance in that company was Excellent. As the result collected from that staffs indicated. Therefore

the result of objective two indicates that is mostly very good and this is indicated, According the part of dependent variable that the level of presented that the level of “Strategic management practice and Organizational performance“ and scored Average mean 3.44, while Standard deviation became 0.85 so overall and this result indicates that the overall the Strategic management practice and Organizational performance in that company was Excellent. As the result collected from that staffs indicated. Therefore the result of objective one indicates that is mostly excellent and this is indicated, In the final the result of correlation analyzes shows the result of correlation analyzes of the relationship between “Strategic management practice and Organizational performance”. And it’s the correlation between independent variable and dependent variable. Thus the strategic management practice has positive and strongly relationship with organizational Performance ($r=.888$, $p=0.00$ and $\alpha \leq 0.05$) strategic management practice actively encourages with organizational Performance in Companies which tend to enhance productivity in that company of Performance in Mogadishu, Somalia.

6. Conclusions

This study was examining the study focus on identifying “Strategic management practice and Organizational performance”. For private companies in Mogadishu Somalia and used questionnaire that 53 respondents filled in the questionnaire of this study was staff and management and the results of the objectives became very good and excellent in customer buying behavior of these companies.

The present study extends existing Strategic management practice research by providing initial empirical evidence to better understand the development of organizational performance capability and it’s effect on company’s performance. To the best of my knowledge, this is the first study empirically “Strategic management practice and Organizational performance” in implementing strategic issues.

The researcher found that Strategic management practice significantly affect organizational performance, which in turn leads to improved company’s performance.

In the final the result of correlation analyzes shows the result of correlation analyzes of the relationship between “Strategic management practice and Organizational performance”. And it’s the correlation between independent variable and dependent variable. Thus the strategic management practice has positive and strongly relationship with organizational Performance ($r=.888$, $p=0.00$ and $\alpha \leq 0.05$) strategic management practice actively encourages with organizational Performance in Companies which tend to enhance productivity in that company of Performance in Mogadishu, Somalia.

7. Recommendations

Based upon the previous results or findings the researcher is suggesting the following recommendations to business people and every other sector which involves private sector and This study revealed that Strategic management practice

has become pivotal (very important) to the Organizational Performance:.

- Proactively addressing underlying systemic causes of potential issues.
- Establishing effective mechanisms to recognize and respond to red flags that is early warnings
- Properly identifying stakeholders and their perspective
- Implementing systematic organization learning and unlearning.
- Accumulating assets and well utilization of scarce resources
- Managements of sopico company should give attention on marketing and capacity building in the company in order to enhance financial performance
- Top managements of Sopico company should aid their Customers s in order to in hence their productivity.
- Managements of Sopico company should motivate with their customers in order to obtain increase and quality product.
- Sopico company should reward their employees in order to increase the sustainability of their companies
- To be similarly the advertisements should also have some text that describes the product.
- To Increasing relevance should use Recommender systems to improve cross-sell by suggesting additional products for the customer to purchase.
- Sopico companies they should use Delivery as easy as possible

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