INFLUENCE OF STRATEGY IMPLEMENTATION ON ORGANIZATIONAL PERFORMANCE OF PHARMACEUTICAL MANUFACTURING COMPANIES IN NAIROBI CITY COUNTY

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DECLARATION AND RECOMMENDATION

I consent that this thesis has not been submitted for a degree at any institution of higher learning

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DEDICATION

I dedicate this work to my son Keith Muciri, my nephew Mark Syuki, and my late dad Gachigi

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Firstly, I thank the Almighty God who was gracious to me and made it possible for me to accomplish this task. I would also like to express my gratitude to the school and the entire academic staff for the unwavering support they gave to me. I thank my supervisor, Jane Munga for the guidance, mentorship and insights she has offered to me continually throughout the study period. I also want to thank James Mbebe for his kind words of counsel and guidance which have been very critical in this study. My gratitude will not be complete without saying a big thank you to everyone who has been a pillar of strength throughout my academic journey. Thank you everyone for your valuable support during my time of the study. May God bless you in a very special way.

ABSTRACT

Strategy implementation is an important component of organizational performance, playing a key role in achieving desired outcomes. However, the execution of strategies is often complex and fraught with challenges, which can hinder progress. Organizations formulate strategic initiatives through detailed corporate plans, yet their implementation frequently encounters distinct phases and obstacles that must be addressed to ensure success. The purpose of the study was to determine the influence of strategy implementation on the performance of pharmaceutical manufacturing companies in Nairobi County from the perspective of the drivers of strategy implementation. The specific objectives of the study were to establish: the influence of organizational structure, the influence of organizational resources, the influence of strategic communication, and the influence of strategic leadership on the performance of pharmaceutical manufacturing companies in Nairobi County. The study was anchored on three major theories; Fishbone Model, Resource Based View Theory and Transformational Leadership Theory. The study applied the descriptive research design. The unit of analysis for the study was 71 pharmaceutical manufacturing companies in Nairobi County, whereas the unit of observation was 288 managers of the pharmaceutical manufacturing companies in Nairobi County. The study utilized both the stratified sampling method and the Taro Yamane formula to come up with a representative sample size of 132 participants who were distributed among the various departments (strata). Questionnaires were the instruments for the study, where data was gathered through the physical administration of the questionnaires. Data collected was analyzed through both descriptive and inferential analysis. Descriptive analysis was involved in the determination of mean, frequency, percentages, and standard deviation. The inferential analysis helped in hypothesis testing through regression and correlation analysis at a 0.05 significance level. Results emerging from the study were presented in tables whereas interpretations and discussions were in narratives. Results revealed a β of .736 and a p-value of 0.001, between organizational structure and the performance of pharmaceutical manufacturing companies in Nairobi County, also, findings revealed a β of .855 and a p-value of 0.001 organizational resources and the performance of pharmaceutical manufacturing companies in Nairobi County. In addition, Findings revealed a β of .958 and a p-value of 0.001, between strategic leadership and the performance of pharmaceutical manufacturing companies in Nairobi County. Lastly, Results revealed a β of .861 and a p-value of 0.001 between strategic communication and the performance of pharmaceutical manufacturing companies in Nairobi County. The study concluded that organizational structure, organizational resources, strategic leadership and strategic communication had a positive and significant influence on the performance of pharmaceutical manufacturing companies in Nairobi County. The study recommended optimizing organizational structure by clarifying reporting lines and promoting autonomy among managers to foster rapid decision-making and adaptability, leveraging organizational resources strategically, including financial, talent, and technology resources for innovation and competitiveness, investing in strategic leadership development to ensure effective succession planning and inspiring employees to achieve organizational goals and lastly, establishing effective strategic communication channels and fostering a culture of continuous improvement strengthening teamwork, collaboration, and stakeholder engagement, ultimately driving organizational performance and success in the dynamic market environment.

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ABBREVIATIONS AND ACRONYMS

AMOS	Analysis for moment and structure
ANOVA	Analysis of Variance
CEO	Chief Executive Officer
CFA	Confirmatory Factor Analysis
DMB	Deposit Money Banks
GDP	Gross Domestic Product
KEMU	Kenya Methodist University
KNBS	Kenya National Bureau of Statistics
MLQ	Multifactor Leadership Questionnaire
MSMEs	Micro, Small, and Medium-sized Enterprises
MTEF	Medium-Term Expenditure Framework
NGOs	Non-governmental organizations
RBV	Resource-Based View
ROA	Return on Assets
ROCE	Return on Capital Employed
SMEs	Small and medium enterprises
SPSS	Statistical package for social sciences
UAE	United Arab Emirates
WHO	World Health Organization

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizational performance serves as a critical barometer for the success of both profit-based and non-profit organizations, influencing the outcomes and long-term viability of these entities. It encompasses a broad spectrum of outcomes, from financial metrics to operational efficiency and customer satisfaction. Adam, et al. (2019) argue that organizational performance is not merely an end in itself but a process that reflects the effectiveness with which an organization meets its objectives and satisfies stakeholder expectations. The success of an organization hinges on its ability to not only generate profits but also to sustain growth, adapt to market changes, and meet the evolving demands of its customers and shareholders. Therefore, organizational performance is intrinsically linked to the strategic goals set by the organization and the effectiveness with which these strategies are implemented, as emphasized.

The connection between organizational performance and financial success is particularly pronounced in competitive environments, where businesses must continuously generate profits, expand market share, and create value for shareholders to remain viable. According to Conţu (2020) organizations that demonstrate strong financial performance are better positioned to invest in innovation, adopt new technologies, and attract investors, thereby securing their competitive advantage in the market. Financially robust organizations are also more capable of meeting their obligations, such as compensating employees, paying suppliers, and funding research and development initiatives. This capacity to fulfill financial commitments not only strengthens the organization's reputation but also ensures its resilience in the face of economic fluctuations and regulatory challenges. Therefore, financial performance is a crucial determinant of an organization's ability to thrive and adapt in a dynamic business environment.

Moreover, the link between organizational performance and customer satisfaction cannot be overstated. High-performing organizations are typically those that excel in delivering superior products and services, thereby fostering customer loyalty and satisfaction. Taouab and Issor (2019) highlight that businesses that prioritize quality and customer service are more likely to attract and retain a loyal customer base. This customer loyalty not only enhances the organization's market position but also contributes to long-term profitability through repeat business and positive word-of-mouth referrals. Furthermore, Stefan and Brezoi (2021) emphasize that satisfied customers often become brand advocates, promoting the business within their social circles and enhancing its reputation. The ability of a company to rapidly adapt to customer needs and market demands is a testament to its operational agility, which is a key aspect of organizational performance.

Organizational performance also plays a significant role in talent management and employee satisfaction. Companies that perform well are better equipped to attract, retain, and engage highly skilled employees by offering competitive remuneration, professional growth opportunities, and a supportive work environment. Conţu (2020) notes that fostering a culture of excellence and providing opportunities for career development not only enhances employee satisfaction but also contributes to the overall performance of the organization. Talented and motivated employees are more likely to contribute to innovation, efficiency, and the overall success of the organization. Thus, there is a symbiotic relationship between employee satisfaction and organizational performance, where each reinforces the other.

Additionally, organizational performance is critical for setting benchmarks and driving continuous improvement. High-performing companies often serve as industry benchmarks, setting standards for best practices and operational excellence. According to Stefan and Brezoi (2021) establishing clear performance targets and regularly monitoring progress, organizations can identify areas for improvement and implement corrective actions to enhance their operations. This focus on continuous improvement is essential for maintaining competitiveness and ensuring long-term success in a rapidly changing business environment. Furthermore, Taouab and Issor (2019) argue that regular performance evaluations and feedback mechanisms are vital for optimizing organizational processes and adapting to external challenges, such as shifts in regulatory, business, and market conditions.

The process of strategy implementation is also deeply intertwined with organizational performance. Effective strategy implementation ensures that the organization's resources and efforts are aligned with its strategic objectives, thereby driving improved performance. Makwana and Patange (2022) assert that the implementation phase is crucial for translating strategic plans into tangible results. This involves creating an environment that fosters strategic alignment, where employees understand and are committed to the organization's goals. Haseeb, et al. (2019) emphasize the importance of aligning the organization's structure, culture, and capabilities with its strategic plan to ensure successful implementation. Properly executed strategies can lead to enhanced customer satisfaction, brand loyalty, and market share, all of which contribute to stronger organizational performance. Therefore, the effectiveness of strategy implementation is a critical determinant of an organization's overall success and its ability to navigate the complexities of the business environment.

Despite the positive impacts of strategic implementation, many organizations have not yet leveraged their power. A strategic implementation may take longer than the formulation process because implementation requires more resources and collaboration than the formulation. Aladag, et al. (2020) sought to examine the various approaches used by hospitality firms in the UK. The study compares and contrasts the various approaches used by firms to implement their strategies successfully. The study reveals that much of the weakness in strategic management practices emerges in the implementation process rather than in the formulation of strategies. Most of the strategies devised by hospitality firms in the UK are never implemented due to unexpected difficulties in the execution stage.

In another study, Amoo, et al. (2019) explore the views of CEOs and strategic management professors on strategic implementation. The study identified strategic implementation as the most important area in organizational growth. Fernando and Wah (2017) examined the impacts of strategic implementation in technological firms in Malaysia. The study used an extensive literature review of strategic implementation in the country. The findings show that firms use strategic implementation to create superior value propositions that align with the market needs. These propositions have enabled organizations to create competitive advantages over their rivals in the industry. Mubarak and Yusoff (2019) identify the need for effective communication in strategic implementation in an organization. Communication within an organization ensures that people understand the strategies to be implemented in the organization. An effective strategy-structure alignment is necessary to implement superior business strategies successfully. While an organizational structure is a precursor for strategic implementation, ensuring the organization will implement the strategies effectively is insufficient.

Mubarak and Yusoff (2019) explore the importance of strategy implementation in organizational success by focusing on 200 firms in multiple sectors in Australia. The study noted that strategic implementation is associated with organizational growth, reduced operational costs, and improved competitive positioning. Strategic implementation is associated with long-term organizational success and sustained competitive advantage in different sectors Among Asian Companies. The study noted that modern strategic implementation plans must consider the resources needed to implement these strategies. Strategic implementation should also offer a reasonable investment return on the resources used.

Strategic implementation has gained considerable attention in African firms seeking to compete effectively in the global marketplace. Organizations are increasingly investing in strategic implementations to create superior value propositions for their customers. A study by Oladimeji and Udosen (2019) sought to survey the impacts of strategic implementation on an organization's competitiveness in manufacturing firms in Nigeria. The researcher notes that strategic implementation in the food and beverage sector has enabled new entrants to gain considerable market share in a sector dominated by large corporations. The study also notes that strategic implementation has helped firms create strong linkages with suppliers and other partners in the supply chains. These partnerships have been crucial for organizational success in the sector.

Gasela (2021) investigated the execution of strategies in South African public organizations from 2006 to 2016. The study identified the role of organizational leadership in strategic implementation and the various challenges that arise. The study notes that leaders play a crucial role in value creation and sustainable competitive advantage by ensuring their organizations achieve superior performances. The study identified several problems that may affect strategic implementation in Norther Cape provincial public entities. These challenges include constraints in financial and human resources, poor organizational culture, poor leadership, and poor organizational culture. The study identified unqualified; leadership and insufficient human and financial resources as the main hindrances to strategic implementation. Most of the firm's studies had problems with leadership capacity leading to problems with strategic implementation.

Strategic formulation and implementation have become key components in defining organizations' competitiveness in the Kenyan private sector. The public sector has also adopted the concept of strategic implementation as a key in helping the public sector create value for citizens. Maika (2020) aimed to explore the challenges encountered when executing strategies within the ministries of Kenya's national government. The study uses a census method to focus on 20 government ministries in Kenya. The researcher identified poor organizational structure, inadequate financial and human resources, and bureaucracy as the main challenges facing strategic implementation in the country.

In another study, Cheruiyot, et al. (2021) sought to explore the factors influencing operational strategies implementation in Non-Government Organizations in Kenya. The author identified several variables that affect strategy implementation. These include resource allocation, information and technology, competitive priorities, and core competencies. Strategic implementation in NGOs in Kenya is inadequate, thus leading to poor service delivery. The paper recommended the establishment of a strong and cohesive management team with the right skills and right`` technologies to ensure organizations leverage their core competencies.

Mutunga and Wainaina (2019) examined the challenges of strategy implementation in private security firms in Kenya. The study identified poor communication as the main challenge in strategic implementation in private security firms. Lack of proper communication affected the time frame needed to implement the strategies. Besides, the lack of skills among the lower-level employees affected the strategy execution in organizations. The study identified the need for employee training and proper communication to address the challenge of strategic implementation.

1.2 Statement of the Problem

Organizational performance is crucial for the success, sustainability, and competitiveness of companies, yet manufacturing firms in Nairobi County, particularly in the pharmaceutical sector, struggle to achieve satisfactory performance levels (Cheruiyot, et al., 2021). These companies face numerous challenges, including resource limitations, production inefficiencies, and competitive pressures that hinder their ability to effectively implement strategies. The situation is exacerbated by their reliance on outsourced medicines from countries like India, which has negatively impacted their performance, leading to the closure of some businesses (Maika, 2020). In stark contrast, manufacturing firms in Europe, such as those in Scandinavia and Germany, demonstrate strong performance metrics, including high productivity, advanced technology use, efficient supply chains, and robust quality controls (Mubarak & Yusoff, 2019). The significant disparity between the poor performance of pharmaceutical manufacturing firms in Nairobi County and the impressive outcomes seen in Europe underscores a critical issue that needs to be addressed (Fernando & Wah, 2017).

Despite the importance of understanding and improving the performance of pharmaceutical manufacturing companies in Nairobi County, existing research has significant gaps. Prior studies have predominantly focused on developed economies, neglecting the unique challenges faced by these companies in Nairobi County (Fernando & Wah, 2017). There is also a shortage of quantitative studies that explore the relationships between strategy implementation drivers and performance outcomes in this specific sector. Additionally, much of the existing research is centered on industries outside the pharmaceutical sector, such as the financial and public sectors, leaving a conceptual gap in understanding how strategy implementation affects performance in pharmaceutical manufacturing (Cheruiyot, et al., 2021). If the problem is not dealt with, there is likely to be a collapse of business which in turn will mean loss of jobs having an indirect negative effect on the economic replication. This highlights the need for a focused research on the influence of strategy implementation on the organizational performance of pharmaceutical manufacturing firms in Nairobi County to address these gaps and develop strategies to enhance their competitiveness and sustainability.

1.3 Research Objectives

1.3.1 General Objective

To determine the influence of strategy implementation on the performance of pharmaceutical manufacturing companies in Nairobi County.

1.3.2 Specific Objectives

i. To establish the influence of organizational structure on the performance of pharmaceutical manufacturing companies in Nairobi County, Kenya.

ii. To establish the influence of organizational resources on the performance of pharmaceutical manufacturing companies in Nairobi County, Kenya.

iii. To assess the influence of strategic communication on the performance of pharmaceutical manufacturing companies in Nairobi County, Kenya.

iv. To evaluate the influence of strategic leadership on the performance of pharmaceutical manufacturing companies in Nairobi County, Kenya.

1.4 Research Hypotheses

HO_1: Organizational structure does not have a significant influence on the performance of pharmaceutical manufacturing companies in Nairobi County, Kenya.

HO_2: Organizational resources do not have a significant influence on the performance of pharmaceutical manufacturing companies in Nairobi County, Kenya.

HO_3: Strategic communication does not have a significant influence on the performance of pharmaceutical manufacturing companies in Nairobi County, Kenya.

HO_4: Strategic leadership does not have a significant influence on the performance of pharmaceutical manufacturing companies in Nairobi County, Kenya.

1.5 Significance of the study

1.5.1 Policymakers and Government Bodies

The study is important to policy makers and the government of Kenya, an understanding of the implementation drivers that affect the performance of the pharmaceutical companies in Kenya is important to the business owners and the government in general. The business owners can improve the performance of their organization through a clear understanding of implementation drivers, the government is also able to give policies that favor the growth of the pharmaceutical companies in Kenya so that the government can support local industries' growth.

1.5.2 Academic Research

The study promotes the growth of knowledge on the strategy implementation and the performance of companies in Kenya, besides the study can fill existing knowledge gaps in the case of strategy implementation and the performance of pharmaceutical manufacturing companies in Kenya because the existing studies have been studied in a different context while ignoring pharmaceutical companies in Nairobi County. The study therefore serves as a basis for future studies and also provides important empirical literature on the topics of strategy implementation.

1.5.3 Theory Development and Validation

The study conducted hypothesis tests which can enable the scholar to determine whether the existing theories on the subject of strategy implementation are generally applicable to all contexts are only applicable to some and not all. Therefore, the study provides a critique of the theories that anchor the study by showing their relevance or providing their weaknesses in the context of strategy implementation and performance of pharmaceutical manufacturing companies in Nairobi County.

1.6 Scope of the Study

The study includes four variables organizational structure, organizational resources, strategic leadership, and strategic communication. The study participants were managers of 71 pharmaceutical firms in Nairobi county. The study was also conducted between January 2023 and October 2023.

1.7 Limitations of the Study

The study was conducted within a short time due to the limitations of funds which imply that it was not possible to capture the long-term effect of strategy implementation on organizational performance. Strategy implementation of the organization is dynamic and its influence on performance may only be evident over an extended period, therefore the outcome of the study could not capture the long-term outcomes. However, the study collected secondary data for 5 years which was enough to provide trends on the performance.

Some organizations were not willing to let their employees participate in research. In other instances, some respondents were not willing to participate in the study fearing that information given would be divulged to third parties without their knowledge. The researcher however gave a research authorization letter and a NACOSTI letter which helped in improving the response rate.

Nairobi County is also vast and requires a lot of resources to gather primary data. The researcher has friends and family who provided funds to ensure that the research was successful without compromising the quality of the research.

1.8 Operational Definition of Terms

Strategy implementation: the execution of a strategic plan through the operationalization of the chosen strategies in an origination (Friesl, et al., 2021).

Organizational performance: refers to measurable outcomes in an organization as a result of taking measures to use resources to achieve desirable outcomes (Tawse & Tabesh, 2021).

Organizational structure: refers to a framework on which an organization is designed and the way departments and activities are coordinated to achieve better outcomes. Organizational structure also refers to the hierarchy of responsibilities and tasks within the organization through which decisions are made and communication takes place (Merkus, et al., 2019).

Organizational resources: refer to the financial and non-financial inputs that are used in an organization for strategy implementation (Rani, 2019).

Strategic leadership: refers to the ability of a leader in an organization to shape the direction of the company by setting a vision and strategy taking critical decisions on resource allocation, and inspiring the other employees to achieve better outcomes (Tawse & Tabesh, 2021).

Strategic communication: refers to the way an organization disseminates information that is strategically aligned with the organizational goals (Rani, 2019).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presented various theories and a model that explains the nature of the relationship between study variables. The chapter also presented past empirical literature from scholars who focused on similar areas of study, finally, the chapter presented an operationalization of the variables indicating how every variable was measured through indicators.

2.2 Theoretical Review

Theory refers to a set of principles that are used in the explanation of a particular phenomenon, by explaining why a particular situation is the way it is or the reason why certain individuals or elements behave the way they do. The study is anchored on the resource-based view theory being the main anchoring theory, the fishbone model, and the transformational leadership theory.

2.2.1 Resource-Based View Theory

The Resource-Based View (RBV) argue that the growth of a firm is affected by its internal resources, with an organization achieving higher growth by effectively leveraging internal resources (Greve, 2020). Much of the work on the resource-based view theory is credited to Barney (1991) who expanded its argument through an influential paper referred to as the "Firm Resources and Sustained Competitive Advantage. Barney (1991) contended that companies can gain a lasting edge over competitors by possessing internal resources that are rare, valuable, and difficult to replicate or replace. The competitors should always find it hard to imitate or replicate such resources which ultimately leads to achieving a competitive advantage (Furr & Eisenhardt, 2021).

Firms that have different forms and natures of resources that can lead to differences in the performances of organizations in similar industries therefore there is the need for dynamic capabilities where the firms can continuously improve on their capabilities to cope with the ever-changing demands presented by the market, regulatory environment, and business environment (Lubis, 2022). The RBV theory is closely linked to organizational resources which are key drivers of competitive advantage and performance. RBV emphasizes that leveraging these critical resources, such as skilled personnel, advanced technology, and financial capital, can significantly enhance an organization's ability to innovate and adapt. Effective management of these resources enables organizations to maintain a competitive edge, create barriers to entry for rivals, and achieve long-term success. Thus, focusing on developing and utilizing these unique resources is essential for sustaining superior performance (Moradi, et al., 2021).

The RBV theory is in particular important in strategy implementation and performance of organizations. Organizations can conduct an audit and analysis of their resources to identify the strengths and major weaknesses with the resources which allows them to align themselves well with the organizational strategy an objective of the company. Through resource analysis and identification, companies can make more informed decisions in investments and acquisitions. Besides companies can leverage their unique resources that competitors find hard to replicate. The theory however faces numerous critiques for its lack of providing a framework on how to measure organizational resources and capabilities to identify the value of the organization, scholar argue that there are different ways of measuring the values of the organization including the intrinsic, market the accounting/historical value of a resources (Paulus & Murdapa, 2017).

Balashova and Gromova (2016) criticizes the theory for being too simplistic and that the competitive edge of a company stems from effectively harnessing its internal resources whereas there are so many other factors that affect the achievement of competitive advantage. Another scholar argues that the theory fails to acknowledge the importance of paying attention to external factors such as the industry and competitive force in achieving organizational performance. Besides, due to industrial differences and dynamics a resource that might be considered valuable in one sector might be completely invaluable or irrelevant in another sector.

However, despite criticism, the RBV theory remains relevant because it directs attention to the importance of internal drivers of competitive advantage that should be hard to replicate, hard to imitate, should be of high value and unique. The argument of the theory provides a notion that an organization should strive to achieve a sustainable competitive advantage by enhancing continuous learning and development of new and unique resources over time which also promotes a culture of innovation and desire for change through implementing strategies that are also aligned to organization goals. Therefore, in a rapidly changing business environment companies that utilize the RBV theory can cope with the environmental dynamics and are also able to satisfy the customers' needs which makes them thrive in dynamic markets.

2.2.2 Fish Bone Model

The Fishbone model is also referred to as the "Ishikawa diagram" or "cause-and-effect diagram". The theory played a crucial role in boosting industrial development in Japan post world war II (Galpin, 2018). The model argued that 80% of the effects are a result of 20% of the causes, which underlined the importance of addressing causes to a problem. Another developer of the model contributed to the cause-effect analysis while working as a production manager at the Toyota production system where the expert emphasized the need to address the root cause of defects in manufacturing goods to achieve defect-free products in consequent production (Tawse & Tabesh, 2021). The fishbone model lay its focuses on understanding as well as addressing the underlying causes of a problem other than only detecting and correcting the problem. The structure/ diagram resembles the fishbone with the problem being represented as the "head" while the potential causes branch out as the fishbone' (Kabeyi, 2019). The fishbone model identifies multiple factors and their relationship in identifying the cause and effect of a problem. The various causes are categorized into six (6) "M's", with the fists M representing Manpower or people, the second M representing Machines or equipment, the third M represents materials, the fourth representing methods or processes, the fifth represents measurements or data whereas the last one represents mother nature or environment for a comprehensive analysis of the problem (Rani, 2019).

One way where a fishbone model can be applied is in the implementation of a strategy to enhance organizational performance. During strategy implementation, an organization usually faces obstacles or challenges that hinder better organizational performance which may include inadequacy of resources, communication problems, leadership challenges, or even organizational structures that are not aligned with the desired strategies (Sorooshian, 2018). The fishbone model allows for the examination of possible problems. By identifying the root causes of the problems organizations can design better approaches and targets to offer solutions to the problems and therefore improve on the performance. The model offers a platform for structured thinking and collaborative teamwork with initiatives such as brainstorming where team members provide their insights and knowledge. Team members are therefore able to understand the problem, engage each other, and also own the problem, the fishbone therefore offers a clear communication platform where the members become aware of the problem and its causes (Toha et al., 2020).

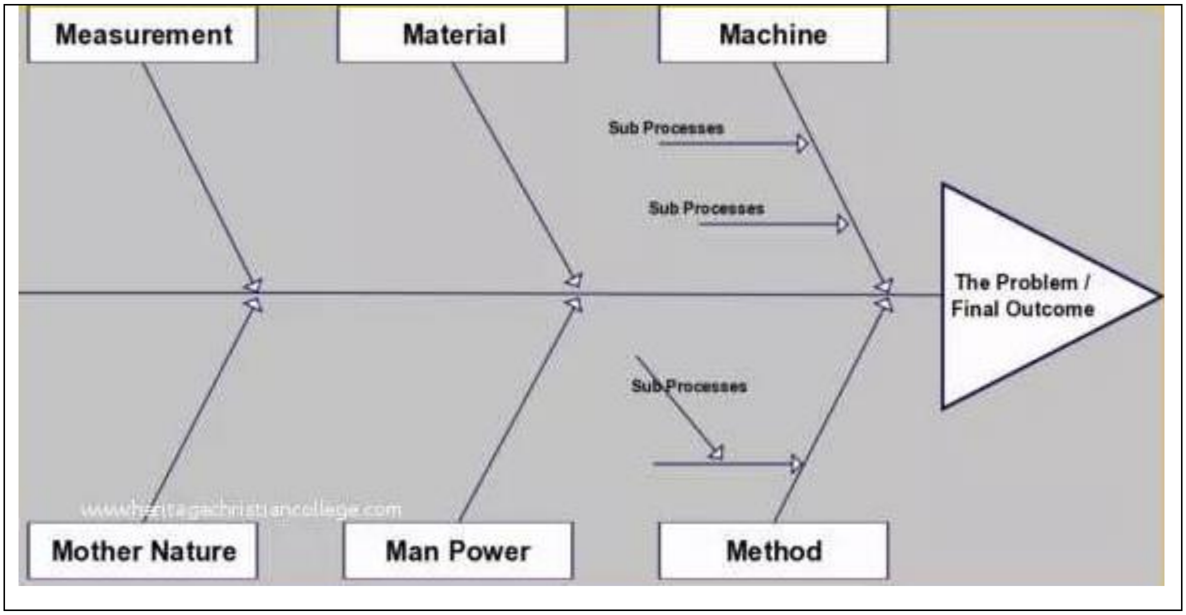
The fish-bone model however faces critiques among them being that its effectiveness depends on the facilitators' skills and the ability of the team members to develop accurate causes of the problem. The model also is overs implied by categorizing the causes into six "Ms", which might not comprehensively address the causes in a complex problem that requires statistical approaches in the analysis of the root causes (Twum, 2021). However, the fishbone model remains relevant and is applied in different disciplines among them engineering, quality control, project management, and manufacturing because it offers a structured approach to problem analysis that prioritizes the causes of a problem effectively. The model also enables collaboration where all employees in an organization find a platform to share their knowledge, through which an organization can leverage the expertise of its employees in finding solutions to problems. The model is lastly pegged on the root cause analysis, preventive approach and continuous improvement, and total quality management and control (Sorooshian, 2018).

The Fishbone Model is closely linked to organizational structure by helping analyze how different elements like hierarchy, roles, and communication channels contribute to operational issues. This model allows organizations to systematically explore and address structural inefficiencies, such as unclear job roles or poor coordination, leading to more effective problem-solving and process improvements. By using the Fishbone Model, organizations can enhance their structural design to optimize performance and operational efficiency.

The model is therefore relevant in strategy implementation where organizations consider different drivers of strategy implementation as the root causes and the effect or the problem being the problem. Through accurate identification of the causes which might be in strategic leadership (manpower), organizational resources (materials), organizational structures (processes), or strategic communication (measurement or data) an organization can come up with better solutions to enhance the performance of pharmaceutical manufacturing companies in Nairobi county.

Figure 2.1:

Fish Bone Model



2.2.3 Transformational Leadership Theory

This theory reinforces the need for leaders to motivate and inspire their employees to achieve better outcomes. The theory emphasizes the importance of leaders in shaping social change through transformational leaders who inspire the other employees to work for the better good of the organization other than the individual goals. Burns argues that transformational leaders not only inspire their followers but also enable them to achieve their full potential. Transformational leaders contrast transactional leader who emphasizes rewards versus exchange (Hamid, et al., 2017).

Transformation leaders can create a vision and inspire the employees to achieve the set vision through effective communication, to align the efforts of the followers towards the goals and objectives of the organization (Toha, et al., 2020). Therefore, transformative leadership enhances employee engagement, commitment, productivity, and performance. Transformational leadership also fosters a culture of creativity, innovativeness, and learning. Transformational leaders may challenge their employees to think critically by questioning the status quo as well as coming up with new ideas and solutions. Transformation leadership also challenges employees to develop new skills and competences to adapt to the desired changes proposed by their strategic leaders where it also promotes continuous learning for the strategy to be implemented in a dynamic environment (Jafari & Mazloumzadeh, 2021).

The theory is however challenged to focus more on the qualities of the leader rather than the contextual factors that affect the effectiveness of a leader. The theory is also considered by critics for being oversimplified and exempts the cultural and situational variations that have a bearing on leadership influence. Besides, the theory overemphasizes the influence of the leader while overlooking the role that is played by the intrinsic motivation of the leader. Despite the high criticism of the theory, it remains relevant in the modern business environment which is not only complex but also dynamic and calls for leaders that motivate and inspire their followers to excel by setting up a vision and providing support and assistance to the employees so that they can navigate the changes being implemented by being innovative. The transformation leadership theory is also crucial in the work environment where employees are seeking descent jobs by providing conducive work environments where workers feel more engaged and committed. Transformational leaders also promote ethical leadership by inspiring fellow employees to act ethically as well. Therefore, the application of transformative theory can boost organizational performance by fostering the innovativeness of the employees and cultivating a positive organizational culture.

Transformational Leadership Theory is closely linked to strategic leadership, which involves guiding the organization toward its long-term goals and aligning its mission with strategic initiatives. Transformational leaders motivate and engage employees, fostering a strong organizational culture and commitment to achieving strategic objectives. Their ability to communicate a compelling vision and inspire trust is crucial for navigating complex challenges and ensuring organizational success and growth in a competitive environment.

2.3 Empirical Review

This research uses works from past scholars on strategic implementation and performance of organizations from diverse sectors, different scopes, and geographical locations. In particular, the empirical literature is presented on the influence of organizational structure on performance, the Influence of Organizational Resources on Performance, the influence of Strategic Leadership on Performance, and Strategic Communication and Organizational Performance. The section also presents the gaps identified from these studies as justification for conducting the study within the context of pharmaceuticals.

2.3.1 Influence of Organizational Structure on Performance

Tanui (2021) explored how different characteristics of the business structure of 189 Caribbean financial institutions between 1988 and 1996. The study utilized descriptive statistics and regression models to examine the data, uncovering that insider ownership significantly boosts business longevity while managers released by external owners are at risk of failure. Additionally, it found that distinct organizational structures influence listed companies' assets diversely, and organizational justice positively correlates with performance. Moreover, it highlighted that components like decision-making structure and the degree of centralization impact organizational performance uniquely. The study was however conducted within Caribbean enterprises which is outside the scope of pharmaceutical manufacturing businesses in Nairobi County, the findings cannot be considered as generally applicable within the context of the pharmaceutical sector or even applicable worldwide due to the dynamism in the regulatory and market and industrial settings.

Hindasah and Nuryakin (2020) explored the complexities of organizational structure, revealing its interconnected challenges that impact the financial success of companies operating in Asia. Specifically, the study concentrated on 43 healthcare firms that underwent initial public offerings from 2012 to 2015. Data was analyzed using a variety of horizontal methods. The findings revealed that hierarchical organizations should invest in communications in all departments. Complex organizations require good leadership, teamwork and accountability if they are to compete effectively. Managers need to use their effective communication skills to rely important messages to employees. The study recommended that firms need to hold frequent meetings with employees to put their strategies in place.

Riany (2021) investigated how structure in organizations affects performance whereby a research method was used. This study adopted a health research methodology using surveys as the main technique for collecting data. The data was analyzed using descriptive and inferential statistics to determine how information strategy can affect organizational performance. The data was collected from 43 CEOs in commercial banks in Kenya where the stratified research technique divided the CEOs into two groups. These groups were first-choice and second-choice strata. The descriptive research methods used in this research were analysis of variance (ANOVA) and regression models. This study has found that the structure of organizations greatly influences the financial outcomes of companies in Kenya. The research suggests that having access to information about organizational capabilities is crucial for enhancing the overall quality of business operations.

Njiru and Nyamute, (2018) sought to explain how organizational structure and financial performance are related. The study focused on 34 state-owned enterprises whereby the data was collected using semi-structured questionnaires. A survey design was employed in this research. Inferential statistics, which included horizontal and vertical correlations were used to establish the relationships between the study variables. The research showed that a strong organizational structure improves the organizational value in the market. The study noted the importance of organizational structure in determining employee selection, and the organizational management, vision and mission of the firm. Besides, organizational structure will also determine the balance of power, internal communication and productivity. The data in this research was analyzed using SPSS whereby linear regression was used. The data in this paper was presented using graphs and tables to show the data sequences. The findings of this research indicate that an organization's performance is affected by its size, structure and the complexity of its systems, among other things. Moreover, the research highlighted that how a company is structured internally greatly influences its overall effectiveness and success.

Abdulyakeen, et al. (2021) tried to explain how organizational structure affects finances. The study focused on corporate organizational features such as the size of the board, ownership structure and its impacts on profitability. This research was conducted on deposit money banks (DMB) in Nigeria. A mixed research methodology was used to gather data form these financial institutions. The annual reports in these firms were used in collecting data whereby panel data was compiled from annual reports in 34 deposit banks from 2010 to 2019. The study examined how a company's board structure and its size influence its financial performance, using return on assets (ROA) and return on capital employed (ROCE) as measures. It was discovered that having a diverse board structure has a beneficial effect on the company's overall performance. The study also noted that the composition of the board of directors influences the ROA and the ROCE in organizations. Board ownership was found to have positive effects on ROA and a negative impact on ROCE.

Additionally, the research noted that the presence of more independent directors helps firms to become more productive as it helps managers to use their expertise in solving problems. Besides, board composition increases the organization's compliance levels with the government's rules and regulations. This study recommends the need for appointing more diverse and independent directors to improve organizational performance.

Studying Innovation and competitive advantage among the food manufacturing SMEs in Malaysia are the businesses of the 21st century no matter how small business looks they end up becoming part of the global business community which is affected by the economic, and social change, and events happening around the world (Aziz & Samad, 2016). This is because there are changes in the environment and the dynamics of competition have also to change. Innovativeness has a profound effect on business performance. The results of globalization, changes in the size of corporations, government repositioning of its policies as well and the need for special considerations for stakeholders as well as brand image promotion have all called for the adoption of strategic management practices that take care of these changes. One of the ways to achieve competitive advantage is for organizations to implement innovative approaches to developing high-quality and unique products.

According to Muogbo (2013) studying the determinants of strategic forces on the performance of manufacturing companies in Anambra State, Nigeria revealed that due to the changes in the business environment, the competitive environment has also become very complex, and the executive managers in modern times are called upon to strategize to take care of the internal and external environment through implementing strategies that have been feasibly evaluated through environmental scanning and also engaging strategies consultants in areas where the organization is pursuing novel projects to help in risks management. Study revealed that the best ways to implement a project are through having a project communication report on the meeting held, successfully involving experts in projects as well as allocating resources through scientifically proven methods, and not relying on the rule of thumb.

Abesiga, et al. (2015) investigated how strategic management practices impact the process of change management within small and medium-sized agribusiness enterprises located in Western Uganda revealed that, for businesses to succeed in the modern time where there is a turbulent and dynamic business environment, the businesses need to carry out strategic management practices. Strategic management practices through strategic implementation enable an organization to realize its goals visions and mission. Change in an organization can only be effectively realized through effective strategic management. Researcher added that for an organization that wants to enter into new markets or develop new products, it is important to carry out strategic management practices to align its goals to the strategies by having managers allocate resources appropriately, carrying out stakeholders' communication, and hiring the experts who may be a consultant with special skills that enables an organization to move from one line of business to another as well as entering new markets.

Waiganjo, et al. (2012) researched on the effects of strategic human resource management on the performance of firms in Kenya revealing that implementing strategic management techniques is essential in fostering a conducive environment for nurturing creativity and innovation within these firms. The practices also uplift skills and the capabilities of the human capital who utilize the organization's intangible assets. Besides, Waiganjo, et al. (2012) showed that management practices are directly responsible for the rate of innovation and creativity in organizations. Globalization and the need to meet customers' new demands call for organizations to adopt strategic management practices to remain competitive.

2.3.2 Influence of Organizational Resources on Performance

Albrecht (2018) conducted an analysis on how the resources within Kenyan state-owned businesses impact their financial performance. The study suggested that the performance of these state-owned enterprises could be influenced by their resources. However, comparative management argues that leadership is highly dependent on the specific context, making it challenging to empirically validate theories. Data was gathered from 63 Kenyan state companies using a qualitative approach, and both primary and secondary data were utilized for analysis. The findings revealed a significant correlation between financial performance and the resources available to these organizations. Nonetheless, it was found that resources and capabilities could only explain 8.3% of the profitability observed in Kenyan state-owned businesses.

Albrecht (2018) study showed that material, human, and immaterial assets had a statistically significant impact on performance. Results indicating the effects of the company's capabilities on success were presented, although they were not statistically meaningful. The findings support the postulate that assets held by an enterprise impact performance by demonstrating the difference between each resource to implementation, offering some empirical evidence for the Resource Based Theory. It has guided daily corporate strategy in the corporate and administrative sectors. Professionals at the leadership level may increase resource integration, restoration, and assortment for excellent results. Federal policy should promote asset purchase, integration, configuration, and combination.

Elbanna and Abdel-Maksoud (2020) investigate the links between the resources in public firms and the overall productivity in the UAE. The study's findings indicate that working capital, personnel, and capability resources impact the performance of the assessed governmental entities. A further investigation reveals that the only substantial organizational asset that can affect corporate social responsibility is a shortage of resources, specifically financial resources. The study's findings and the analysis of the Resource-based view conclude that decision-makers should prepare for the possibility that the UAE's current resource shortage, which might not stand the test of time indefinitely as a significant oil nation, will end.

Muiruri (2018) carried out a study to contribute to the collective knowledge on how resources impact the performance of companies listed on the Kenya Securities Exchange. The researcher formulated a hypothesis after reviewing relevant theoretical and empirical literature. Employing a descriptive approach rooted in positivism, the research essentially encompassed all relevant corporations, totaling forty-three, listed on the Nairobi Securities Exchange at the time of data collection. Key figures in finance and corporate strategy within these companies provided responses to inquiries. Primary data were collected through a standardized Likert survey utilizing a five-point scale. The hypothesis underwent testing via standard linear regression methods. Results indicated that corporate assets exert a significant influence on a firm's profitability. The study further extends theoretical understanding by demonstrating experimentally that effective resource combination yields corporate capabilities that are challenging for competitors to replicate, thereby enhancing firm performance. Moreover, it corroborates the resource-based theory. However, limitations such as the involvement of only one responder per business and the relatively small sample size may have constrained the study's scope. Future research could employ longitudinal designs and involve a broader spectrum of participants across various organizational levels within each research unit.

2.3.3 Influence of Strategic Leadership on Performance

Valiyeva and Thomas (2022) sought to ascertain how leadership affected an organization's financial performance. The study concentrated on government firms in Korea. The study used secondary data derived from the financial statements of 310 Korean businesses. After that, SPSS was employed to evaluate the collected data. The researcher’s conclusions showed that a board of management with extensive knowledge positively impacts the organization's performance because they provide skills and information they have gained throughout their vast experience.

The research suggests taking expertise into account when choosing board members. The organizational business environment and practices differ because the general environment in Korea is different from that in Kenya, and the businesses listed on the Korean stock exchange are not in the same industry. It is essential to research in Kenya on the relationship between the culture and financial value of Kenyan medical insurance companies because the general environments in Korea and Kenya are different. Furthermore, the corporate culture practices differ, and Korean companies listed on the Korean stock exchange do not operate in the medical insurance sector.

Kowo (2019) explored how strategic leadership impacts the financial performance of small and medium-sized enterprises (SMEs) in Kenya. It employed a descriptive survey approach, targeting 3,001 registered SMEs in the country. A sample of 301 SMEs was selected using a stratified sampling method. With 170 respondents, the study achieved a response rate of 56%. Analysis involved descriptive statistics such as mean, standard deviations, and percentages. Additionally, Pearson correlation analysis was conducted to determine the extent of the relationship between strategic leadership and SME performance in Kenya.

This research used a correlation study design to understand the degree of the link between the variables with results indicating that strategic leadership impacted financial performance. Thus, from this study's findings, strategic leadership in Kenya enhances SMEs' financial performance. To achieve good performance, the study advised the effective use of balanced organizational controls. This study advises that more research be conducted to ascertain how strategic leadership on the financial performance of the county government in Kenya.

Mui, et al. (2018) investigated how strategic leadership influences the financial performance of small and medium-sized enterprises (SMEs) in Malaysia, specifically in the Muar region of Johor province. The research involved reviewing existing theories, models, and prior studies on strategic leadership to identify various factors impacting financial success. A conceptual framework was crafted, with financial performance as the outcome of interest and five primary independent variables under consideration: managerial ambition, corporate strategy, areas of expertise, developing new skills, and innovativeness. A series of structured questionnaires were created and measured using a 5-point Likert Scale. Through convenience sampling, the senior management provided qualitative information. One hundred presidents, CEOs, administrators, and senior executives from 10 SMEs in Muar constitute the representative sample.

The findings of this research were analyzed using AMOS software. The CFA method was employed to determine the factor loading of the variables, while structural equation modeling was utilized to examine the path analysis and verify the assumptions. The results indicated that investing in human development has minimal negative effects on financial outcomes but provides limited benefits to leadership. Interestingly, the study found that only innovation capacity significantly enhances financial performance. As a result, it is believed that the most significant factor affecting organizational performance is its ability to innovate through such issues as introducing new products and new customer relationships. All senior management SMEs in Malaysia are strongly encouraged to concentrate on their organizational performance through creative, strategic leadership.

Roffia (2022) explored how leadership influences the financial success of a firm. The research used employee innovation as the mediating factor. The results indicated that employees who are open to changes in the workplace can drive their organizations to success. The study was conducted on a company in Greece to understand how a company's culture affects its ability to change. The organization's managers evaluated the employee's ability to change and realized that openness to change leads to innovation and more success in the workplace. Researcher showed that an organization's ability to change and adopt superior strategies depends on the quality of its leaders. Such leaders will first check how these strategies will benefit the firm before implementing these strategies. The researchers also pointed out the importance of having the right leaders at the top to improve the organization's asset returns. This study was conducted in Greek companies during the economic crisis when the labor market was affected by high competition. There is still room for more research to identify whether the relationships shown by these variables will still hold when the economy is doing well. The study recommends that managers should ensure that their recruits are flexible in the workplace to ensure that organizations can compete effectively in the market.

2.3.4 Strategic Communication and Organizational Performance

Heide, et al. (2018) conducted research investigating how strategic communication methods impact the financial outcomes of a particular manufacturing company based in Malaysia. The study's major variables: are strategic communication practices including internal communication versus external communication, the dependent variables, and financial performance including revenue and profitability of the firms. On the other hand, the interacting variables included: customer satisfaction and employee engagement. The sample for the study was 267 middle-level managers. The study applied a survey questionnaire and emailed it to the respondents. The study also applied quantitative techniques to analyze data through multiple regression using SPSS.

A study by Heide, et al. (2018) uncovered a strong correlation between effective strategic communication methods and the financial success of a manufacturing company. Moreover, it discovered that increased levels of employee involvement and customer contentment played vital roles as intermediaries in this connection. Nevertheless, since the study concentrated on just one firm, its conclusions cannot be universally applied. Additionally, the use of a descriptive research approach restricts the ability to establish causation among the variables examined.

Mahbob, et al. (2022) researched to assess the impact of strategic communication on operational performance in the manufacturing industry. The areas of interest included Strategic communication strategies such as communication channels and type of message, whereas the dependent variable was operational performance measured by the production efficiency and production quality. Besides, the study applied an interacting organizational culture and leadership style. The study applied a sample size of 318 manufacturing firms across different sectors (food manufacturing, beverage, automobile manufacturing, and equipment manufacturing firms). The main respondents in the study sampled were middle and top managers of the firms. The study used an interview which mainly collected quantitative data through a five-point Likert scale.

The study by Mahbob, et al. (2022) analyzed data after conducting exploratory and confirmatory factor analysis which were ascertained to be adequate for structured equation modeling using SPSS and SPSS-AMOS. (Analysis of Moments of Structures). The findings of the study revealed that strategic communication had a positive and significant effect on the performance of manufacturing firms while leadership style was considered a significant factor in moderating the relationship. However, organizational culture was not considered a significant moderator. The study however used subjective measures of performance instead of objective measures which limits the applicability of the study to cases outside the scope.

Bonnyventure (2022) evaluated the link between strategic decision-making, strategic communication, and SMEs performances in Nigeria. The main variables in the study were strategic decision-making, strategic communication, and the performance of the organization. The study applied a qualitative research design through content analysis of the documented literature on the subject. The study analyzed pre-existing qualitative and quantitative data to make important observations. The study a positive link between strategic decision-making and organizational performance, the study also concluded that strategic communication was an important facilitator of decision-making and performance.

Marchiori and Bulgacov (2012) conducted a case study on strategy as communicational practice in organizations at Itaipu Technological Park to illustrate how the company can leverage strategic communication to achieve better organizational performance despite past strategies in its implementation. The study gathered data by interviewing managers of the organization on the utilization of communication at the department and organizational units. The gathered data was organized into major themes for purposes of data analysis.

The findings of the study by Marchiori and Bulgacov (2012) revealed that communication by humans in an organization constitutes a strategy that affects the entire organization. The study revealed that all departments in the organization needed to engage in communication strategies that enhance faster feedback, enhance the free flow of information, and act as a guide in the decision-making process. The study was however based on one variable (communication strategy), the present study was however include more variables in the study and also conduct more robust data analysis by conducting quantitative analysis other than qualitative analysis. Besides, the study was conducted in one region that cannot be generalizable as applicable in all industries and locations.

Shonubi and Akintaro (2019) explored the impact of efficient communication on the performance of organizations. It focused on several empirical investigations within Uganda's flour milling industry. Key aspects examined were the type, frequency, and clarity of communication, seen as drivers of organizational effectiveness. Employing a descriptive research approach, the study utilized questionnaires distributed among senior management personnel from six prominent flour milling firms based in Kampala. Analysis techniques such as multi-linear regression and descriptive analysis were employed to interpret the research outcomes.

The study by revealed that clarity of idea being communicated had a significant effect on the organization's performance. The study concluded that thorough planning in communication, two ways of communication, and the tone of the message had an impact on the communication quality and the performance of organizations. The study recommended the use of a tone that is edifying and elegant, the study besides recommended that the signal sent through communication should be precise. Communication should also have an effective feedback mechanism. The study was however conducted in a business environment that could be different from that in Kenya and in particular Nairobi county, which therefore limits the generalizability of the study findings.

Brunton, et al. (2015) conducted a study to determine the drivers of effective communication in Finland and New Zealand by two observing how the crisis is managed between the two countries' organizations either by shareholders' relationship management or external interface management. The study also applied the personal attribute of adaptability as a second variable. The study participants included communication practitioners among firms in the two countries. Study data was collected through online interviews conducted between June 2014 and December 2014. The research examined data using content analysis, focusing on qualitative analysis. Key discoveries highlighted that organizational crises stemmed from conflicts between employees and employers or differences among employees of various ranks. It was observed that managing relationships with shareholders had a greater impact on crisis management than employing a crisis consultant. Additionally, personal adaptability was identified as a critical factor in improving organizational effectiveness.

Rajhans (2019) conducted a study through a descriptive survey on the drivers of communication effectiveness through three major variables: employees' performance, employees' performance, and organizational commitment. The study was conducted through a case study research design at Vanaz Engineers Ltd, a large manufacturing company in Pune. The study conducted hypothesis tests through SPSS to establish the nature of the relationship between study variables. The population of interest was mainly managers in supervisory positions, where only 10% of the total population was considered in the study.

The study by Rajhans (2019) revealed that the company conducted various practices in strategic communication which contributed to the better performance of employees and their commitment to the organization. Communication in the organization moved both downwards and upwards and managers were able to listen to the concerns of the employees from upward communication. The study also indicated the importance of communication in organizations including building better relationships with other employees in the organization, helping in better decision-making and employee effectiveness, information-enhanced culture, and teamwork. The study was, however, a case study research design, it limited itself to one manufacturing company and therefore the findings of the study are not generalizable.

Valiyeva and Thomas (2022) conducted a study on the effects of successful communication and the performance of an organization through two main perspectives: intra and inter-communication. The study sought to measure three main outcomes: organizational performance, the effectiveness of communication, and supply chain performance. The study's main variables included: shared values, information technology, organizational culture (clan culture, market culture, adhocracy culture, and hierarchy culture), leadership styles, communication frequency, productivity, and satisfaction. The study applied a cross-sectional survey, the main participants of the study were 352 participants which included marketing analysis, procurement managers, accounting managers, sales agents, and quality control managers.

Data for the study was collected using an online survey (LinkedIn) and hardcopy questionnaires. Before actual data collection, the data both confirmatory and exploratory factor analyses were conducted on the instrument. The study applied structured equation modeling (SEM) to analyze data using smart PLS-4 and AMOS (analysis of moments and structures). The study revealed that organizational culture and language had a significant influence on inter-organizational communication. While language revealed a positive and significant effect on inter-communication, it did not reveal any significant effect on intra-communication due to language differences. The study also revealed that information technology, top leadership support, and transformational leadership style affected communication positively. The study was, however, not specific on the size of enterprises considered and the nature of the industry they belonged to, it therefore becomes hard to generalize the study findings.

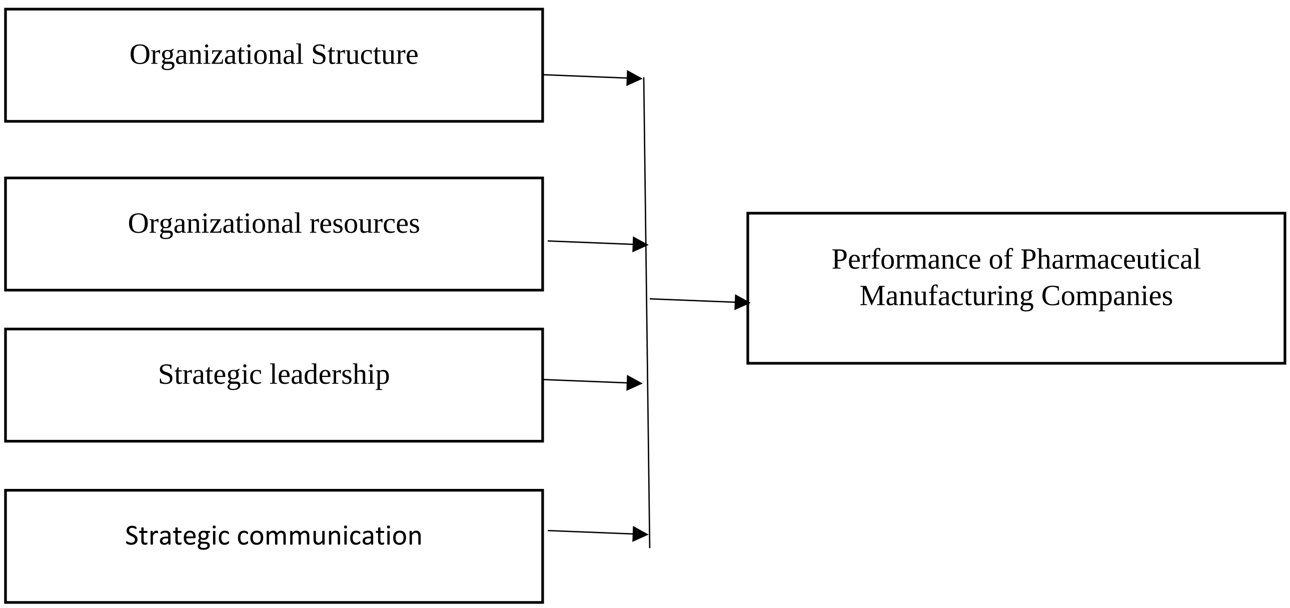
Bucăţa and Rizescu (2017) conducted a study on communication and how it increases the effectiveness of operations in organizations. The study's main variables included: communication and work effectiveness. The study was descriptive and involved 342 SMEs in Nigeria. The study was a cross-sectional survey among mid-level managers in small in the technological sector. and medium enterprises. Before actual data collection, the study carried out validity and reliability analysis on the research instrument at the pilot stage. The study explained that work effectiveness is affected by the communication strategies in the firm.

2.4 Conceptual Framework

Figure 2.2:

Conceptual Framework

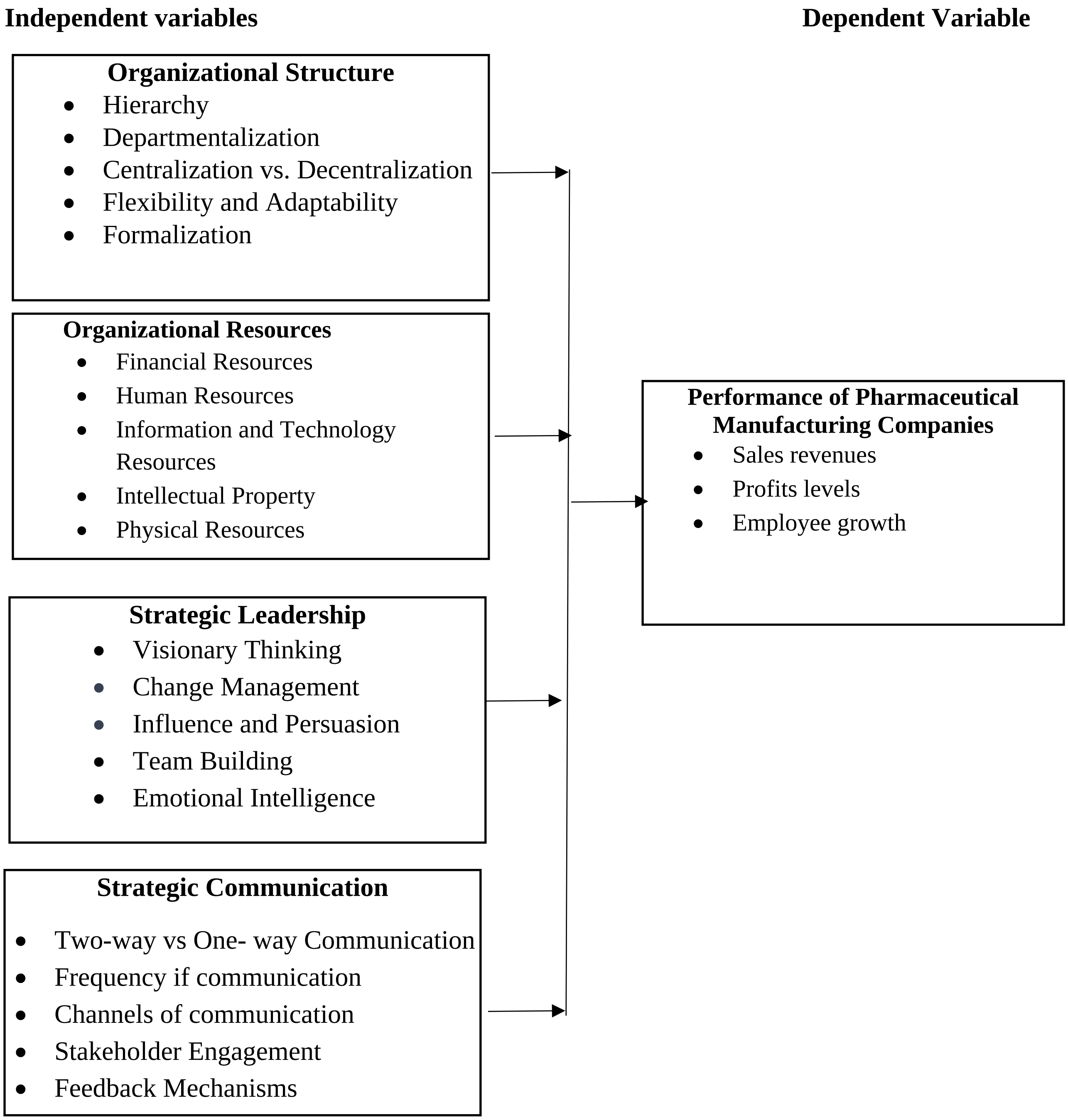
Independent Variables **Dependent Variables**



2.5 Operationalization of Variables

Figure 2.3:

Operational Framework



2.5.1 Organizational Structure

The indicators for organizational structure will be selected based on their relevance to understanding the internal framework and decision-making processes of the organization. For example, Hierarchy will be used to measure the clarity and effectiveness of authority levels and reporting relationships, ensuring that organizational roles are well-defined. Departmentalization will assess the degree to which tasks are organized into specialized functions, reflecting how well different departments coordinate to achieve organizational goals. The choice between Centralization and Decentralization will be evaluated to understand the balance of decision-making power and its impact on responsiveness and managerial control. Flexibility and Adaptability will be measured to gauge the organization's ability to adjust to changes, which is crucial for sustaining competitiveness. Finally, Formalization will be examined to determine the extent of reliance on documented policies and procedures, impacting consistency and adherence to standards. These indicators will be applied in the study to assess how the structure of an organization influences its effectiveness in managing resources and executing strategy.

2.5.2 Organizational Resources

Indicators for organizational resources will be chosen based on their ability to reflect the different types of assets that contribute to organizational success. Financial resources will be measured to understand the availability of capital and its role in supporting operations and strategic initiatives. Human resources will be evaluated to assess the skills, knowledge, and capabilities of the workforce, which are essential for driving innovation and achieving organizational objectives. Information and Technology resources will be selected to gauge the effectiveness of systems and tools that support operational efficiency and data-driven decision-making. Intellectual property will be considered to evaluate the value of patents, trademarks, and proprietary knowledge in maintaining a competitive edge. Physical resources will be assessed to determine the adequacy of tangible assets necessary for production and service delivery. These indicators will be applied in the study to analyze how well an organization utilizes its resources to perform effectively and sustain its competitive advantage.

2.5.3 Strategic Leadership

The indicators for strategic leadership will be selected based on their relevance to assessing leadership qualities that drive long-term success. Visionary thinking will be used to measure the leader’s ability to articulate a compelling future direction and inspire the organization. Change management will be evaluated to assess the leader’s effectiveness in guiding the organization through transitions and ensuring smooth adaptation to new strategies. Influence and Persuasion will be measured to determine how well leaders align team members with organizational goals and garner support for initiatives. Team building will be selected to assess the leader’s ability to create and nurture effective teams that contribute to organizational success. Emotional intelligence will be evaluated to understand how leaders manage their own and others' emotions, fostering a positive work environment. These indicators will be applied in the study to examine how strategic leadership qualities contribute to navigating complex challenges and achieving organizational goals.

2.5.4 Strategic Communication

Indicators for strategic communication will be chosen based on their ability to reflect the effectiveness of information exchange and stakeholder engagement. Two-way vs. One-way communication will be used to assess whether communication is interactive or primarily directive, influencing stakeholder involvement and feedback. Frequency of communication will be evaluated to measure how often communication occurs, which is crucial for maintaining engagement and timely issue resolution. Channels of communication will be selected to gauge the effectiveness of different mediums used to deliver messages, impacting the reach and impact of communication efforts. Stakeholder engagement will be assessed to understand how actively stakeholders are involved in communication and decision-making processes, building trust and collaboration. Feedback mechanisms will be measured to determine the effectiveness of systems that allow stakeholders to provide input and ensure responsive communication. These indicators will be applied in the study to evaluate how well communication efforts are aligned with strategic goals and involve relevant parties in the process.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter presented a research design that was applied in the study, the chapter also presented a target population for the study indicating who the main participants are, the chapter also presented sample size, and the sampling procedure applied to obtain a sample size, the chapter also presented a description of the pilot test to be conducted including a reliability and validity tests, the chapter presented data collection methods and the data analysis techniques.

3.2 Research Design

A research design refers to a game plan or blueprint that guides the researcher in answering important questions about the study or arriving at a plausible solution. There are several research designs including exploratory research design, casual-effect research design, and descriptive research design. The research design was selected because it allows for the observation and objective description of a phenomenon at a single point in time without manipulating variables, providing a comprehensive analysis for both qualitative and quantitative data. According to Hartley (2017) descriptive research design is used to observe and describe the behaviors of a particular phenomenon. Therefore, a descriptive research design is used to portray a picture of a particular situation without manipulating its variables.

In a descriptive research design, a researcher is concerned with gathering data to answer questions on "who", "where", "how", "when" and "what" to present an objective account of the subject. This research design is mainly applied in multiple disciplines including marketing, psychology, education, and social sciences (Parajuli, 2020). The researcher applied the descriptive research design because it achieved the following, it is cross-sectional which implies that it collects data at a single point in time during a given period. Descriptive research design, therefore, studies a subject within a snapshot rather than studying it over a given period. The researcher makes direct observations of the existing data without manipulating the data in the study. The descriptive research design also enables the researcher to collect different types of data and also conduct qualitative and qualitative data analysis.

3.3 Target Population

A target population is a group or specific individual to which the findings of the research was generalized. It also refers to the larger grouping from which a representation is drawn for purposes of making references about the target population (Pedersen, et al., 2020). The unit of analysis in the study was 71 pharmaceutical manufacturing companies in Nairobi County, whereas the unit of analysis was 288 managers of the pharmaceutical manufacturing companies in Nairobi County because of their relevance to the study's focus on industry-specific practices and insights, ensuring that the findings accurately reflect the perspectives of key decision-makers in the sector. The target participants were managers from different areas such as finance and procurement.

Table 3.1:

Target Population

Category	**Population Size**
Procurement Managers	89
Finance Managers	94
Marketing managers	105
Total	**288**

Source: Deloitte Survey (2022)

3.4 Sample Size and Sampling Technique

A sample refers to the number of individuals that are chosen to participate in a study, with similar characteristics as the entire population for purposes of generalizing findings as applicable to the entire population from the observations made regarding the sample size (Tripathi, et al., 2018).

Determination of the appropriate sample size is important because it improves the reliability and the generalizability of the findings of the study. The determination of a sample size depends on several factors including the level of precision desired, and the resources available such as time and budget (Crane, et al., 2017). The sample for the study was 167 managers working at the sampled pharmaceutical manufacturing companies in Nairobi County. On the other hand, sampling procedures or techniques refer to the methods that are used in choosing a sample size from a larger population (Kimbell & Julier, 2019). This study used a stratified sampling method whereby the participants had equal chances to be selected. The study applied the Taro Yamane formula which is a probability and mathematical approach to the determination of the sample size. The choice of the sampling methods were selected because it ensured a representative sample enhancing the reliability and generalizability of the study's findings while providing a systematic approach to sample selection. The formula is given as follows:

$n = N/[1 + N(e^2)]$……… …………………………………………………. Equation (i)

where n is the sample size, N is the target population, and e is the desired sampling error represented as a percentage. Therefore, with a sampling error of 5%, the sample size was determined as follows:

n = 288 / [1 + 288(0.05^2)]

n = 288 / [1 + 288(0.0025)] = 167.44, which can be given as 167 to the nearest whole number. The sample size was distributed as follows:

Table 3.2:

Sample Distribution

Category	Population Size	Ratio	Sample size
Procurement Managers	89	0.309	52
Finance Managers	94	0.326	55
Marketing managers	105	0.365	61
Total	**288**	**1**	**167**

Source: Researcher (2023)

3.5 Data Collection Instruments and Procedures

A research instrument is designed to gather information from the participants so that the researcher get the right answers or achieve the objectives of the study (Lazzarini, 2018). Several research instruments can be used in a study, but the choice of each research instrument depends on the nature of the study. The different available research instrument includes interview schedules, surveys, secondary data collection schedule on existing data sources (secondary data), observational checklists, and questionnaires (Ragab & Arisha, 2017).

The study applied questionnaires, which were administered to respondents to gather data for the study. The questionnaires were selected because they allow for efficient and standardized collection of data from a large number of respondents. Questionnaires collected both quantitative data (close-ended questions with predetermined options) and qualitative data (with open-ended questions to allow the respondents to provide detailed responses). The questionnaire had several parts: the first part collected data on demographic information, the second part of the questionnaire sought to collect data on the organizational structure, the third section collected data on the organizational resources, the fourth part focused on the strategic leadership while the last part got information on the strategic communication while the last section collected data on the dependent variable (performance). Besides, the researcher collected secondary data specifically on the performance variable, such as the net profits of the company and the revenues of the company for a given time frame.

Data collection is a systematic way of collecting of gathering data for a study. The specific procedure used depends on the nature of the study, the research objectives, and the resources available (Kimbell & Julier, 2019). Data collection can involve several ways such as conducting face-to-face interviews, conducting focused group discussions, taking measurements, gathering secondary data through data mining and consolidation, and administering questionnaires or surveys (Parajuli, 2020). The researcher collected data using questionnaires through paper passed questionnaires and online questionnaires whereby 112 questionnaires were administered physically while 55 questionnaires were administered online through google sheets. The researcher first obtained consent from the respondents by presenting both the research authorization letter and the NACOSTI letter. The researcher gave the respondents two weeks to fill out the questionnaires, and after the two weeks, the questionnaires were taken. At the same time the researcher checked online responses to find out if a reasonable response rate had been achieved to the next stage of data analysis.

3.6 Piloting the Research Instrument

This is the process of testing the accuracy of a research instrument and refining it before an actual data collection exercise. It represents an important step in the research process through the identification of any issue that affects the precision and accuracy of the instrument by addressing errors and ambiguities in the instrument to ascertain that it is effective and efficient (Wang, 2023). King and He (2020) recommend for use of a pilot size which is equal to 10% of the sample size as adequate, therefore the study piloted 17 respondents among managers of pharmaceutical manufacturing companies in Nairobi County but their responses were not included in the final findings

A detailed pilot plan was developed, outlining the procedures and methodologies to be tested, complete with a timeline and step-by-step instructions. A small, representative sample from the target population was selected to participate in the pilot, ensuring the sample size was adequate for testing but not as large as the full study sample. Next, all materials needed for the pilot, such as questionnaires was prepared and finalized. The research team was thoroughly trained to ensure they understood the procedures and their respective roles. The pilot test was then conducted according to the planned procedures, with close monitoring to identify any issues or deviations. Data was collected systematically and consistently, using the same methods intended for the full study. The collected data was analyzed to identify trends, issues, and areas for improvement, focusing on both data quality and the data collection process.

Feedback was gathered from participants and research team members through surveys and informal discussions to gain insights. Identifying problems encountered during the pilot test was crucial, and these issues were categorized based on their impact on the study. Necessary adjustments to procedures, materials, and instruments were made based on the findings to address identified issues and improve the study design. Detailed records of the pilot test, including procedures, changes made, and the reasons for those changes, were documented for future reference. Where significant changes were made, a second pilot test was conducted to ensure all issues had been resolved, repeating the pilot testing process with revised procedures. Once the pilot test was deemed successful, the research plan was finalized, integrating all adjustments and improvements into the final study design.

3.6.1 Reliability of the Research Instrument

This refers to its internal consistency and stability in measuring a variable in the study. It assesses the suitability of a research instrument under different conditions and situations. A reliable research instrument can similar findings when administered to the same respondents under similar conditions and settings. To trust a research instrument, it is therefore important for it to yield consistent findings. Unreliable instruments can end up giving wrong findings about a certain subject under investigation. There are different approaches to testing reliability including the test-retest reliability method, split-half reliability, and the internal consistency method (Winter & Aier, 2015).

The study applied internal consistency reliability whereby, the researcher tested the internal consistency among the items in the questionnaire. The researcher applied Cronbach's alpha scale, with higher scores indicating better reliability of the instrument (Aslam & AL-Marshadi, 2018). To improve the reliability of the research, instrument the researcher took the following steps: the researcher ensured that the questionnaire had no ambiguous words, the researcher also gave instructions on how to answer every section of the questionnaire, besides, the researcher trained data collection assistants as well as continuously monitoring data collecting progress in addressing any inconstancies or errors found.

3.6.2 Validity of the Research Instrument

Instrument validity is the ability of a research instrument to accurately capture the construct of interest effectively. Validity is a process in research that ensures quality in the practice of research. There are different ways of testing the validity of a research instrument including content validity/face validity and construct validity (Kermorvant, et al., 2019). The research applied the two methods. Content validity/ face is the level to which the items in a questionnaire represent the individual constructs. It is used to ascertain that the questions given capture all the constructs and domain desires in a questionnaire without leaving out important questions. To ascertain content validity, the researcher sought experts' opinions from the university supervisors and the experts in areas of strategy implementation. The pilot tests helped in ascertaining the content validity of the research instrument.

The study also applied construct validity where the items in the study were subjected to statistical measures such as Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) tests of sampling adequacy. The Bartlett test is conducted to ascertain whether the items of a particular variable have a high relationship or whether they belong to that variable or not (Liu, et al., 2021). The study applied a chi-square (x^2) and p-value at a chosen significance level of 0.05, values below 0.05 indicated that the items were associated/correlated with that variable therefore considering the instrument valid. Besides the KMO tests determined whether the sample was enough for factor analysis. The KMO scale runs between 0 and 1, and values that are close to one indicate a suitable measure of the instrument for further analysis. To improve the validity, the researcher refined the constructs based on feedback from the experts and the findings of the pilot. The researcher conducted thorough literature to identify the constructs that were used by previous researchers in the same area provided they were subject to factor analysis, hypothesis testing, and discriminant validity.

3.7 Data Analysis and Presentation

After the collection of the raw data, the data was cleaned and entered into SPSS 25. The data was analyzed both qualitatively and quantitatively, therefore: content analysis for the open questions was done through thematic analysis of concepts arising from the data collected. On the quantitative data, both descriptive and inferential analyses were mainly used for data analysis. Descriptive analysis involved the calculation of measures of central tendencies (mean, frequency, and percentages) as well as measures of dispersion (standard deviation). The results were presented using narrations and interpretations of the statistical data and the qualitative data. Before inferential analysis, diagnostic tests on the assumptions of multi-linear regression were tested to ascertain the appropriateness of the use of a multi-linear regression model.

3.8. 1 Diagnostic Tests

Among the tests carried out ascertaining that the assumptions of multi-linear regression were not violated were: normality tests, tests for auto-correlation, tests for independence of independent variables, linearity tests, tests for multi-collinearity, and tests for homoscedasticity (Schmidt & Finan, 2018).

3.8.1.1 Tests for Autocorrelation

Auto-correlation becomes a problem where residuals for previous time series data affect the current measurement residuals. The residuals of past measurements should not have a relationship with the errors of the current residuals otherwise there will be a problem in the prediction of the dependent variables (Wang & Chow, 2018). To ascertain whether the no-auto-correlation assumption was violated the study applied the Durbin-Watson scale, a Durbin-Watson scale that runs between 0 and 4, data that dose does not suffer auto-correlation has a Durbin-Watson score of 2, whereas positive auto-correlation is revealed by a Durbin Watson score of more than 2 reveals a negative auto-correlation.

3.8.1.2 Tests for Multi-Collinearity

Multi-Collinearity poses a significant challenge as it suggests that the independent variables are not independent of each other, contrary to the assumption. Since independent variables should ideally be independent, addressing high correlations among them involves the consideration of dropping one or more highly correlated variables (Schmidt & Finan, 2018). To test for the presence of multi-collinearity the study used the value inflation factor (VIF) and the tolerance. Values of VIF that are between 1 and 10 indicate that there is no multi-collinearity problem. Besides, independence tests were also tested through correlation analysis/ Pearson correlation analysis, Pearson values (r) that were too close to 1 such as above 0.8, and are also significant indicating the presence of multi-collinearity were dropped.

3.8.1.3 Tests for Normality

Sample data in multi-linear regression analysis should be obtained from population data that is normally distributed, otherwise, the results in the study would be biased which means it is not a representation of reality (Schmidt & Finan, 2018). To test for normality Kolmogorov-Smirnov tests were applied, with a null hypothesis that the data was normally distributed, where the results of the study revealed a p-value less than 0.05 then the study rejected the null hypothesis and considered the data as normally distributed.

3.8.1.4 Homoscedasticity Test

The assumption for Homoscedasticity postulates that there should be a uniform variation of the residuals among the independent variables, lack of uniformity in the variation of the residuals harms the precision in the prediction of the dependent variable, to test for homoscedasticity the study applied the Breusch-Pagan test, a p-value above 0.05 indicated the presence of homogeneity, with the residuals remaining consistent even as the independent variables changed (Schmidt & Finan, 2018). Through the Bruesch-Pagan tests, the unstandardized variables are regressed against the independent variables, and the significance of the variables (p-values) is observed to explain whether there is a variation of residuals or not. The study also used Levene tests, p-values that were higher than 0.05 were considered to indicate the presence of homogeneity, that is lack of heteroscedasticity.

3.8.1.5 Linearity Test

According to Schmidt and Finan (2018) a multi-linear regression model assumes that the scatter plots of the independent and dependent variables should provide an observable graph of some form of relationship, therefore matrix scatter plots were used for observation of the linear relationship by including a line of best fit between two variables at any given interaction.

3.8.2 Inferential Analysis

After ascertaining that all the assumptions of multilinear regression analysis were ascertained, regression analysis was conducted, and tests of regressions were used to know the nature of the link between the variables. The coefficient of determination (R-square), Analysis of Variance (ANOVA), F-statistics, and the regression coefficients (beta values) was applied at a p-value of 0.05 significance level. The following multi-linear model was applied in the study:

$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \mathcal{E}$……………………………………equation (ii)

With Y as the performance of the Manufacturing Companies in Nairobi County

$\beta_1 \ldots \beta_4$ as the coefficients of the independent variables

X_1…………… X_4 as the four independent variables in the model (organizational structure, Organizational resources, strategic leadership, and strategic communication).

Whereas Ɛ was the error term/residuals in the model.

3.8 Ethical Considerations

The considerations of ethics ensure that the rights, welfare, and dignity of the participants are protected when conducting research. The areas for ethical considerations included: informed consent, privacy and confidentiality, minimization of harm, and acknowledging intellectual property rights. The study informed the participants of the purpose of the study, and the risks, and benefits of participating in the study. The researcher obtained informed consent in a voluntary manner which was also documented. The participants also had the freedom to withdraw from the study voluntarily without negative consequences. The researcher also ensured that the personal information of the respondents was kept confidential anonymously while referencing respondents to protect the identities of the participants.

The researcher also took measures to minimize any potential psychological, physical, or emotional harm to the respondents. The practice ensured a careful design of research procedures to monitor the well-being of the participants. The researcher also stated the potential risks in the study as well as the potential benefits. The researcher should strive to maximize the benefits while minimizing the risks. The researcher also conducted the research with transparency, integrity, and honesty with a high level of accuracy on the results, the researcher did not engage in fabrication and plagiarism. The researcher also obtained all necessary approval for the research including a research permit from the school, and a research license from the NACOSTI that stipulates a guideline on the protection of human rights and protection of data.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presented the findings and the discussions of the study. The findings are presented on the four objectives, to establish the influence of organizational structure, to establish the influence of organizational resources, to assess the influence of strategic communication, and to evaluate the role of strategic leadership on the performance of pharmaceutical firms in Nairobi County, Kenya. Descriptive and inferential analysis are used to present the data for this research.

4.1.1 Response Rate

167 respondents were targeted to collect data for this study, however, the study was able to collect data from 151 respondents, representing a response rate of 90.42%, however, 9.58% of the respondents were not able to participate in the study effectively or were not reachable during the data collection period. A response of 90.42% was realized as a result of consistently reminding the participants to fill the questionnaires and deploying research assistants to pick questionnaires once filled. To realize such a high response, rate the study continuously made constant contact with respondents. However, since a response rate over 100% is not possible, it indicates a counting or allocation error. Out of the 151 responses collected, 95 responses were from the questionnaires that were administered physically representing 84.8%, while online responses were 55 representing 100%. Parajuli (2020) revealed that a response rate of 80% is ideal for data analysis and can be used to generate findings that are a reflection of the entire population.

Table 4.1:

Response Rate

Response	Frequency	Percentage (%)
Questions filled and returned	151	90.42
Unfilled questionnaires	16	9.58
Total	**167**	**100**

Source: Primary Data (2023)

4.1.2 Reliability Statistics

The study was analyzed to establish the reliability of the questionnaire through Cronbach alpha tests. Table 4.2 presents the findings. Results indicated that organizational structure with four indicators had a Cronbach score of 0.786, and organizational resources revealed a Cronbach score of 0.813 with four indicators. Further, strategic leadership had a Cronbach score of 0.868 with six items whereas communication had a Cronbach score of 0.780. Lastly, organization performance revealed a Cronbach score of 0.858 with three indicators. Aslam and AL-Marshadi (2018) concurred that a Cronbach alpha score above 0.7 is an indication that the variable is reliable for actual data analysis.

Table 4.2:

Reliability Statistics

Variable Name	Cronbach's Alpha	N of Items	Decision
Organizational Structure	.786	4	Reliable
Organizational Resources	.813	4	Reliable
Strategic Leadership	.868	6	Reliable
Communication	.780	4	Reliable
Organizational Performance	.858	3	Reliable

Source: Primary Data (2023)

4.1.3 Validity Statistics

The examination of construct validity was carried out using KMO and Bartlett's tests in the study. The findings unveiled a KMO score of 0.750 with a p-value of 0.001 for organizational structure, 0.804 for organizational resources with a p-value of 0.001, 0.861 for strategic leadership with a p-value of 0.001, and 0.777 for strategic communication with a p-value of 0.001. Furthermore, the study showed a KMO score of 0.722 with a p-value of 0.001. All variables exceeded the chosen threshold of 0.7 for KMO scores, indicating adequacy and validity of the samples for further analysis. Additionally, all p-values for the variables were below 0.05, suggesting validity of the constructs for further analysis. These results align with Kermorvant, et al. (2019) assertion that a KMO score above 0.7 signifies sample adequacy for factor or data analysis, while a Bartlett score with a p-value below 0.05 indicates factor generation from variables in factor analysis.

Table 4.3:

KMO and Bartlett's Test

KMO and Bartlett's Test		**Organizational Structure**	**Organizational resources**	**Strategic Leadership**	**Strategic Communication**	**Organizational Performance**
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.750	.804	.861	.777	.722
Bartlett's Test of Sphericity	Approx. Chi-Square	172.153	390.604	390.604	174.089	207.560
	Df	6	15	15	6	3
	Sig.	.000	.000	.000	.000	.000

Source: Primary Data (2023)

4.2 Demographic Statistics

The study conducted demographic statistics to identify the gender, age and academic qualification of the respondents. Mainly the demographic characteristics included the age of the participants, the gender of the participants, and education level. Table 6 showed that males were 69.5%, whereas 30.5% were females. The results also indicated that participants between 40 and 49 years were 52.3%, while those between 30 and 39 years were 25.2% of the participants and finally, 11.3% of the participants represented both participants who were below 30 years of age and above 50 years. Lastly, the table showed the academic qualification of the respondents and indicated that the majority of the participants were bachelor holders as shown by 38.9%, followed by 30.5% of the participants who were postgraduates, followed 21.2% of the participants with a diploma as their highest academic qualifications, with only 9.3% of the respondents being certificate holders. The results suggested that respondents were academically qualified and could understand and effectively participate in the study. The findings suggested that the pharmaceutical companies in Nairobi County are dominated by male workers, however, the proportion on the two third proportion in gender representation at the workplace is gaining momentum. Further, results suggested that employees at the manufacturing pharmaceutical companies in Nairobi County are adults who are also academically qualified to serve in different roles.

Table 4.4:

Demographic Statistics

Gender	**Frequency**	**Percent (%)**
Male	105	69.5
Female	46	30.5
Total	**151**	**100.0**
Age Category	**Frequency**	**Percent (%)**
Below 30 years	17	11.3
Between 30 and 39 years	38	25.2
Between 40 and 49 years	79	52.3
above 50 years	17	11.3
Total	**151**	**100.0**
Academic Qualification	**Frequency**	**Percent (%)**
Certificate and below	14	9.3
Diploma	32	21.2
Bachelors	59	38.9
Postgraduate	46	30.5
Total	**151**	**100.0**

Source: Primary Data (2023)

4. 3 Descriptive Statistics

The study conducted a descriptive analysis to establish the descriptive statistics on the variables (organizational structure, organizational resources, strategic leadership, strategic communication, and organizational performance) through the determination of the frequency, percentage, mean, and standard deviation.

4.3.1 Descriptive Statistics on Organizational Structure

The study applied a five-point Likert scale, where 1-= strongly disagreed and 5= strongly agreed to determine the respondent's attitudes towards the statements on organizational structure. Table 4.5 revealed that participants agreed with the statement, "Our organizational structure clearly defines authority levels and reporting relationships," as indicated by a mean score of 3.58 suggesting a slightly lower agreement with this aspect of organizational structure and a greater variation in responses, as reflected by a standard deviation of 1.185. Participants also agreed with the statement, "We have departments and divisions that have clear roles and responsibilities," as indicated by a mean score of 3.90, indicating strong agreement on this aspect with relatively low variation in responses, as shown by a standard deviation of 1.044. Further, participants agreed with the statement that "Our organization encourages autonomy and empowerment at all levels of management (operational to top management)" as indicated by a mean score of 3.86. In addition, participants agreed with the statement, "Our organization's decision-making process is flexible and allows for timely adjustments," as indicated by a mean score of 3.87. Similar findings were given by, Tanui (2021) examined how corporate structure of 189 financially strained Caribbean organizations for eight years. Results showed that corporate structure affects the value of their assets, with flat organizational structures showing significant and positive influence on the performance of the enterprises. Various components of organizational structures, decision-making structure, level of authority, and decentralized versus centralized decision structures were also highlighted as having different impacts on organizational performance.

Table 4.5:

Descriptive Statistics on Organizational Structure

Indicator on Organizational Structure	SD	D	N	A	SA	Mean	Std. Dev
Our organizational structure clearly defines authority levels and reporting relationships	11 (7.3%)	21 (13.9%)	21 (13.9%)	65 (43.0%)	33 (21.9%)	3.58	1.185
We have departments and divisions that have clear roles and responsibilities	4 (2.6%)	19 (12.6%)	9 (6.0%)	75 (49.7%)	44 (29.1%)	3.90	1.044
Our organization encourages autonomy and empowerment at all levels of management (operational to top management)	6 (4.0%)	18 (11.9%)	10 (6.6%)	74 (49.0%)	43 (28.5%)	3.86	1.083
Our organization's decision-making process is flexible and allows for timely adjustments	6 (4.0%)	16 (10.6%)	11 (7.3%)	77 (51.0%)	41 (27.2%)	3.87	1.056

Source: Primary Data (2023)

Further respondents were asked to show ways through which organizational structure affected decision-making processes in their organization.

The respondents revealed that their pharmaceutical flat organizational structure had streamlined decision-making, which allowed for an efficient decision-making process. Within flat organizational structures, there was close functional and departmental collaboration which encouraged knowledge sharing and innovativeness which enhanced critical decision-making. In addition, within hierarchical organizational structures, there were clear lines of authority and accountability which promoted adherence to the pharmaceutical company standards. However, respondents warned that the hierarchical structures limited innovativeness as a result of centralized decision-making processes.

Besides, respondents were asked to indicate how the current departmentalization for their pharmaceutical companies contributed to collaboration or not.

Respondents revealed that their current collaboration where teams were aligned based on their expertise allowed for a focus on specialized areas. Cross-functional communication was also evident, especially in flat organization structures. However, with firms that had tall organizational structures communication was much more limited which negatively affected innovativeness. Respondents emphasized the importance of striking a balance between specialization and cross-functional cooperation which is crucial in optimizing collaborations. Tanui (2021) agreed that the various components of organizational structures, decision-making structure, level of authority, and decentralized versus centralized decision structures were also highlighted as having different impacts on organizational performance.

4.3.2 Descriptive Statistics on Organizational Resources

The study also established the descriptive statistics on the Organizational Resources, through a five-point Likert scale whereby, 1= strongly disagreed and 5= strongly agreed. Table 4.6 revealed that participants agreed with the statement, "Our organization has enough financial resources to support its operations and strategic initiatives," as indicated by a mean of 3.93, suggesting a slightly lower agreement with this aspect and more variation in responses, as reflected by a standard deviation of 1.099. Further, participants agreed with the statement, "Our organization has skilled and talented employees to meet the organization's objectives," as indicated by a mean of 3.99, indicating strong agreement on this aspect with relatively low variation in responses, as shown by a standard deviation of 1.052. Participants also agreed with the statement, "We have up-to-date information systems and technology which we aligned with the organization's strategy," as indicated by a mean of 3.97. Lastly, participants agreed with the statement, "Our organization pursues different innovations that are unique to achieve a competitive advantage," as indicated by a mean of 3.97. The findings of the study are aligned with that of Albrecht (2018) who examined the impact of organizational resources on the financial performance of Kenyan state businesses. The study revealed that material, human, and immaterial assets had a statistically significant impact on performance.

Table 4.6:

Descriptive Statistics on Organizational Resources

Indicator on Organizational Resources	SD	D	N	A	SA	Mean	Std. Dev
Our organization has enough financial resources to support its operations and strategic initiatives	5 (3.3%)	12 (7.9%)	11 (7.3%)	83 (55.0%)	40 (26.5%)	3.93	0.978
Our organization has skilled and talented employees to meet the organization's objectives	6 (4.0%)	9 (6.0%)	15 (9.9%)	71 (47.0%)	50 (33.1%)	3.99	1.017
We have up-to-date information systems and technology that we align with the organization's strategy	3 (2.0%)	13 (8.6%)	13 (8.6%)	78 (51.7%)	44 (29.1%)	3.97	0.952
Our organization pursues different innovations that are unique to achieve a competitive advantage	6 (4.0%)	11 (7.3%)	13 (8.6%)	71 (47.0%)	50 (33.1%)	3.98	1.036

Source: Primary Data (2023)

Respondents were asked to highlight the importance of employees when it comes to strategy implementation in their pharmaceutical companies.

The respondents revealed that employees play very important functions when it comes to strategy implementation. First, the employees play critical roles in the execution of research and development initiatives in coming up with new drugs and other products that the company deals in. Employees through their commitment to quality and compliance also safeguard the pharmaceutical company's reputation and adherence to the requirements of the regulators.

Besides, employees' alignment with the overall goals of the company fosters a culture of teamwork and flexibility which is important in a company adapting to the market and industrial dynamics. Finally, respondents revealed that the employees' customer-centric approach enables market penetration and customer satisfaction which ultimately enhances the long-term growth, success, and performance of pharmaceutical companies.

The study also sought the respondents to highlight some of the ways through which their pharmaceutical companies mobilized funds for strategy implementation.

The study revealed that pharmaceutical companies in Nairobi County had multiple ways through which they mobilized funds for strategy implementation. First, the respondents noted that they secured loans from commercial banks and other financial institutions, Pharmaceutical companies also relied on revenues generated by their business of selling drugs where reserve funds were invested back in research and development and expansion of the businesses which was aligned with the strategy being implemented.

Further respondents revealed that their pharmaceutical companies also collaborated through strategic partnerships with research institutions and investors who provided capital and other resources for strategic projects and innovations. Respondents also noted that pharmaceutical companies also obtained grants for research and development initiatives from international charity organizations which helped in reducing financial burden during strategy implementation. Finally, respondents revealed that their companies sell their non-core assets to unlock capital which is invested in implementing priority strategies.

Respondents were also asked to indicate ways through which technology had been useful in strategy implementation.

Respondents revealed that technology was crucial in various ways including the discovery of new drugs, where it was applied in research and development to reduce costs and time. Technology was also applied in supply chain management for purposes of availing real-time data and analytics which ensured timely product delivery. Technology is also used by the pharmaceutical companies in Nairobi County to monitor product quality which ensures that the companies are compliant with the stringent regulatory measures therefore ensuring the safety of drugs manufactured. Technology was also applied in creating market access through digital target campaigns online. Lastly, the use of technology-enhanced data analytics in data-driven decisions optimizes resource allocation in strategy implementation.

4.3.3 Descriptive Statistics on Strategic Leadership

This research focused on determining the descriptive statistics on the practices of strategic leadership in the organization using a five-point Likert scale where 1 was strongly disagreed and 5 was strongly agreed. Table 4.7 shows that respondents who agreed that the strategic leaders communicated the organization's vision had a mean of 3.93. This score, along with the identical mean of 3.93 for participants who believed that strategic leaders promote change and adaptability in the firm, indicates a strong agreement, with a standard deviation of 1.021, reflecting moderate variation in responses. On the other hand, the respondents who believed that the leaders were a source of inspiration had the highest mean of 3.95, indicating the strongest agreement among participants, with a relatively low variation in responses, as reflected by a standard deviation of

1.010. The study also revealed that respondents believed leaders are focused on building effective relationships and networks, with a score of 3.85. This score represents the lowest mean, suggesting slightly less agreement and greater variation in responses, with a standard deviation of 1.081. A score of 3.86 revealed that strategic leaders take advantage of the creativity of teamwork to help firms achieve their strategic goals. Lastly, respondents agreed with the statement, "Our strategy leaders have built teams for purposes of knowledge sharing and collaborations" as indicated by a mean of 3.90. Similarly, Kowo (2019) who studied how strategic leadership influences the corporate financial performance of SMEs in Kenya, considered strategic leadership techniques such as determining the business strategy direction, managing the organizational resources inventory successfully, emphasizing corporate culture and professional standards, and balancing comprehensive guidance.

Table 4.7:

Descriptive Statistics on Strategic Leadership

Indicators of Strategic Leadership	**SD**	**D**	**N**	**A**	**SA**	**Mean**	**Std. Dev**
Strategic leaders articulate the vision clearly	3 (2.0%)	15 (9.9%)	18 (11.9%)	68 (45.0%)	47 (31.1%)	3.93	1.004
Strategic leaders inspire employees	5 (3.3%)	9 (6.0%)	14 (9.3%)	84 (55.6%)	39 (25.8%)	3.95	0.944
Strategic leaders promote change and adaptability culture	6 (4.0%)	9 (6.0%)	17 (11.3%)	77 (51.0%)	42 (27.8%)	3.93	0.994
Strategic leaders build relationship networks	9 (6.0%)	13 (8.6%)	17 (11.3%)	65 (43.0%)	47 (31.1%)	3.85	1.136
Leaders take advantage of teams	10 (6.6%)	9 (6.0%)	17 (11.3%)	71 (47.0%)	44 (29.1%)	3.86	1.108
The leaders have built teams for sharing information and collaborations	7 (4.6%)	16 (10.6%)	9 (6.0%)	72 (47.7%)	47 (31.1%)	3.90	1.100

Source: Primary Data (2023)

Respondents were asked to examples through which strategic leadership enhanced the fulfillment of goals in their pharmaceutical manufacturing companies in Nairobi County.

Respondents revealed that through strategic leadership their pharmaceutical companies had been able to expand into new markets for growth. Strategic leaders also enhance an alignment of the company resources with the vision of the company which made the companies enter markets and achieve significant regulatory approvals for revenue growth. The strategic leaders had formulated clear strategic plans that were market-focused and compliant with the industrial and regulatory requirements. Finally, strategic leadership created a global presence of the companies where manufactured drugs were sold outside of Kenya.

Respondents were also asked to indicate how teamwork in their pharmaceutical companies had steered organizational performance.

Respondents revealed that teamwork had played an important role in driving organizational performance in various ways. First respondents noted that through team collaboration efforts their pharmaceutical companies had introduced new technology and streamlined processes to be aligned with the industrial requirements. Teamwork has also enhanced decision-making, enabling pharmaceutical companies to make swift decision-making. Employees of the pharmaceutical companies were more engaged and creative as a result of teamwork which inculcated a culture of continuous improvement. Lastly, teamwork enabled the pharmaceutical manufacturing companies in Nairobi County to navigate the landscape of a dynamic market.

4.3.4 Descriptive Statistics on Strategic Communication

The study conducted a descriptive analysis to determine the statistics on the indicators for strategic communication. To achieve the task the study utilized a Likert scale of 1 to 5, where 1= strongly disagreed and 5= strongly agreed. Table 10 revealed that participants agreed with the statement, “Our organization encourages teamwork and open dialogue among employees,” as indicated by a mean of 3.59, suggesting a slightly lower agreement with this aspect and a higher variation in responses, as reflected by a standard deviation of 1.196. Participants also agreed with the statement, “Our organization encourages regular communication to keep all stakeholders posted on strategy progress,” as indicated by a mean score of 4.01. Additionally, participants agreed with the statement, “Our organization utilizes multiple communication channels which are either formal or non-formal ways,” as indicated by a mean of 3.85. Finally, participants agreed with the statement, “Our organization demonstrates its responsiveness to stakeholders' concerns through effective communication and engagement,” as indicated by a mean of 4.05 showing the strongest agreement among participants, with a relatively low variation in responses, as reflected by a standard deviation of 1.062. Shonubi and Akintaro (2019) research reiterated the findings of this research, whereby they researched communication and performance. The study's major variables included the nature of communication, communication frequency, and clarity in communication as enablers of organizational performance, where they had a great extent influence on strategy success.

Table 4.8:

Descriptive Statistics on Strategic Communication

Indicators on Strategic Communication	SD	D	N	A	SA	Mean	Std. Dev
Our organization encourages teamwork and open dialogue among employees	19 (12.6%)	11 (7.3%)	14 (9.3%)	76 (50.3%)	31 (20.5%)	3.59	1.250
Our organization encourages regular communication to keep all stakeholders posted on strategy progress	4 (2.6%)	13 (8.6%)	13 (8.6%)	69 (45.7%)	52 (34.4%)	4.01	1.010
Our organization utilizes multiple communication channels which are either formal or non-formal ways	4 (2.6%)	15 (9.9%)	19 (12.6%)	74 (49.0%)	39 (25.8%)	3.85	1.003
Our organization demonstrates its responsiveness to stakeholders' concerns through effective communication and engagement	3 (2.0%)	15 (9.9%)	12 (7.9%)	62 (41.1%)	59 (39.1%)	4.05	1.025

Source: Primary Data (2023)

Respondents were asked to give opinions on how communication had facilitated strategy implementation.

Respondents revealed that strategic communication had played crucial functions in the implementation of strategies for the pharmaceutical manufacturing companies in Nairobi County. First strategic communication enabled all the stakeholders to understand the overall goals of the company as well as their roles in the accomplishment of the outcomes. Strategic communication also enhanced transparency and timely feedback for purposes of adjusting. Besides, respondents noted that through strategic communication all stakeholders were able to collaborate through open communication, and knowledge sharing which allowed teams to adapt swiftly to changes in the market. Respondents finally revealed that strategic communication helped in bridging strategy formulation to the successful strategy implementation.

Respondents were asked to give their opinion on what they thought about the channel of communication chosen by their company as to whether it was effective in decision-making and strategy implementation.

Respondents revealed that the choice of a communication channel had a huge impact on the strategy implementation. Through effective communication channels stakeholders were able to receive communication promptly therefore enabling faster decision-making exercise. Through open and clear communication channels team members could openly communicate which enhanced strategy execution as a result of trust created. Finally, regular feedback through the available channels enabled the pharmaceutical companies to adapt to the strategy proposal and therefore implement the strategies more effectively.

Shonubi and Akintaro (2019) agreed with the study findings when they conducted a study on the impact of effective communication on organizational performance. The study's major variables included the nature of communication, communication frequency, and clarity in communication as enablers of organizational performance where they had to a great extent influence on strategy success.

4.3.5 Descriptive Statistics on Organizational Performance

The study conducted a descriptive analysis to establish statistics on the performance of the pharmaceutical firms in Nairobi City County. The respondents agreed with the statement, “Our company has been able to achieve its sales targets consistently,” as shown by a mean of 4.01, indicating a strong agreement among respondents, but with a substantial variation in responses, as reflected by a higher standard deviation. Results also revealed that respondents agreed with the statement, "Our organization optimizes profits while minimizing costs," as shown by a mean of 3.93 suggesting a solid agreement, with a moderate variation in responses. Lastly, respondents agreed with the statement, "Our organization has consistently had employee growth," as shown by a mean of 3.97.

Table 4.9:

Descriptive Statistics on Organizational Performance

Indicators for Organizational Performance	SD	D	N	A	SA	Mean	Std. Deviation
Our company has consistently achieved its sales targets	4 (2.6%)	11 (7.3%)	15 (9.9%)	71 (47.0%)	50 (33.1%)	4.01	0.983
Our organization optimizes profits while minimizing costs	6 (4.0%)	14 (9.3%)	19 (12.6%)	58 (38.4%)	54 (35.8%)	3.93	1.102
Our organization has consistently had employee growth	6 (4.0%)	12 (7.9%)	21 (13.9%)	53 (35.1%)	59 (39.1%)	3.97	1.101

Source: Primary Data (2023)

4.3.6 Descriptive Statistics on Secondary Data

The study sought to determine descriptive statistics on the performance of the 71 pharmaceutical companies in Nairobi County. Results in table 4.10 revealed that the pharmaceutical company with the highest revenue reported a kshs. 2,905,330,991 whereas the one with the lowest revenue reported a kshs. 249,776,601, the average revenue for the pharmaceutical companies. Besides results revealed that the pharmaceutical companies with the highest profit revealed a kshs. 968,443,663.70 Whereas the one with the lowest profit revealed a kshs. 83,258,867.00, on average the company reported a kshs. 514,902,724.6634 profit. Lastly, results revealed that the pharmaceutical company with the highest number of employees had 239 while the one with the least number of employees had 59, on average the pharmaceutical companies in Nairobi County had 160 employees.

Table 4.10:

Statistics on Organizational Performance

Statistics	Sales Revenues	Profits	Number of Employees
N	71	71	71
Mean	1,544,708,173.9718	514,902,724.6634	159.97
Std. Deviation	789607011.12891	263,202,337.04163	53.569
Minimum	249,776,601.00	83,258,867.00	59
Maximum	2,905,330,991.00	968,443,663.70	239

Source: Secondary Data

4.4 Diagnostic Tests

Before conducting inferential analysis, the study conducted diagnostic tests to determine whether the assumptions of the multi-linear regression model had been violated. The tests conducted included multi-collinearity tests, auto-correlation tests, tests for homoscedasticity, linearity, and normality tests.

4.4.1 Multi-collinearity Test

The study conducted Multi-collinearity Tests to ascertain the independence of the independent variables. Multi-collinearity was tested through the value inflation factor (VIF). The scale runs between 1 and 10, values that are above 5 indicate the likelihood of multi-collinearity, whereas values below 5 indicate a lack of multi-collinearity. Results revealed organizational structure had a score of 3.704, organizational resources had a score of 2.368, strategic leadership had a score of 3.489, whereas strategic communication had a score of 3.390

Table 4.11:

Multi-collinearity Tests

Variables	Tolerance	VIF
Organizational structure	.270	3.704
organizational resources	.422	2.368
strategic leadership	.287	3.489
strategic communication	.295	3.390

Source: Primary Data (2023)

Another test conducted to ascertain whether there was multi-collinearity was the correlation analysis between the independent variables. High Pearson scores (*r*) between independent variables which is also statistically significant is an indication of the presence of multi-collinearity. Results in Table 14 revealed an *r* of 0.522 and a p-value of 0.001 between organizational structure and organizational resources which was also significant at 0.001. Organizational structure and Strategic leadership revealed an *r* of 0.614 and a p-value of 0.001 which was also positive and statistically significant. Organizational structure and Strategic communication revealed an *r* of .573 and a p-value of .001.

Organizational resources and Strategic leadership revealed an *r* of 0.822 and a p-value of 0.001which was positive and statistically significant, organizational resources and Strategic communication revealed an r of .524 and a p-value of 0.001 which implied that the two variables had a positive and statistically significant relationship. Strategic leadership and Strategic communication revealed an r of .449 and a p-value of 0.001, which implied that the two variables had a positive and statistically significant relationship. All the Pearson Correlation (*r*) were less than 0.7 which implied that there was no multi-collinearity between the independent variables.

Table 4.12:

Correlations Analysis

		Organizational structure	Organizational resources	Strategic leadership	Strategic communication
Organizational structure	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	151			
organizational resources	Pearson Correlation	.522**	1		
	Sig. (2-tailed)	.000			
	N	151	151		
Strategic leadership	Pearson Correlation	.614**	.822**	1	
	Sig. (2-tailed)	.000	.000		
	N	151	151	151	
Strategic communication	Pearson Correlation	.573**	.524**	.449**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	151	151	151	

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

4.4.2 Test for Autocorrelation

Test for auto-correlation is applied to determine whether the error term is independent for different time measurements. Test for auto-correlation was determined through Durbin Watson score criteria. A value that is close to two indicates there is no serial correlation of the residuals. Results in Table 4.13 revealed a Durbin-Watson score of 2.047 which implied that there was no problem of serial correlation between results.

Table 4.13:

Test for Autocorrelation

Model	Durbin-Watson
1	2.047

4.4.3 Homoscedasticity Tests

Heteroscedasticity was conducted to ascertain that there was no significant change in the residuals as a result of the change in the independent variable. Breusch-Pagan tests were conducted to ascertain whether there was a violation of the uniform change of the residuals across the independent variables by doing a regression analysis where the residual was taken as the dependent variables to test whether there was a significant statistical relationship between residuals and the independent variables a situation which is referred to heteroscedasticity.

Table 4.14, revealed a p-value of .678> 0.05 between Organizational structure and squared residual which suggested that that there was no problem of heteroscedasticity. Organizational resources and squared residuals revealed a p-value of 0.093> 0.05, which implied that there was no problem with heteroscedasticity. Besides, Strategic leadership and residuals revealed a p-value of .786> 0.05, which revealed that there was no significant relationship between the two, therefore confirming that there was no problem of heteroscedasticity. Strategic communication and residuals revealed a p-value of .401> 0.05 which suggested that there was no problem of heteroscedasticity.

Table 4.14:

Homoscedasticity Tests

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.402	.154		2.616	.010
	Organizational structure	.021	.052	.051	.416	.678
	Organizational resources	.114	.067	.252	1.691	.093
	Strategic leadership	.022	.082	.051	.272	.786
	Strategic communication	.082	.097	.069	.841	.401

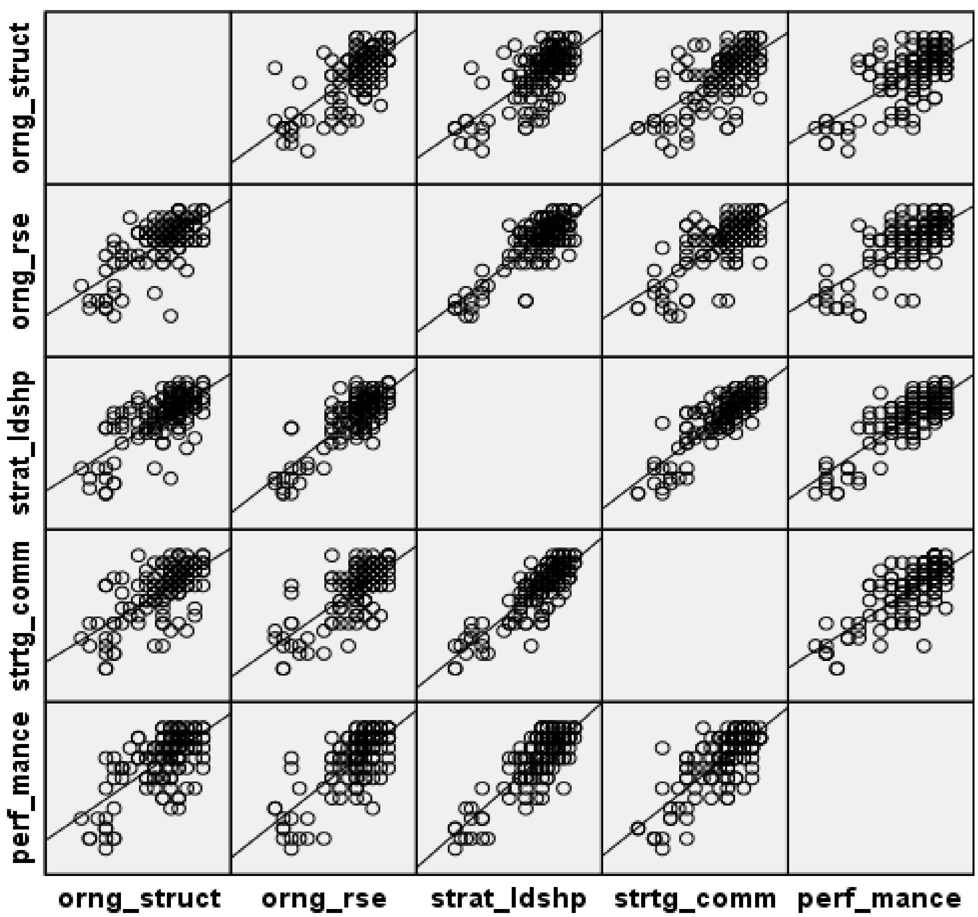
a. Dependent Variable: Squared Residuals

4.4.4 Linearity Tests

Multi-linear regression assumes that there is a significant linear relationship between the independent and the dependent variables which can be observed through the line of best fit across the data showing an inline or decline with either variable as one changes. To test for linearity, the study used a scatter plot matrix. Results from the best line of fit indicate that there was a linear relationship between the dependent and dependent variables.

Figure 4.1:

Linearity Test



4.5 Hypothesis Testing

The research employed multiple linear regression analysis to test hypotheses and explore the connection between independent factors and the dependent variable. Table 4.15 displayed an R-squared value of 0.715, indicating that the organizational structure, resources, strategic leadership, and communication in pharmaceutical companies within Nairobi County could elucidate 71.5% of the performance variations. Conversely, factors beyond the scope of this study accounted for the remaining 28.5% of changes in performance among pharmaceutical manufacturing firms in Nairobi City County.

Table 4.15:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845[a]	.715	.707	.50812

a. Predictors: (Constant), organizational structure, organizational resources, strategic leadership, strategic communication

Table 4.16 on analysis of variance (ANOVA), revealed an F-ratio of 91.390 and p-value of 0.001 which implied that overall the multi-linear regression model with the four independent variables was statistically significant in prediction of the performance of pharmaceutical companies in Nairobi City County.

Table 4.16:

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	94.383	4	23.596	91.390	.000[b]
	Residual	37.695	146	.258		
	Total	**132.078**	**150**			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), organizational structure, organizational resources, strategic leadership, strategic communication

Table 4.17 shows the direction, the strength as well, and whether the relationship between the independent variables was significant.

Table 4.17:

Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	**Std. Error**	**Beta**	**t**	**Sig.**
1 (Constant)	.043	.222		.195	.845
organizational structure	.736	.067	.670	11.004	.000
organizational resources	.855	.066	.726	12.893	.000
strategic leadership	.958	.052	.832	18.303	.000
strategic communication	.861	.059	.767	14.587	.000

a. Dependent Variable: Organizational Performance

Influence of Organizational Structure on the Performance

The findings presented in Table 19 demonstrated a notable relationship between organizational structure and the performance of pharmaceutical manufacturing firms in Nairobi County. Specifically, with a β coefficient of .736 and a p-value of 0.001, the analysis indicated a significant positive influence of organizational structure on company performance. This suggests that the structure of these organizations plays a crucial role in their success within Nairobi City County. This assertion is supported by Tanui (2021) who, in a study focusing on financially strained Caribbean enterprises spanning from 1988 to 1996, found similar conclusions. The research revealed that various organizational structures had distinct impacts on the asset value of listed companies, with flatter organizational structures exhibiting particularly significant and positive effects on enterprise performance.

Influence of Organizational Resources on the Performance

Results from the table showed a strong positive relationship (β = 0.855) with a significant p-value (0.001) between the resources within organizations and the performance of pharmaceutical companies in Nairobi county. This suggests that organizational resources have a noteworthy impact on the companies' performance in the region, given that the p-value is lower than the conventional threshold of 0.05. Albrecht (2018) supported these results in a study focusing on Kenyan state businesses, highlighting a similar link between organizational resources and financial performance. Similarly, Muiruri (2018) observed a significant influence of corporate assets on the profitability of firms listed on the Kenya Securities Exchange, reinforcing the importance of resources in driving financial outcomes.

Influence of Strategic Leadership on the Performance

Results also show a β of .958 and a p-value of 0.001, between strategic leadership and performance. The results implied that strategic leadership had a positive and statistically significant influence on the performance of pharmaceutical companies in Nairobi County because the observed p-value of 0.01 was less than 0. 05. Findings of the study concurred with those of Valiyeva and Thomas (2022) who sought to ascertain how leadership affected an organization's financial performance. of government firms in Korea where the researcher's findings showed that a board of management with extensive knowledge positively impacts the organization's performance because they provide skills and information they have gained throughout their vast experience.

In addition, Kowo (2019) who studied how strategic leadership influences the corporate financial performance of SMEs in Kenya revealed that strategic leadership in Kenya enhances SMEs' financial performance. To achieve good performance, the study advised the effective use of balanced organizational controls.

Influence of Strategic Communication on the Performance

Lastly, results revealed a β of 0.861 and p-value of 0.001 between strategic communication and the performance of pharmaceutical manufacturing companies in Nairobi city county, results simplied that strategic communication had a positive and significant influence on the performance of pharmaceutical companies in Nairobi City County because the observed p-value of 0.01 was less than 0.05.

Heide, et al. (2018) had similar findings when they carried out a study on the relationship between strategic communication practices and the financial performance of a specific manufacturing firm in Malaysia. The study found a positive correlation between effective strategic communication practices and the financial performance of the manufacturing firm. In addition, the study revealed that higher levels of employee engagement and customer satisfaction were significant mediators in the relationship between strategic communication and financial performance.

Strategic leadership had the strongest effect on organizational performance, as indicated by the highest standardized beta coefficient of 0.958. This suggests that strategic leadership has the most significant impact on organizational performance among the variables analyzed implying that leadership practices are critical drivers of success. Organizations should prioritize developing and enhancing strategic leadership capabilities to maximize performance outcomes, as these practices significantly influence the overall direction and effectiveness of the organization.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section presents the findings, conclusions, and recommendations of the research as per the objectives, influence of organizational structure, Influence of organizational resources, influence of strategic communication, and influence of strategic leadership on the performance of manufacturing firms in Nairobi County, Kenya.

5.2 Summary of Findings

5.2.1 Organizational Structure

The study revealed that respondents agreed that the organizational structure defines authority and reporting (mean score: 3.58), and respondents also agreed that there are clear roles and responsibilities within departments (mean score: 3.90). respondents also agreed there was autonomy across management levels (mean score: 3.86) and finally respondents agreed there was a flexible decision-making process (mean score: 3.87). Results also revealed a β of .736 and a p-value of 0.001, between organizational structure and the performance of pharmaceutical manufacturing companies in Nairobi county.

5.2.2 Organizational Resources

Respondents agreed that pharmaceutical companies had strong financial resources (mean 3.93), pharmaceutical companies have skilled employees (mean 3.99), pharmaceutical companies are aligned to technology (mean 3.97), and pharmaceutical companies encourage innovative pursuits to finally support operations and strategic initiatives effectively (mean 3.97). Findings also revealed a β of 0.855 and a p-value of 0.001 between organizational resources and the performance of pharmaceutical manufacturing companies in Nairobi County.

5.2.3 Strategic Leadership

The study also revealed that respondents agreed that, their strategic leaders communicate a compelling vision for the organization (mean score: 3.93), and leaders for pharmaceutical companies inspire their employees for better outcomes (mean score: 3.95). Besides, respondents agreed that strategic leadership in pharmaceutical companies in Nairobi county inculcates a culture of change and adaptability (mean score: 3.93), and strategic leaders can support strategic initiatives (mean score: 3.85). Finally, respondents agreed that strategic leaders foster knowledge sharing and collaboration through team building (mean score: 3.90). Findings revealed a β of .958 and a p-value of 0.001, between strategic leadership and the performance of pharmaceutical manufacturing companies in Nairobi County.

5.2.4 Strategic Communication

In addition, respondents agreed that their pharmaceutical companies promoted teamwork and open dialogue (mean = 3.59), and pharmaceutical companies encouraged regular communication (mean = 4.01). Respondents agreed that they used both formal and informal channels of communication (mean = 3.85). Finally, respondents agreed that the organization is effective to stakeholders' concerns through effective communication (mean = 4.05). Results revealed a β of 0.861 and p-value of 0.001 between strategic communication and the performance of pharmaceutical manufacturing companies in Nairobi City County

5.3 Conclusions of the Study

5.3.1 Organizational Structure

The study concluded that within the organization, employees believe that teamwork and open dialogue are encouraged, and there is a strong emphasis on regular communication to keep stakeholders informed of strategy progress. The utilization of diverse communication channels, whether formal or informal, is also recognized. Additionally, the organization's responsiveness to stakeholder concerns through effective communication and engagement appears to be a strength. These findings underscore the importance of continued emphasis on transparent and open communication within the organization to maintain and enhance its positive communication culture. The study concluded that Organizational Structure had a positive and significant influence on the performance of pharmaceutical manufacturing companies in Nairobi County.

The conclusions of the study align with the Fishbone Model, also known as the Ishikawa diagram, which offers a structured approach to identify and analyze potential factors impacting organizational outcomes because the conclusions demonstrate that pharmaceutical companies in Nairobi City County utilized various elements of strategy implementation, such as resource allocation, leadership effectiveness, process optimization, and employee engagement, which directly relate to the organizational structure. Additionally, inefficient communication channels or hierarchical bottlenecks within the organizational structure might hinder the effective implementation of strategic initiatives. Conversely, a well-designed organizational structure that fosters collaboration, agility, and alignment with strategic objectives significantly enhances the success of strategy implementation efforts, thereby positively influencing organizational performance within the pharmaceutical manufacturing sector.

5.3.2 Organizational Resources

The study concluded that there are financial resources that the pharmaceutical companies have allocated for strategy implementation. In particular, it is important when pharmaceutical companies undertake research and development projects. The ability of pharmaceutical companies to support strategic initiatives implies a foundation for the company to sustain good performance.

The study also concluded that the pharmaceutical companies had hired skilled and talented employees to enhance strategy implementation. In pharmaceutical companies where scientific expertise is key, hiring skilled workers is important in innovations in drug development while ensuring compliance. Investing in human capital development helps ensure the performance of pharmaceutical manufacturing companies.

The study also concluded that the pharmaceutical companies had integrated technology to a great extent, technology is important in data management and the provision of digital health tools. The pharmaceutical companies are leveraging technology to enhance efficiency in the realization of strategy implementation and performance of the pharmaceutical companies. The study concluded that Organizational resources had a positive and significant influence on the performance of pharmaceutical manufacturing companies in Nairobi County. The study conclusions are aligned with the resource-based view theory which postulates that an organization should invest in unique and hard to imitate resources that give a company a competitive edge. Such resources can include unique technologies adapted, competencies of the management, or the financial muscles to enhance organizational performance.

5.3.3 Strategic Leadership

This study found that pharmaceutical firms have invested in their communication strategies enabling them to communicate their visions. These firms use communicate to inspire their employees and achieve better performance. The leader’s ability to inspire the employees shows that strategic leadership in pharmaceutical firms has enabled the firms to create a culture of excellence. This culture is well communicated, thanks to the strategic communication models employed in the firm. The study also noted that the use of strategic leadership in the pharmaceutical firms enables the firms to initiate change and respond to the dynamism in the business environment. Importantly. The study noted that strategic leadership has helped pharmaceutical firms create collaborations and networks that enable organizations to implement their plans. The use of strategic leadership in the pharmaceutical firms has also enabled the firms tp use teamwork to improve the performances of their firms. The results indicate that strategic leadership has a positive and major impact on the performances of the pharmaceutical firms in Nairobi County.

The conclusions of the study on the implementation of strategy in pharmaceutical manufacturing companies provide compelling evidence for the synergy between transformational leadership theory and strategic leadership practices. Transformational leaders, as conceptualized in the theory, are known for articulating a compelling vision and inspiring their followers to achieve it. In pharmaceutical manufacturing, strategic leaders effectively communicated their visions, inspiring their employees to strive for excellence and commitment, as evidenced by improved outcomes. This alignment between transformational leadership and strategic leadership underscores the importance of visionary communication and inspiration in fostering a culture of excellence within organizations. Moreover, strategic leaders demonstrated a proactive approach to organizational change, enabling companies to adapt to dynamic market conditions, a hallmark of transformational leadership's emphasis on innovation and adaptation. Additionally, the study highlights how strategic leaders leveraged collaboration, relationship-building, and teamwork to implement strategic plans effectively, further aligning with the collaborative and team-oriented aspects of transformational leadership. Overall, the study underscores the interconnectedness between transformational leadership theory and strategic leadership practices in driving organizational performance within pharmaceutical manufacturing companies.

5.3.4 Strategic Communication

The study concluded that there were open dialogues between employees which led to increased knowledge sharing, innovation, employee engagement, and a sense of organizational belonging. The study also concluded that strategic communication had resulted in transparency in information sharing among stakeholders who were kept informed about the strategy's progress. Transparency resulted in more trust and also ensured that everyone was informed of the progress of the strategy. The study concluded also that pharmaceutical companies in Nairobi county used multiple channels of communication to ensure that information reached all the stakeholders. The study concluded that Strategic Communication positively affected the performance of the pharmaceutical firms in Nairobi County

5.4 Recommendation of the Study

5.4.1 Organizational Structure

The study recommends that pharmaceutical manufacturing companies strengthen the clarity of reporting lines where the authority and reporting are well defined to eliminate ambiguity in roles and functions which can also prevent miscommunication and conflicts. Pharmaceutical companies also need to periodically review the job description to ensure that there is clear accountability and efficiency in roles. Pharmaceutical companies also need to continue promoting autonomy by empowering managers to make decisions within their lines of authority and expertise to foster responsiveness. Pharmaceutical companies should maintain a flexible decision-making framework that allows for rapid responses to market dynamics and emerging opportunities. Lastly, Pharmaceutical companies should also align the organizational structure with the strategy being implemented to enhance decision-making and execution of plans which will ultimately affect performance positively.

5.4.2 Organizational Resources

The study recommends that pharmaceutical manufacturing companies in Nairobi county leverage financial resources strength by allocating the resources strategically in strategies implementation in research and development, quality assurance, and expansion of the business that enhances their performance. The study also recommends that pharmaceutical manufacturing companies invest in talent acquisition and development by continuously hiring skilled workers, developing their skills, and compensating them for their competencies which will not only result in the retention of highly competent workers but also promote the performance of the pharmaceutical companies. Pharmaceutical companies also need to foster technology integration to stay at the front of technological advancements such as advanced manufacturing processes, data analytics, and technological tools to enhance quality and compliance which ultimately leads to improvement in performance.

Pharmaceutical manufacturing companies also need to inculcate a culture of innovation by availing necessary resources for research and development, establishing dedicated teams for research and innovation, and providing incentives that encourage employees to implement new ideas. Pharmaceutical manufacturing companies in Nairobi county need to collaborate with external partners such as research institutions and technology providers to help bring in new ideas to spur innovation and creativity as well as companies' improvement in performance.

5.4.3 Strategic Leadership

Pharmaceutical manufacturing companies ought to consider investing in leadership development to ensure that there are effective succession strategies in firms. These leadership training models should focus on ensuring that the employees are inspired to achieve the organizational goals. Also, pharmaceutical firms need to ensure that they adopt a culture that facilitates change to cater to the dynamics in the business environment. Importantly, te managers need to communicate effectively whereby they educate the employees on the benefits of flexibility in the workplace. Flexibility will ensure that pharmaceutical firms can adapt to the dynamism in the market while at the same time creating a competitive landscape for firms to succeed.

Strategic leaders in pharmaceutical manufacturing companies also need to encourage knowledge-sharing and collaborations to enhance innovativeness and effectiveness. It is also important for pharmaceutical manufacturing companies to encourage open communication and feedback sharing between the employees and the strategic leaders to help in the finetuning of the strategic approach and ensuring it is aligned with the expectations of employees.

5.4.4 Strategic Communication

Pharmaceutical manufacturing companies in Nairobi County should foster a culture of continuous improvement where employees are allowed to provide their feedback for further improvement. Management of pharmaceutical companies also needs to diversify communication channels where employees can use both formal and informal ways of communication to cater to different categories of stakeholders. Companies also need to explore different forms of technology to remain relevant in the market. Pharmaceutical companies also need to invest in the training and development of employees to ensure that they have the capabilities to engage in open and constructive dialogue to strengthen teamwork and collaboration. Pharmaceutical companies also need to come up with structured stakeholders' engagement platforms to ensure that the needs, preferences, concerns, and interests of all parties are taken care of during strategy implementation which enhances the company's reputation and relationship and ultimately leads to better organizational performance. Pharmaceutical companies also need to establish communication feedback and loops to enhance the measurement of communication effectiveness as well as come up with ways of gathering insights from different stakeholders in real-time for purposes of making adjustments.

5.5 Suggestions for Further Studies

The study recommends a future study to include more variables especially interacting or control variables (moderating and intervening variables). The study's four independent variables could only predict 71.5% of the variations in the performance of pharmaceutical companies in Nairobi County. Other variables that were not included in the study explain the 28.5% of the changes that may influence the performances of the pharmaceutical firms in Nairobi County. Another similar study can also be replicated in other counties in Kenya for purposes of comparing findings generalizing results in the pharmaceutical manufacturing industry and enriching empirical literature.

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APPENDICES

Appendix I: Introduction Letter

My name is Agnes Wanjiru, a master's student at Kenya Methodists University. My Research topic is the I***nfluence of Strategy Implementation on the Performance of Pharmaceutical Manufacturing Companies in Nairobi County***. You have been chosen to participate in this study by providing honest opinions on the questions asked in the attached questionnaire. Please do not hesitate to contact me in case you do not find any questions clear. You are also free to participate or withdraw from participating without any repercussions.

You can contact me through

0722884402

Agnes Wanjiru

Appendix II: Questionnaire

Instructions: Please answer all the questions while ticking appropriately

Section A: Demographic Information

1. Gender Male [ ] Female [ ]

2. Age

Below 30 years	[ ]	Between 30 and 39 years	[ ]
Between 40 and 49 years	[ ]	Above 50 years	[ ]

3. Level of Education

Certificate and below	[ ]	Diploma	[ ]
Bachelor's Degree	[ ]	Post Graduate	[ ]

Section B: Organizational Structure

Please indicate the extent to which you agree with the following statements on the organizational structure using a Likert scale. Where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree

Statement	**1**	**2**	**3**	**4**	**5**
Our organizational structure clearly defines authority levels and reporting relationships					
We have departments and divisions that have clear roles and responsibilities					
Our organization encourages autonomy and empowerment at all levels of management (operational to top management)					
Our organization's decision-making process is flexible and allows for timely adjustments.					

How does your organizational structure in your organization affect decision-making processes?

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How does the current departmentalization for your organization contribute to collaboration or negatively affect collaboration?

…………………………………………………………………………………………….

……………………………………………………………………………………………….

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Section C: Organizational Resources

Please indicate the extent to which you agree with the following statements on organizational resources using a Likert scale. Where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree

Statement	**1**	**2**	**3**	**4**	**5**
Our organization has enough financial resources to support its operations and strategic initiatives					
Our organization has skilled and talented employees to meet the organization's objectives					
We have up-to-date information systems and technology that we align with the organization's strategy					
Our organization pursues different innovations that are unique to achieve a competitive advantage					

What is the importance of employees in strategy implementation in your organization?

……………………………………………………………………………………………….

……………………………………………………………………………………………….

What are some of the ways through which your organization mobilizes funds to support strategy implementation?

……………………………………………………………………………………………….

……………………………………………………………………………………………….

In which ways has the technology been useful in strategy implementation?

……………………………………………………………………………………………….

……………………………………………………………………………………………….

Section D: Strategic Leadership

Please indicate the extent to which you agree with the following statements on Strategic leadership using a Likert scale. Where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree

Statement	**1**	**2**	**3**	**4**	**5**
Strategic leaders articulate the organization’s vision					
Leaders inspire the other employees to achieve better outcomes					

leaders promote change and adaptability culture					
leaders build relationships and networks effectively to gain support for strategic initiatives					
Leaders take advantage on teams' capabilities to achieve set goals					
Leaders facilitate teams to share knowledge and collaborate for better organizational performance					

Can you give an example of how strategic leadership enhanced the fulfillment of goal (s) in your organization?

……………………………………………………………………………………………….

……………………………………………………………………………………………….

In your own opinion, how has teamwork in your organization steered organizational performance?

……………………………………………………………………………………………….

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Section D: Strategic Communication

Please indicate the extent to which you agree with the following statements on Strategic communication using a Likert scale. Where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree

Statement	**1**	**2**	**3**	**4**	**5**
Our organization encourages teamwork and open dialogue among employees					
Our organization encourages regular communication to keep all stakeholders posted on strategy progress					
Our organization utilizes multiple communication channels which are either formal or non-formal ways					
Our organization demonstrates its responsiveness to stakeholders' concerns through effective communication and engagement					

In your opinion how do you think communication has facilitated effective strategy implementation?

……………………………………………………………………………………………….

……………………………………………………………………………………………….

In your opinion do you think the communicating channel chosen by your organization has any effect on the decision-making or strategy implementation?

…………………………………………………………………………………………………….

…………………………………………………………………………………………………….

Section E: Organizational Performance

Please indicate the extent to which you agree with the following statements on Organizational Performance using a Likert scale. Where 1= strongly disagrees, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

Statement	**1**	**2**	**3**	**4**	**5**
Our company has consistently achieved its sales targets					
Our organization optimizes profits while minimizing costs					
Our organization has consistently had employee growth					

Data Collection Schedule

Indicator	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Sales Revenues						
Profits						
Number of Employees						

Appendix III: List of Pharmaceutical Manufacturing Companies in Nairobi County

1. Ace Pharmaceuticals Ltd
2. Alpha Medical Manufacturers – Nairobi
3. Armicon Pharmaceuticals Ltd
4. Autosterile (EA) Ltd
5. Aventis Pasteur SA East Africa – Nairobi
6. Bayer East Africa Limited – Nairobi
7. Beta Healthcare (Shelys Pharmaceuticals) – Nairobi
8. C. Mehta & Co. Ltd
9. Cadila Pharmaceuticals (E.A) Ltd
10. Cosmos Limited – Nairobi
11. Dawa Pharmaceuticals Limited – Nairobi
12. Didy Pharmaceutical – Nairobi
13. Diversey Lever – Nairobi
14. Eli-Lilly (Suisse) SA – Nairobi
15. Elys Chemical Industries Ltd – Nairobi
16. Galaxy Pharmaceuticals Ltd
17. Giant Pharmaceuticals Ltd
18. Glaxo SmithKline – Nairobi
19. GlaxoSmithKline
20. Glen mark Pharmaceuticals Ltd
21. Global Net Medical Ltd
22. Globe Pharmacy Ltd
23. Harley's Limited
24. Healthcare Direct (K) Ltd
25. High Chem East Africa Ltd – Nairobi
26. High Ridge Pharmacy Wholesale Ltd
27. Ivee Aqua EPZ Limited – Athi River
28. KAM Pharmacy (Wholesale) Ltd
29. Kruger Kent Pharmaceuticals
30. Kulal International Ltd
31. Laboratory & Allied Ltd
32. Laborex Kenya Ltd
33. Mac’s Pharmaceutical Ltd – Nairobi
34. Madawa Pharmaceuticals Ltd
35. Manhar Brothers (Kenya) Ltd – Nairobi
36. Maxim Pharmaceuticals Ltd
37. Medicomp Techno Serve Ltd
38. Metro Pharmaceuticals Ltd
39. Modupharma Ltd

40. Monks Medicare Africa Ltd
41. Nairobi Enterprises Ltd
42. Nila Pharmaceuticals Ltd
43. Njimia Pharmaceuticals Ltd
44. Novartis Pharma Services
45. Novartis Rhone Poulenic Ltd – Nairobi
46. Novelty Manufacturers Ltd – Nairobi
47. Omaera Pharmaceuticals Ltd
48. Pan Pharmaceuticals Ltd
49. Pfizer Corp (Agency) – Nairobi
50. Pharmaceutical Manufacturing Co (K) Ltd – Nairobi
51. Pharmaceutical Products Limited – Nairobi
52. Phillips Pharmaceuticals Limited – Nairobi
53. Radiance Pharmaceuticals Ltd
54. Ray Pharmaceuticals Ltd
55. Regal Pharmaceutical Ltd – Nairobi
56. Roche Products Ltd
57. Rup Pharm Ltd
58. Saicare Enterprises Ltd
59. Sanofi Pasteur
60. Simba Pharmaceuticals Ltd
61. Surgilinks Ltd
62. Surgipharm Ltd
63. Syner-Chemie Limited
64. Temple Stores Pharmaceuticals
65. Total hospital sol
66. Transchem Pharmaceuticals Ltd Transchem Kenya
67. Transwide Pharmaceuticals
68. Twokay Chemicals Ltd
69. Unisel Pharma (K) Ltd
70. Universal Pharmaceutical Limited – Nairobi
71. Ken-Bangla Pharmaceuticals Ltd

Appendix IV: Research Authorization Letter

KENYA METHODIST UNIVERSITY
P. O. Box 267 Meru - 60200, Kenya
Tel: 254-064-30301/31229/30367/31171
Fax: 254-64-30162
Email: deanrd@kemu.ac.ke

DIRECTORATE OF POSTGRADUATE STUDIES

August 1, 2023

Commission Secretary
National Commission for Science, Technology and Innovations
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: AGNES WANJIRU (REG. NO. BUS-3-1668-1/2021)

This is to confirm that the above named is a bona fide student of Kenya Methodist University, in the Department of Business Administration, undertaking a Master's Degree in Business Administration. She is conducting research on: "**Influence of Strategic Management Practices on the Performance of Manufacturing Firms in Nairobi County Kenya**".

We confirm that her research proposal has been defended and approved by the University.

In this regard, we are requesting your office to issue a research license to enable her collect data.

Any assistance accorded to her will be highly appreciated.

Yours sincerely,

AUG 2023

Dr. John M. Muchiri (PhD)
Dean, Postgraduate Studies

Cc: Dean SBUE
CoD, Business Administration
Postgraduate Coordinator
Supervisors

Appendix V: Research License

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 526289

Date of Issue: 24/August/2023

RESEARCH LICENSE

This is to Certify that Ms.. Agnes Wanjiru Matunga of Kenya Methodist University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: INFLUENCE OF STRATEGY IMPLEMENTATION ON ORGANIZATIONAL PERFORMANCE OF PHARMACEUTICAL MANUFACTURING COMPANIES IN NAIROBI CITY COUNTY for the period ending : 24/August/2024.

License No: NACOSTI/P/23/28898

526289

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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