INFLUENCE OF STRATEGIC LEADERSHIP ON PERFORMANCE OF PHARMACEUTICAL ORGANIZATIONS IN KENYA

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Abstract

Strategic management universally is applied to improve institutional results. The principles and activities related to strategic management as well as strategy adoption are important and relevant to the public, private and non-governmental institutions across the globe. Pharmaceutical organizations across the world continue to adopt strategic management traditions with an objective of improving their performance. From conducted analyses, there is evidence showing an existence of a strong positive association among strategy implementation and organization performance although the extent to which strategic management contributes to improvement of organizational performance is still a matter of argument because of the varied results which are found in empirical research. Majority of firms' battle with the strategy implementation phase and the effort advanced remains insufficient in attainment of the targeted outcomes. The study's basic idea was to establish the impact by strategic leadership towards the results of Kenyan pharmaceutical organizations. It was the Upper Echelon Theory guiding the study. A descriptive research and correlation research design was employed in the study. The participants targeted was from the 3541 employees working staff across the 30 pharmaceutical organizations. Yamane statistical formula was used to sample 359 respondents. Stratified and simple random samplings were adopted to select the respondents. Measures of mean and standard deviation were applied in indicating central tendency and dispersion respectively, while inferential statistics that included multiple regression and correlation analysis were used. The results for Pearson correlation indicated that leadership has positive influence on organization performance (r=0.308 p=0.00). The impact by Strategic leadership towards the company results was statistically significant-give beta coefficient=0.821, t value= 17.615 and p=0.000 value. The recommendation from the study is that the institutional leadership ought to undertake adoption of effective human resource management plans. Pharmaceutical organizations need to supervise their institutional processes in order to realize improved results and general business success.

Keywords: Strategy Implementation, Strategic Leadership, Organization Performance

1.0 Introduction

Strategy is defined set of activities that an institution establishes in view of a speculated possible development that may resolve a concern derailing the attainment of desired goals (Jofre, 2011). Strategic management activities include the creation, execution and assessment of the critical choices an institution procures in their effort to realize the set goals. Recently, the role and place of strategies has grown significantly globally as a result of integration, technological growth, removal of constraints, the rise of new markets and new economic plans.

According Wheelen and Hunger (2008) to strategy formulation involves an institution undertaking to establish prolonged plans for proper control of the environmental opportunities and risks with regard to their strengths and weaknesses; a process that involves profiling both the vision and mission, attainable goals and establishing policy protocols. Activities around strategy implementation deal with the adoption of developed plans into practical action within the institution through separation of separating short and prolonged goals and incorporating them into the business strategy.

Hills and Jones (2010) indicated that strategy evaluation and control involves comparison between practical results of an institution and the desirable one. The purpose of strategy evaluation is to develop limits that ensure continuous appraisal, assessment and availability of feedback information concerning the adopted strategies to identify if expected outcomes are being attained at the same time observing that corrective interventions are undertaken incase necessary.

Microsoft Inc. United States of America initially identified the great promise of cloud computing in the year 2007 even with the practice still being not common. As a result of their evaluation plans, the company envisioned the growth and utilization of cloud computing being generally immense and financially productive (Hills & Jones, 2010). In the Middle East a case of pharmaceutical findings determined that operational features like utility accessibility, institutional organization, communication, and control and review analysis greatly impacted strategy adoption success.

Eastern Europe and China despite the political turmoil, provides greater business openings as a result of reduced cost of labour and new markets for exploitation. For example, many companies acquire much of their labor from emerging nationals such as Indonesia, India, Mexico or Chile where wage rates are relatively low. Institutional leadership must pay attention to promising openings available in the global world. In the end, the plans the leadership implements impact the institutional results. Key plans ought to have the consideration of internal and external players showing increased demands.

According to Nkozi's (2015) study in South Africa concerning factors affecting strategic plans implementation, the study considered that absence of sufficient monetary ability was the most significant factor impacting strategy adoption, closely followed by poor structural organization that hinders effective adoption of strategy, reduced market analysis, undesirable frameworks and change resistance, in that order. These challenges remain the main obstacles towards strategy implementation. Research studies report adoption of strategy to be increasingly expensive and onerous task compared to strategy adoption.

A Kenyan analysis by Omboi & Mucai (2011), presents that unsuccessful management approaches as a result of the absence of deep thinking and the influence by rewarding plans are insignificant because of the intrinsic nature of motivation demanded by successful employment engagements, in comparison to intrinsic motivation based on governance through rewarding physically as a result of the management overseeing the implementation of major plans by tutors. For an organization to successfully implement its schedules, an evaluation must be undertaken to ensure the availability of alignment of the different major elements of the organization.

Jenatabadi, (2015) defines performance as the process ensuring task completion. As a result, organization performance is how an institution has the ability to productively conduct its roles mutually with the desired goals. Upadhaya, Munir and Blount, (2014), noted that organizational performance as the practical results of an entity indicated against the desired results and outcomes. It is therefore indicated with relation to: productivity and results, efficiency of internal activities, schedules and environmental responsiveness (Williams, 2002). Akinyi, (2012), further advanced that the applications for measuring performance are institution specific.

Organizations measure performance applying various approaches like the approach created by Kaplan and Norton (1993) referred to as the balanced scorecard; that indicates institutional results in monetary and nonmonetary dimensions. The monetary component includes; profitability, returns on investment and sales growth: while the non-monetary component includes; client indications, internal business perspective and growth indicators. A common prevailing role of investment and strategic management principle and analysis remains to be the enhancement of institutional results (Carton & Hofer, 2010).

1.2 Problem Statement

In a dynamic sector like the pharmaceutical industry, strategy implementation phase plays a crucial role in securing business growth. In efforts towards attaining institutional targets and aims, strategy implementation is fundamental as it reinforces institutional performance. So as to enhance institutional performance in evolving and tough pharmaceutical markets, it's crucial to concentrate on effective strategy implementation traditions (Gaya, et. al., 2013), noted that the impact of strategy implementation on an institution with time has gained traction as being relevant in studies and practice. According to Shamila, et. al., (2016) there has been an increased focus on strategy formulation with a reduced focus on strategy implementation.

Numerous organizations still have difficulties in implementing their desired strategies. According to Raps and Kauffman (2015), this is attributed to indecisiveness that contributes to between 10%-30% of the desired strategies. A further argument by Bititci et al (2015) is that most institutions experience staining even before certain advantages are deciphered in the implementation phase of the strategy. A successful adoption is a concern that calls for the leadership to exercise resilience, energy and determinations. Raps and Kauffman, (2015) maintains that the adoption process integrative perspective is critical for efficiency. Awino (2017) maintains that strategy formation and execution must be successful for the sustainability of pharmaceutical firms because they have a significant contribution to a country's economic growth.

Contextually, McNamara (2010) observed that in most organization institutional strategy is not adopted as defined in the strategic plans. In Africa, studies by (Aosa, 2008; Fubara, 2007) many organizations formulated strategies that are never implemented as planned.

This study intended to explore influencers of strategy adoption on the results of Kenyan pharmaceutical companies. Focus being determinants of strategic plan implementation like the strategic communication, strategic leadership, organizational structure, resource allocation.

Therefore, strategy implementation continues to attract the focus of many scholars and investigators. Harrington (2006) conducted a research in Canada aimed at establishing moderating effect of involvement, managerial tactics, as well as firm size towards strategy adoption. In USA, Schaap (2006) undertook an analysis evaluating the contribution by top leadership in Nevada Gaming. Ogunmokum, et. al., (2014) conducted an analysis to evaluate the association among organization performance and adoption of strategy; methodologically the study relied on purposive sampling method not preferred making inferences. Candido and Sergio (2019) explored execution challenges and strategy implementation failure, with their analysis however relying on exclusively secondary data.

In Kenya, research on implementation of strategies include Awino et al.,(2012) exploring the obstacles the sugar sector encounter in the implementation of differentiation strategy; Aosa (2012) analyzing strategy execution and development in private manufacturing companies in Kenya; Awino (2001) studying the Kenyan privately-owned manufacturing firms as well as Awino (2001) exploring the challenges around the adoption of strategy in NHIF; Otienoet.al., (2020) studied accessibility to basic medical services as well as other aspects across town slums within Nairobi, Kenya. From empirical evidence it is evident that there is conflicting findings on the determinants of strategy implementation. Based on this back ground, this study explored the determinants of strategy adoption and the effect towards institutional outcomes among pharmaceutical organizations in Kenya to fill this knowledge gap.

1.3 Purpose of the Research

The study's leading intention was an evaluation of the impact by strategic leadership towards organisation performance of Pharmaceutical Organizations in Kenya.

1.4 Hypotheses of the Study:

The following research hypothesis guided this study:

H_{01}: There exists no major association among strategic leadership and organizational performance among pharmaceutical organizations in Kenya.

2.0 Literature Review

Strategic Leadership on Organisation Performance

The profile of strategic leadership deals with the leadership's ability of an institution to foresee, maintain flexibility and empower the workforce to create key purpose and a viable future of the organization (Kjelin, 2010). Thus, it is the ability of the manager to consistently maintain that motivational desire for the institution's prolonged success. It is important for the leadership to possess the capability to pay attention to the institution's functional roles and equally supervise the factors affecting the firm. These factors have an impact on the presence of the institution going forward and they form the key growth determinants. According to Finkelstein and Hambrick (2012), institutional results greatly depends on the leadership. Investments collapse whenever the management is affected by failures like poor communication down to the lower staff; inability to neutralize threats; misjudgment on the ability control business' external environment; poor separation of individual demands and firm demand; layoffs due to criticism; and reduced attention on the challenges of the yester years

Leadership has a significant contribution to the attainment of goals in any organization. During inception, the management is responsible for the distribution of commodities, the basic functions of the organization and the marketing roles. With the growth of the firm, the leadership pays attention towards establishing a strategic plan and transfers the functional roles to the junior staff. They will recruit a workforce with special expertise to enable effectiveness and better business results. According to Breene and Nunes (2016), in order to record positive numbers, revenues from sales ought to grow through commodity and market diversification.

Leadership can be used as an efficient leadership instrument for reforming an administrative public sector to a highly creative and productive governance, Smith, (2004). Robert and Duncan (2007) observed that strategic leadership promises control and direction to; financial plan, marketing goal, institutional growth plan and labor plan, in reaching for results. Strategic leadership ensures effective decisions making. Guo (2004), advanced that the information channeled through the vision and plan enables people procure better decisions in selection and motivating them rightly, implementing and creating the best procedures and making positive business choices. Further, strategic leadership enhances the energy as a result of championing for something, as well as the limitation of disputes and priorities clash. It also boosts client fulfillment, which is a true indication of value and ensure customer retention and business development. Organization performance significantly depends on the leadership.

Asser, et. al., (2018) studied the impact of a rigorous environmental scan traditions towards the outcomes by the Kenyan profitable state agencies. The review utilized a cross section survey research approach with the target comprising of 55 profit making government parastatals. Outcomes from the research identified that rigorous strategic leadership practices had a major positive impact towards results, translating to the need for government entities to be responsive to rigorous and harsh since it bred some level of market advantage. Conceptually, this study was limited to strategic leadership practices and organizational outcomes. The present study focuses on determinants of strategy implementation and organization performance.

Chedeye (2015) undertook an analysis examining concerns around strategy adoption and Zetech University performance and established that the leadership did not involve workers during the creation of strategic plans leading to poor or reduced adoption, and as a result dismal result. This study therefore sought to establish the manner strategic leadership impacts strategy adoption and organizational performance. Methodologically, this study focused on only one institution that limits generalization of findings. The present study focuses on thirty pharmaceutical supply chain organizations.

Deductions from existing publications are that there are numerous positions from the scholars or investigators who have studied the varied measures of strategy adoption on institutional results. Abok (2015) and Gaya (2013), for example dealt specifically with the monetary factors impacting resources distribution, while Ouma and Kilonzo (2013) concentrated on resources distribution within a department every establishment analyzed presenting an impartial position on the performance. Ndichu (2009) studied on the leadership responsibility as implementers of strategies intended at attaining the desired goals of an institution. It is from these deductions of research gaps that this research intends to identify the determinants of strategy implementation on the organization performance of pharmaceutical organizations in Kenya.

3.0 Research Methodology

A descriptive research and correlation research design guided this study. The study targeted 3541 employees working in 30 pharmaceutical organizations including managerial, operational and functional level. The sample size for this study comprised of 359 respondents. Stratified and simple random sampling technique was adapted to access the study's participants. Close ended questionnaires were the tool used for the collection of data. Analysis of the quantitative data was by descriptive and inferential statistics. The research will be a stepping stone for more studies especially in the field of strategic change management.

4.0 Results and Discussions

Collected data was checked for completeness to ensure that the responses were free from mistakes, omissions or biases. The coded data was analyzed using SPSS and interpreted to formulate narrative generalizations from which conclusions were drawn. Data entry was done for a total of 308 questionnaires obtained from the respondents. Data analysis followed using both descriptive and inferential statistics.

Descriptive Statistics

The participants had to state their satisfaction with the statements with regard to organizational performance.

Table 1: Descriptive Statistics for Organization Performance

	N	Mean	Std. Deviation
Efficiency is always satisfactory in our organization	308	3.45	1.15
Return on Investment always influence performance in our organization	308	4.36	.48
Right source enable us to have quality product	308	4.18	1.33
Finances are available for suppliers payment in our organization	308	3.45	1.15
The annual strategic plan is generally implemented in our organization	308	3.63	1.30
Aggregated mean and standard deviation		**3.81**	**1.08**

Source: Research Data (2021)

From the presentation in table 1 above, the indication is that most of those scoring the highest mean= 4.36 and SD= 0.48 affirmed that return on investment always influence performance in our organization. Following next was those affirming that the Right source enable us to have quality product at a mean= 4.18 and a SD=1.33. The annual strategic plan is generally implemented in our organization mean (3.63) and a SD=1.30. additionally, the study's participants affirmed that efficiency is always satisfactory in our organization at a mean=3.45 and a SD=1.15, same as to efficiency is always satisfactory in our organization at a mean of (3.45) and a standard debviation of (1.15).

Table 2: Influence of Strategic Leadership and Organization Performance

	N	Mean	Standard deviation
Organizations' leadership shows ability to direct and ensure control along the strategy adoption phase	308	3.69	.60
There is the involvement of junior staff during decision making as the adoption of strategy	308	2.09	1.16
There exists positive relation among the top leadership and junior staff that enhances the adoption of plans	308	3.45	1.07
There exist positive relations within the senior management ranks that enhances the adoption of plans	308	4.45	.89
The organizations leadership is competent	308	4.00	.95
Aggregated mean and standard deviation		**3.53**	**0.93**

Source: Research Data (2021)

Strategic leadership continues to be recognized as an aspect influencing the business results of pharmarceutical organizations. The study sought to this fact. participants had to indicate their responses on a likert scale of 1-5 where: 5= Strongly Agree; 4= Agree; 3= Undicided; 2=

Disgree; 1=Strongly Disagree. Based on findings from table 2, the indication is that most scoring the highest mean=4.45, and a SD=0.89 affirmed that there exist positive relations within the senior management ranks that enhances the adoption of plans.

Following next was that the institution's leadership has competency at a mean=4.00, and a SD=0.95. Futher more resopndents agreed that organizations' leadership is able to provide direction and control during strategy implementation (M=3.69, SD=0.60), and There exists positive relation among the top leadership and junior staff that enhances the adoption of plans (M=3.45,SD= 1.07). Lower level employees are involved in decision making and strategy implementation (M=2.09,SD=1.16).

This finding agrees with Kjelin (2010) organizational experts use strategic leadership to keep flexibility, predict as well as to generate strategic change to ensure future success of an organization. In this regard leadership capability reinvents organizational motives. An organizational leader should be able to discern deficiencies in organization's operational activities as well as monitor external and internal changes in the organization. These organizational variations define the future of an organization. Leadership is therefore a determinant of an organizations' performance (Finkelstein &Hambrick, 2012).

Leadership can be used as an efficient leadership instrument for reforming an administrative public sector to a highly creative and productive governance, Smith, (2004). Robert and Duncan (2007) observed that strategic leadership promises control and direction to; financial plan, marketing goal, institutional growth plan and labor plan, in reaching for results. Strategic leadership ensures effective decisions making. (Guo, 2004), advanced that the information channeled through vision and plan enables people procure better decisions in selection and motivating them rightly, implementing and creating the best procedures and making positive business choices. Further, strategic leadership enhances the energy as a result of championing for something, as well as the limitation of disputes and priorities clash. It also boosts client fulfillment, which is a true indication of value and ensure customer retention and business development.

Organization performance significantly depends on the leadership. Investments collapse whenever the management is affected by failures like poor communication down to the lower staff; inability to neutralize threats; misjudgment on the ability control business' external environment; poor separation of individual demands and firm demand; layoffs due to criticism; and reduced attention on the challenges of the yester years.

Inferential Statistics

Table 3: Correlation Analysis

		PERF	SRLE
PERF	Pearson Correlation	1	.710**
	Sig. (2-tailed)		.000
	N	308	308
SRLE	Pearson Correlation	.710**	1
	Sig. (2-tailed)	.000	
	N	308	308

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

The correlation coefficient (r = 0.308, p (0.000) <0.5. The implication is that a strong positive association exists among strategic leadership and organizational results. This implies that strategic leadership influence organization performance.

Regression Analysis

Simple Linear regression test was applied in determining the predictive power of strategic leadership and organization performance.

Table 4: Model Summary

.Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.710[a]	.503	.502	.51318

a. Predictors: (Constant), Strategic Leadership

R Square of 0.411 implying that strategic leadership determines 41.1% variation in organization performance. Further analysis indicated ANOVA result of P-value of 0.00<0.05 implying that strategic leadership is a significant predictor of organization performance.

Table 5: Significance of the Regression Model

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	81.712	1	81.712	310.274	.000[b]
	Residual	80.586	306	.263		
	Total	162.298	307			

a. Dependent Variable: Organization Performance

b. Predictor: Strategic Leadership

The probability value of $p<0.00$ translates to a significance of the regression relationship in the prediction of the manner strategic leadership influence organization performance.

The investigator additionally endeavored to identify the level at which introduction of strategic leadership practices influences organization performance.

Table 6: Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		**B**	**Std. Error**	**Beta**	**T**	**Sig.**
1	(Constant)	.915	.167		5.465	.000
	Strategic Leadership	.821	.047	.710	17.615	.000

a. Dependent Variable: Strategic Leadership

Results show that it was observed that holding strategic leadership to a constant zero; organization performance would be at 0.915. Thus, a unit increase in strategic leadership would lead to increase organization performance by 0.821 units.

5.0 Conclusions

It can therefore be concluded that leadership has a significant contribution in the attainment of goals in any organization. During inception, the management is responsible for the distribution of commodities, the basic functions of the organization and the marketing roles. With the growth of the firm, the leadership pays attention towards establishing a strategic plan and transfers the functional roles to the junior staff. They will recruit a workforce with special expertise to enable effectiveness and better business results, in order to record positive numbers, revenues from sales ought to grow through commodity and market diversification. The study concludes that during strategy implementation leadership should embrace effective communication, organization communication as well as setting organizational vision.

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