RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURE AND PERFORMANCE OF PHARMACEUTICAL MANUFACTURING FIRMS IN KENYA

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ABSTRACT

There is a growing interest among scholars in strategic management on the need to establish performance measures of pharmaceutical manufacturing firms. The purpose of the study was to assess the relationship between organizational structure and Performance of Pharmaceutical Manufacturing firms in Kenya. The findings of this study are valuable to the managers of the Pharmaceutical manufacturing sector, researchers and academicians in providing knowledge on organizational structure implementation on firm performance especially in the context of developing economies. The research used descriptive survey design. Data collected was both qualitative and quantitative. The target population comprised of managers in all the 19 Pharmaceutical manufacturing firms listed by the Pharmaceutical Society of Kenya (PSK, 2016). Judgmental sampling technique was used to determine the sample size. A sample of 209 was selected. This included one manager from each department who was identified as being directly related to organizational structure implementation. 19 firms and 209 managers formed the sample size. The researcher used questionnaires to collect data. Once data was collected, it was coded and analyzed using SPSS version 21 where multiple regression was used to show the relationship between independent and dependent variables of the study. The findings of the study revealed that company processes that are structured well have a direct influence on strategy implementation.

Key Words: Organizational Structure, Reputation, Performance of Pharmaceutical Manufacturing Firms in Kenya
INTRODUCTION
The sustainability of firms in the business environment is measured in terms of their performances (Sorooshian, 2010). To many organizations, performance provides a competitive advantage that is necessary in both short-term and long-term (Mahoney, 2012). Though many studies have viewed firm performance as the proficiency and end results in relation to production capacity and activities of the firm, which is associated with financial aspects, the concept of firm performance goes beyond financial aspects only. Huynh and Tran (2013) stated that firm performance include non-financial measures such as market share, quality of product and services offered by the firm and firm branding which has the capacity to attract and retain both employees and consumers in the market.

Current business environment require firms to be flexible and reliable with efficient knowledge of resource utilization (Pearce & Robinson, 2009). Strategy implementation requires firms to put effective structures in place that must work towards enhancing their performance. They further explained that implementation of any strategy adopted in the firm must be addressed from the point of its formulation, and the resources gathered and put in place to support such strategies. It requires coordination and monitoring activities that ultimately lead successful implementation and achievement of end results in the firm (Pearce & Robinson, 2009).

Gekonge (2009) also argued that successful strategy implementation is important for any firm in the market, be it private or public entities. Firms that do not consider implementation as a unique process of strategic management that require enough input to fail or exit the market at a tender age. This is because even with superior strategies, implementation is the hardest part that needs to be continuously addressed in all stages of the process. Lares-Mankki (2014) also asserted that for many firms, implementation as a strategic might seem easy and fast to handle, however, that is not always the case. Top management must provide strategic leadership initiatives that promote the concept of strategy implementation in order to enhance the performance of their firms.

Robbins and Coulter (2012) indicated that the growth of any organization is essential in determining its future performance. Effective and efficient utilization of resources leads to high performance and minimization of wastages that arises from under-utilization. Organizational performance is the concept of how well a company has met its objectives in the market over a given period of time, normally on annual basis. For some times now, financial statements have been the most viewed tools when checking for firm performance. Additionally, other tools have been proposed to measure performance from the strategic management perspective which is not limited to balanced score-card approach that specifically addresses financial aspects, consumers, innovation level, growth of assets and internal mechanisms (Mukherjee, 2014).

The pharmaceutical industry is one of the players in the health sector of any country across the globe. The industry has invested so much in R&D with hope of contributing effectively to the growth of the global economy. Over the years, it was estimated most in 2012, the sector invested over 30,000 million euros in R&D majorly in Europe. Also, the sector provided employment opportunities for over 700,000 people (Mukherjee, 2014). The pharmaceuticals sales industry saw growth of 41% in North America more than in Europe which had approximately 28% in total sales. Data from IMS established that 62% of the new medicine products launched around 2007 to 2011 period in the United States (US) market unlike in European market which had around 18%.

The first national drug policy enacted in Kenya at around 1994 failed to achieve its major objectives due to lack of implementation techniques as a result of unconducive legal framework from the government and the pharmaceutical body. From this point, it can be seen that policy and strategic implementation is key to growing any sector of which, if there is lack of, can lead to lack of prioritization and continuous increase of externalities which hinder the growth of pharmaceutical industry. Also, a lot of challenges has been recorded in the sector ranging from fake contraband drugs to fake practitioners around which has effect on the sales growth of the industry (KNPP, 2010).
Kenyan pharmaceutical industry is majorly owned by manufacturers, distributors and retailers. All these players contribute effectively in ensuring that there is efficient pharmaceutical products in the country which do not have negative effect to the lives of the people. According to Pharmacy & Poisonous Board (2013), Kenya is considered one of the largest manufacturers of pharmaceutical products in Africa as it supplies over 50% of the products in the region. The Common Market for Eastern and Southern Africa (COMESA) has approximately 50 registered manufacturers of pharmaceutical products with 19 believed to be based in the Kenyan market (Pharmacy & Poisonous Board, 2013).

Statement of the Problem
Implementation of strategies across the firms in the continent as well as across the globe is believed to be dynamic and quite challenging within strategic management concept in all the industries (Sorooshian, 2010; Dublin, 2015). The pharmaceutical industry is one of the major players in the Health Sector of any country hence need much attention. In Europe and other developed countries, pharmaceutical industry has experienced expansive growth leading adoption and implementation of various technologies and R&D leading to high driven performance (Castelli, 2011).

A study by Teo (2012) also explained that there is need to increase pharmaceutical sales in Chinese market. African pharmaceutical industry also faces many challenges when it comes to strategy implementation. These ranges from ethical values, production practices, high capital intensive and skilled manpower (UNIDO, 2015). Theoretical studies on strategy implementation and empirical evidence focusing on successful implementation of various strategies in relation to performance of pharmaceutical industries have mostly been undertaken in developed nations, and their findings can be noted that strategy implementation is given more attention as the major contributor (Okumus, 2001; Aldehayanat & Twaiissi, 2011; Q, 2010; Amrule, 2013).

There are many studies in the manufacturing industry (Dublin, 2015; Mwangi, 2015; Simonetti, 2016; Ageron, 2013; Ashkin, 2014). However, most of these studies deal with information and communication technology (Mwangi, 2015), others on supply and chain management and marketing (Ageron et al., 2013; Ashkin, 2014). Though there exist studies done in Kenya on strategy implementation and pharmaceutical sectors in Kenya such as Ireri (2013), the study addressed the management factors. The growing interest on strategy implementation and performance in the country has drawn much interest from strategic policy makers as well as all key stakeholders in the industry (Mbeyeh, 2012), hence the need to study this area.

This ensuring study therefore took to account for organizational structure and reputation that seem to be important factor in pharmaceutical industry. While other studies may have been carried in some developed nations (KNPP, 2010), a gap still existed that this study could fill in the Kenyan pharmaceutical market. To bridge this gap and provide empirical evidence, this study assessed the relationship between organizational structure and the performance of pharmaceutical manufacturing firms in Kenya.

Objectives of the Study
The objective of the study was to assess the relationship organizational structure and performance of pharmaceutical manufacturing firms in Kenya. The specific objectives were:

- To find out the relationship between organizational structure and performance of pharmaceutical manufacturing firms in Kenya.
- To analyze the influence of reputation as a moderating factor on the relationship between organizational structure and performance of pharmaceutical manufacturing firms in Kenya.

Research Hypothesis
- There is no significant relationship between organizational structure and performance of pharmaceutical manufacturing firms in Kenya.
There is no significant relationship on reputation as a moderating factor between strategy implementation and performance of pharmaceutical manufacturing firms in Kenya.

LITERATURE REVIEW

Theoretical Review McKinsey’s 7-S Model
The people behind this model were Tom Peters and Robert Waterman around 1980s, when they were still working at the McKinsey and Company Consulting Firm. According to them, the successful of every organization depends on its ability to align its seven organs to its vision. These 7-s can either be soft or hard and revolves around employees and projects of the firm (Barnat, 2012). The hard side of the model stresses on the side of charts of the organizations, reporting tools and strategy statements which are very essential in implementation process. (Barnat, 2012).

The soft side of the model is viewed as the most dynamic and challenging to describe since they are less tangible and easily affected by organizational culture, but still needed for strategy implementation process (Sial, Usman, Zufiqar, Satti & Khurheed, 2013). They comprise of skills and manpower, proficiency of employees, leadership styles and ethical standards developed in the firm. These aspects are very important for the successful and faster strategy implementation process with the aim of improving performance of the firm. The model was shown in figure 1.

Figure 1: McKinsey 7-S Model

Firms have strategy that help them to oversee their functions and to gain competitive advantage in the market. Plans and steps taken by firms in the market with the sole focusing of enhancing performance are referred to as strategies which also involves environmental assessments (Waterman et al., 1980). The second phase of the model stresses on structure of the organization. These structures are the way organizations are designed to operate from the top to the bottom and to the extent of which section reports to who in order to improve strategy implementation. The third part comprise of systems that organizations put in place to help in strategy formulation and implementation (Dwallow, 2012). They can be R&D, technology as well as innovative skills relevance for ensuring the organization as a system unit work together. These are the hard parts of the model (Lares-Mankki, 2014).

In the soft element of the model, there is organization values. Values are beliefs which guides and direct all employees towards working in the same direction with the same goal and vision. They incorporate organizational cultures ranging from dressing code and ethical standards in the firm. The second element is style which is majorly associated with leadership and management. Firms should therefore have strategic leadership styles and initiatives that support strategy implementation. Staffs are employees in the firm who are tasked with the responsibility of utilizing organization resources efficiently. They must develop necessary skills which supports innovation in the firm. The level of strategy implementation and its effect on performance
therefore depends on how organizations utilize and apply this model (Otiso, 2013).

Implementation of strategies in every organization is one of the challenges that organizations face. Most strategies fail at the implementation face after formulation due to a lot of resources, manpower skills and time that is need to ensure that implementation process is success (Olson et al., 2013). This theory relates to the study by emphasizing on the most important element, referred to as hard or soft capable of assisting organizations in enhancing their performance. As a result, the theory provide organizations with essential areas that it need to address through strategy statement, skills, employees among others which make it easy for implementation process (Kamanda, 2009).

The 7-S model can be used in a wide variety of situations where an alignment perspective is useful, for example, in the Pharmaceutical industry, managers may use it where there is need to improve the performance of a company, examine the likely effects of future changes within a company, align departments and processes during a merger or acquisition and to determine how best to implement a proposed strategy. This could also be in line with technology innovation systems that all Pharmaceutical manufacturing companies should have to be able to implement strategies in ensuring effective performance. This theory emphasized on the way Pharmaceutical manufacturing organizations should realign their organizational structure, skills and leadership strategy to be able to implement strategies that enhance performance.

Conceptual Framework

![Conceptual Framework Diagram](image)

**Independent Variable**
- Organizational structure
  - Effective coordination
  - Division of tasks
  - Structure flexibility
  - Hierarchical levels
  - Decentralization

**Moderating Variable**
- Firm’s Reputational
  - Product reputation
  - Reputation among stakeholders
  - Branding
  - Public view of company

**Dependent Variable**
- Firm’s performance
  - Productivity
  - Sales growth
  - Profits growth
  - Customer retention
  - Employee Retention
  - Return on assets

Figure 2: Conceptual Framework
Source: Author (2019)

Organizational Structure and Firm Performance

A study by Dwallow (2012) emphasized that for a strategy to successfully be implemented in the organization, some important aspects must be taken into consideration and they are structure in the organization, leadership initiatives and the culture of the organization. Most people view structure as simply the structure that represents the top to bottom management view of the firm. However, in the current business environment, that is not the case. Structure is seen as the people form part of the human capital resources, organizational processes, systems put in place and technology related elements which are all guided by the organizational ethical values and ethics in order to link strategy implementation and organization mission and vision to improve performance.

Lare-Mankki (2014) also noted that change of strategies in the organization require change of structures in order to create conducive environment for strategy implementation process. Kouzes and Posner (2010) in their study findings established that strategy and structure in the organization work together. If the structure in the organization does not favor or support implementation of strategy process, there is high likelihood that such strategies adopted in the firm will fail to yield the fruits of performance in the firm. It will act as a stumbling block for realization of organizational sustainability leading to low performance both financially and non-
Anyango (2008) and Olson et al., (2013) argued that that design of management adopted by each firm depends on its structures to implement various strategies. There is need for integration among employees as well as between strategy implementation and organization structure in order to improve organization performance both in the long run and short run. Therefore according to them, strategy is seen as introduction of new concepts in the organization which cannot be achieved without slight change in processes and systems of the organizations as well as the structures with the aim of enhancing future performance.

**Firm Performance**

Measuring firm performance has drawn much attention in the recent years due to various criteria put in place and proposed by different scholars. Some scholars such as Robbins and Coulter (2012) proposed various measures that has been adopted in different studies in explaining firm performance. Profitability has been the most and widely used concept of firm performance through return on asset (ROA) and return on equity (ROE). ROA is a profitability ratio that looks at how firms maximize sales sales from the available assets. ROE looks at the rate of equity that investors will get after investing their capital in the firm. Management therefore has the responsibility to ensure that investors’ equity is used of assets that has high return to the company (Gekonge, 2009).

**Empirical Evidence**

Anyango (2008) investigated the relationship between strategy and structure as independent variables and firm performance as dependent variable. In her findings of the study, she indicated that these two, strategy and structure in the organization, could lead to improved firm performance due their ability to incorporate effective organizational systems across the firm from top to bottom management level. Also, the study indicated in most cases, the firm structure could determine the level of strategies adopted by the firm, whether first and 2nd adopters. Good structures in the firm provide room for consultation among employees of all levels making decision making easy in all clusters of firm structures in the firm leading to strategy implementation which improves firm performance.

Olson et al., (2013) and Kombo, Obonyo and Ooko (2013) also did a study on implementation of strategies and firm performance. The study aimed to provide the importance of strategy implementation in the firm by looking at the need for planning and designing in strategic management in order to improve performance through having strong firm systems. From their findings, they illustrated that strategy implementation is a very difficult process in the organization since implementing firm activities may take time if there is no initial planning and the kind of system designs that will facilitate strategy implementation process in the firm.

Kihara, Bwisa and Kihor (2016) did a study on the relationship between firm structures and performance of manufacturing SMEs during strategy implementation in the firm. The study used CEOs as the target population due to their vast knowledge in implementation of strategies in the firm. The results obtained in the study showed that there is need for CEOs and SMEs owners to re-adjust their structures and always match them to the requirements of the new strategy being implemented in the firm. There is also requirement for formalization in relation to having good procedures, policies and guidelines which should be applied by all the management level in the firm so as to enhance firm performance (Muthiani & Wanjau, 2012).

Pertusa-Otega (2008) analyzed the influence of internal factors of firm structures on their performance in the Spanish market. The study used partial least squares (PLS) to analyze data from different sectors with formative dimensions as independent variables and firm performance as dependent variable of the study. According to the study results obtained during analysis, high differentiation provide firms with ability to implement new strategies so as to remain market leaders which improves their performance. Also, cost leadership should be applied by all firms in order to improve their performance (Garcia de los Salmones, Herrero & Rodriguez del Bosque, 2005).
METHODOLOGY
The study adopted survey research design. The target population for the study was the Pharmaceutical Manufacturing firms listed by the pharmaceutical society of Kenya (PSK, 2017) which were 19 in number with approximately 2000 employees in the sector. Since the study used primary data, the instrument for data collection was questionnaires. Questionnaires were self-administered. Quantitative data collected was analyzed by calculating response rate with descriptive statistics such as mean, median, standard deviation and proportions using Statistical Package for Social Sciences (SPSS) version 17 and Microsoft Excel.

RESULTS

Table 1: Organizational Structure

<table>
<thead>
<tr>
<th>Organization Structure</th>
<th>SD % (n)</th>
<th>D % (n)</th>
<th>N % (n)</th>
<th>A % (n)</th>
<th>SA % (n)</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structured processes to enhance strategy implementation</td>
<td>2.9</td>
<td>25.7</td>
<td>0.7</td>
<td>12.1</td>
<td>58.6</td>
<td>4.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Easy to understand and implement tasks are given</td>
<td>13.6</td>
<td>17.1</td>
<td>0 (0)</td>
<td>27.1</td>
<td>42.1</td>
<td>3.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Simple allowing achievement of tasks</td>
<td>12.1</td>
<td>18.6</td>
<td>0.7</td>
<td>30</td>
<td>38.6</td>
<td>3.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Structure allows free flow of critical information</td>
<td>10</td>
<td>22.1</td>
<td>2.1</td>
<td>36.4</td>
<td>29.3</td>
<td>3.5</td>
<td>1.4</td>
</tr>
<tr>
<td>Allows flexibility in development and achievement of strategic goals</td>
<td>14.3</td>
<td>15.7</td>
<td>0.7</td>
<td>29.3</td>
<td>40</td>
<td>3.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Good knowledge of departmental strategic goals by staff</td>
<td>14.3</td>
<td>16.4</td>
<td>3.6</td>
<td>31.4</td>
<td>34.3</td>
<td>3.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Strategic goals cascade to all levels influencing overall achievement</td>
<td>15</td>
<td>17.1</td>
<td>0.7</td>
<td>30</td>
<td>37.1</td>
<td>3.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Subordinates are empowered to act towards achieving strategic goals</td>
<td>18.6</td>
<td>13.6</td>
<td>1.4</td>
<td>27.1</td>
<td>39.3</td>
<td>3.6</td>
<td>1.6</td>
</tr>
<tr>
<td>SD: Strongly disagree, D-Disagree, N-Neutral, A-Agree; SA-Strongly agree, SD-Standard deviation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Correlation analysis between organizational structure and performance of pharmaceutical manufacturing industry in Kenya
The correlation between organization structure and the performance of the pharmaceutical manufacturing industry in Kenya was as presented in table 2. The Pearson correlation results indicated that there is correlation between all items testing organization culture and the industry performance.

Table 2: Correlation between organizational structure and performance of the industry

<table>
<thead>
<tr>
<th>Organization performance</th>
<th>Pearson correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>structured processes to enhance strategy implementation</td>
<td>.602**</td>
</tr>
<tr>
<td>Easy to understand and implement tasks are given</td>
<td>.640**</td>
</tr>
<tr>
<td>Simple allowing achievement of tasks</td>
<td>.626**</td>
</tr>
<tr>
<td>Structure allows free flow of critical information</td>
<td>.626**</td>
</tr>
<tr>
<td>Allows flexibility in development and achievement of strategic goals</td>
<td>.657**</td>
</tr>
<tr>
<td>Good knowledge of departmental strategic goals by staff</td>
<td>.630**</td>
</tr>
<tr>
<td>Strategic goals cascade to all levels influencing overall achievement</td>
<td>.675**</td>
</tr>
<tr>
<td>Subordinates are empowered to act towards achieving strategic goals</td>
<td>.648**</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
**Bivariate regression of organizational structure and organization performance**

The regression results showed a coefficient of 0.686 between firm performance and organizational structure with a P value of 0.000. The critical P value was 0.05 which was greater than 0.000 and therefore the study rejected the null hypothesis. This means that a better organization culture would improve the firms’ performance. The results were shown on table 3.

**Table 3: Regression of organizational structure and organization performance Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.003</td>
<td>.062</td>
<td>.050</td>
<td>.960</td>
</tr>
<tr>
<td>1</td>
<td>Org. Structure 1</td>
<td>.686</td>
<td>.062</td>
<td>.687</td>
</tr>
</tbody>
</table>

a. Dependent Variable: performance

**Descriptive statistics**

This study wanted to know the employees’ rating of the performance of pharmaceutical manufacturing firms in Nairobi County. The study found out that 82 percent of the respondents agreed that their company had retained most of its employees in the last 5 years. On the other hand, 18 percent of the respondents said that their companies had not retained most of their employees in the last 5 years. The study also inquired on whether the Company management was highly satisfied by returns on assets last 5 years. 82 percent of the respondents agreed while 18 percent disagreed. More so, 77.7 percent of the respondents agreed that their organizations Customer base had increased over last 5 years while 17.3 percent were of the contrary opinion. The company had increased production significantly over last 5 years. This was agreed by 77.7 percent of the respondents while 19.4 percent did not agree. 2.9 percent of the respondents did not neither agree nor disagree. Of the total respondents, 79.8 percent agreed that efficiency in internal work process had improved due to strategy implementation while 18.7 percent did not agree. Only 1.4 percent was indifferent. Lastly, 79.1 percent of the respondents agreed that in general strategy implementation had enhanced performance of the company in the last 5 years. However, 19.4 percent was of the opinion that in general strategy implementation has not enhanced performance of the company in the last 5 years. 1.4 percent did neither agree nor disagree. The descriptive statistics were shown in table 4.

**Table 4: Organizational performance indicators**

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>M</th>
<th>SDV</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company has retained most of its employees in the last 5 years</td>
<td>0.7</td>
<td>17.3</td>
<td>0 (0)</td>
<td>15.1</td>
<td>66.9</td>
<td>4.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Company management is highly satisfied by returns on assets last 5 years</td>
<td>11.5</td>
<td>6.5 (9)</td>
<td>0 (0)</td>
<td>33.8</td>
<td>48.2</td>
<td>4.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Customer base has increased over last 5 years</td>
<td>10.1</td>
<td>7.2</td>
<td>2.9</td>
<td>44.6</td>
<td>33.1</td>
<td>3.8</td>
<td>1.2</td>
</tr>
<tr>
<td>The company has increased production significantly over last 5 years</td>
<td>7.2</td>
<td>12.2</td>
<td>2.9</td>
<td>44.6</td>
<td>33.1</td>
<td>3.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Efficiency in internal work process has improved due to strategy implementation</td>
<td>10.8</td>
<td>7.9</td>
<td>1.4</td>
<td>37.4</td>
<td>42.4</td>
<td>3.9</td>
<td>1.3</td>
</tr>
<tr>
<td>In general strategy implementation has enhanced performance of the company in the last 5 years</td>
<td>12.2</td>
<td>7.2</td>
<td>1.4</td>
<td>33.1</td>
<td>46</td>
<td>3.9</td>
<td>1.4</td>
</tr>
</tbody>
</table>

A firm’s structure is an important dynamic capability that influences the strategy implementation efforts of the firm and leads to superior performance. The success of an organization does not only depend on how well and quickly a firm adapts a structure that fits the environmental changes but also how well a firm’s
The three main dimensions along which organizations tend to follow in their structural adaptation efforts are formalization, centralization and specialization. The formalization refers to the degree in which the firm has official policies, rules, regulations, and procedures. A business firm may have a formal structure, but may choose to operate informally. Centralization is the degree to which decisions are made at the top of the organization while specialization is the degree to which jobs are narrowly defined to a particular unique expertise.

CONCLUSION
The findings in this study revealed that company processes that are structured well have a direct influence on strategy implementation. Those companies were found to ensure that the tasks given to teams are easy to understand and implement. The management was also found to allow for flexibility in the development and achievement of strategic goals. In addition, strategic goals cascade to all levels and this influences achievement of goals. These findings confirms the works of Alfred Chandler who contended that an organization structure must follow her strategy for better performance, Burns and Stalker who observed that firms will adopt a structure in relation to the environment they are operating in. This implies that managers should frequently revise and adjust their structural configurations in relation to the environmental changes or adapt structures that support strategy implementation. The staff also testified that they are empowered to act towards the attainment of their strategic goals. Thisassisted their organizations to achieve better performance.

RECOMMENDATIONS
Attention should be paid to the adequacy of a range of financial, knowledge, human and technical resources available to pharmaceutical manufacturing firms as well as to establishing a functional delivery structure and developing senior management commitment to the same. Strategies should then be developed to enhance assets and manage potential barriers.

Manufacturing pharmaceutical firms must adopt specific measures in terms of reputation management. This would further lead to improved firm’s performance. These measures include: proper branding, advertising, proper service delivery, quality and significantly reduce the price of the drugs while still maintain quality. Unique innovations such as MyDawa launched in 2017, a revolutionary e-health solution into the Kenyan market makes it possible for consumers to purchase high quality healthcare, fitness and wellness products on their mobile phones by offering customers the confidence of purchasing quality medicine in a reliable, convenient and secure way.

Areas for Further Research
The study was designed to determine how organizational structure and reputation affects firm’s performance of Pharmaceutical manufacturing companies in Kenya.

Whereas the study confined itself to organizational structure and reputation findings have revealed the importance of this factors as being significantly influencing the success of strategy implementation among pharmaceutical manufacturing companies in Kenya. Further study on the determinants of strategy implementation in in pharmaceutical manufacturing companies on Kenya may thus be carried out. The study confined itself to the pharmaceutical manufacturing industries operating in Kenya, and the findings should not be generalized to other sectors as a result of the uniqueness of pharmaceutical industry. It was therefore recommended that the study is replicated in other sectors within the pharmaceutical business including distributors, wholesalers and pharmacy retailer’s outlets to get further insight on practices within the pharmaceutical industry.
REFERENCES


