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

Munga, J. W., Juma, D., & Njeru, A.
ABSTRACT

Performance is a very broad concept and entails both financial and non-financial measures. The purpose of this study was to assess the relationship between organizational culture and Performance of Pharmaceutical Manufacturing firms in Kenya. The specific objectives of the study were to determine the relationship between organizational structure, reputation and firm’s performance. The findings of this study were valuable to the managers of the Pharmaceutical manufacturing sector, researchers and academicians in providing knowledge on organizational culture 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). A sample of 209 was selected. This included one manager from each department who was identified as being directly related to strategy implementation. 19 firms and 209 mangers 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 regressions was used to show the relationship between independent and dependent variables of the study.

Key Words: Organizational Culture, Reputation, Performance of Pharmaceutical Manufacturing Firms in Kenya

INTRODUCTION

The challenge that faces many firms in the business is how to adopt effective strategy implementation technique that will enhance their performance (Barnat, 2012). Strategy implementation is one of the strategic management concepts that require much input from top management in the organization. It is the most difficult and most challenging strategic management process that if not done according to the objective and vision of the firm, can affect its performance either in the short run or long run (Kim, 2016). Also, strategy implementation as the second step in strategic management process after strategy formulation is quite dynamic due to continuous technological development (Sage, 2015; Kibicho, 2015).

One advantage of successful implementation of any strategy in the firm in relation to its performance is the proper functioning and collecting responsibility of the management during hard economics. According to Awino (2013), organizations gain competitive advantage through effective strategy implementation. With increase in consumer demand and technology that has led to awareness among consumers, companies are finding it hard to convince their consumers to consume their products (Sial et al., 2013). To overcome such challenge, strategy implementation must not be an option but should be part of the organization policy (Okwachi, Gakure & Ragui, 2013).

Remaining competitive in the business require firms to position themselves according. Market leadership is one the areas that companies tend to achieve. However, it is only possible with proper strategy implementation practices put in place in the company. There are various forces that may deter growth and strategy implementation. Having innovative employees provide employees with a skilled manpower that has enough capacity and ability to undertake research and development (R&D) in the organization. This together with adoption of modern technologies in the business can increase strategy implementation process which has effect in increasing organization performance.

The performance of pharmaceutical sector in Kenya has seen increase in demand for strategic planning and implementation which most focus on strategies needed to accomplish their goals and objectives. Increased competition in the market has forced firms to strive market leadership which require high performance. Pharmaceutical firms have increased their operational scale through formulation and implementation of strategies which has seen mergers and acquisition (M&A) strategies over the years (Kim, 2016).

One of the factor that has seen rise and growth of the pharmaceutical sectors in the global market is its ability to adopt and implement various innovation strategies that encourages R&D. Research driven companies are one of the most performing sectors in the world due to their effectiveness in implementing needed objectives to achieve their performances (Chakrabarti, 2014). With modern technology, pharmaceutical companies’ implementation becomes their core functions across the business structure which is necessarily in enhancing their growth.

African pharmaceutical industries face many challenges in strategy implementation. These include challenges in upgrading of manufacturing facilities and production practices which comprise of the high intensive capital requirements, need for skilled manpower with expertise in pharmaceutical products (UNIDO, 2015). Three regional pharmaceutical manufacturers association (PMA) joined hands in 2012 to form Federation of African Pharmaceutical Manufacturers Association (FAPMA) which represent the industry in the continent. The aim of this body was to oversee successful implementation and growth of the sector to provide effective pharmaceutical products that has positive impact into the health of African people.
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; Aldehayyat & Twaisi, 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 (Mbayeh, 2012), hence the need to study this area.

This ensuring study therefore took to account for organizational culture and reputation that seem to be important factors in pharmaceutical industry and had not been covered by the previous studies. While such 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 culture and the performance of pharmaceutical manufacturing firms in Kenya.

Objectives of the Study

The objective of the study was to assess the relationship between organizational culture and performance of pharmaceutical manufacturing firms in Kenya. The specific objectives were:-

- To examine the relationship between organizational culture and performance of pharmaceutical manufacturing firms in Kenya.
- To analyze to the influence of reputation as a moderating factor on the relationship between strategy implementation and performance of pharmaceutical manufacturing firms in Kenya.

Research Hypothesis

- There is no significant relationship between organizational culture 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

Eight (8)-S Models by Higgins

This model was developed by Higgins in 2005. According to him, organizational performance
revolves around certain factors in the organization which the top leadership must align with objectives in order to realize improved performance. They viewed important factors in the firm as leadership initiatives bring about by leadership styles, organization strategic systems and processes, organizational structures, employees, organization resources and values which defines the current of the strategy that the firm opt to implement (Higgins, 2005).

According to Him, Higgins (2005), it is important that our organizations should be pointing in the same direction to achieve performance. Under strategy and purpose as the first aspect, the theory suggest that it is at this initial stage that management of each company should put affirmative actions that supports the implementation process. This involves environmental scanning and assessment in order to identify if there could be any threat, opportunities, strength and weakness of the organization and developing ways to improve it. The purpose involves the mission which in any organization, incorporates the intent vision, focus mission and strategic change management that need to be done.

According to Higgins (2005), structures in the organization are of different types and they can be either jobs, authority that employees have on those roles or jobs, control that management have, coordination and logical grouping of these jobs. It is the role of the management to introduce various strategic initiatives that align organizational structures to business objectives in order to ensure smooth implementation process of every strategy in the organization. Also, structures allow easy division of duties and allocation of tasks which provide employees with a conducive environment to perform their tasks with due diligent (De Wit & Meyer, 2003).

Effective systems and processes contribute effectively and efficiently to the resource utilization. Having quality systems improve performance through tracking down all the jobs done, pending and various functions to be done in the future. Systems and process in the organizations creates procedures and guidelines that employees use in the organization on a daily basis to perform their duties. It has impact on the implementation of a strategy since it creates for growth and innovation which creates culture of high performance in the firm (Hitt, Ireland & Hoskisson, 2009). Leadership style is also another important aspect which is necessary to ensure that there is sufficient oversight role in implementation process.

Employees have the responsibility to ensure that organizations strive to achieve its objective in the market which is basically high performance. Though people view organization with resources as the most competitive ones, Higgins (2005) showed that staff and resources are all important factors in the organization. As a result staff with high competence level will always use their skills efficient to ensure that there is sufficient utilization of resources (Waterman et al, 1980). Resources can easily be turned into capital which can allow the firm to implement some of the most capital intensive strategies. All these strategies are possible if the organization has strong shared values which bind all employees in the organization from the top management to the lower level management.

This theory was very significant in explaining the relationship between strategy implementation and firm’s performance since it brings out various important considerations that firms must take in place or consider. Strategies are easy to implement if the firm has strategy systems and structures which are modern and can be used efficiently to enhance performance. Strategy implementation also require firms to have strong shared values which guides employees at all times in the firm making it easy for strategic policy makers to formulate and implement various components of strategies be it innovation in the firm.

In the present study Higgins’s Eight S Model is deemed to enable Pharmaceutical firms
management to more effectively and efficiently manage the cross functional execution of strategies. The Model pins down that those Pharmaceutical firm executives who are successful spend a great deal of their time on strategy execution. They believe and realize that execution of strategy is as important and crucial as its formulation. As opined by Higgins, much of strategy execution in the Pharmaceutical industry revolves around aligning key organizational functions/factors within the present study have been taken to be Leadership strategy and Competence, Corporate Culture and Innovation.

However with frequently occurring changes in the Pharmaceutical industry, strategies are reshaped more often as compared to the past, making the alignment process a bigger challenge. As such, Pharmaceutical executives must align the cross functional organizational factors which include organizational structural changes, organizational leadership, organizational culture, firm’s company reputation and innovation with the new strategy so that the strategy opted can succeed. All these factors tinted above in the Eight S model are vital for successful strategy implementation in the Pharmaceutical industry.

Figure 1: Higgins’ 7-S model
Source: Higgins (2005); Journal of strategic management

Conceptual Framework

Organizational culture
- Core values
- Beliefs and attitudes
- Shared belief system

Firm’s Reputation
- Product reputation
- Reputation among stakeholders
- Branding
- Public view of company

Independent Variable
Moderating Variable
Dependent Variable

Figure 2: Conceptual Framework
Source: Author (2019)

Organizational Culture and Firm Performance

Culture in the organization can be viewed from the point of external environment, internal environment as well as other mechanisms such as the impact of leaders in the organization. All the three directly influence culture which also has impact on whether strategy implementation can be achieved or not in the organization. Koke (2013) in his study suggested that organizations that have
Effective culture, involves all employees from top to bottom management in decision making. This is because junior employees are believed to be the one handling technical decisions and roles which has major impact on organizational performance hence the need to involve them in order to achieve strategic implementation.

Effective organizational culture supports integration in the company which creates a good communication channel which supports feedback in the company. Ansoff (2009) explained that decision making is a very complex process which can determine the success or failure of the implementation of any strategy in the firm. Each and every component should be given high attention since all of them matters, employees and resources as well as the system which can shows the extent of culture in the organization. Employee participation should be encouraged across the board. This creates room for thinkers and doers to give their opinion leading to high performance.

According to Harris (2009), culture creates flexibility and strong co-integration which helps in improving firm performance through strategy implementation by directing organizational resources to organizational objectives, missions and vision. Setting organizational goals and plans prior to strategy implementation creates a friendly organizational culture which brings employees together enhances growth in all dimensions of the firm (Otiso, 2013). Policies enacted in the firm therefore must work hand in hand and promote organizational culture with a clear vision of enhancing effective strategy implementation to achieve organizational 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 have 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 sale 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).

Performance of an organization can also be explained from the non-financial aspect of a firm (Dublin, 2015). Employee satisfaction is one way to measure firm performance in strategic management perspective. Together with employee productivity, employees work better when they feel satisfied in the firm through salary reward and other financial and non-financial benefits such as job promotions. In relation to pharmaceutical industry, market share and revenues generated from sales are the key indicators of firm performance (Avinandann, 2014).

Enhancing firm performance in pharmaceutical industry require strategies in place that can provide sustainability and competitive advantage. Most firms in the industry have adopted various strategies such as product strategy, process and market innovation strategy due to market liberalization (Kibicho, 2015). However, these firms stiff challenges in implementing these strategies which has resulted to decrease in firm performance. According to the report by Johnson (2004), on average 66% of firm’s strategies fail at the initial stage. Kamanda (2009) further argued that performance in the organization will only be realized by the level of coordination put in the firm among employees’ and formulating easy and understandable actions that are easy to implement in the firm, giving employees room for adjustments with aim of improving the common goal of strategy implementation in the firm leading to firm performance (Carter & Pucko, 2010, Sage, 2015).
Empirical Evidence
Sentuya (2013) and Merhabi et al., (2013) investigated the influence of level of authority delegation on firm performance with specific reference to leaders’ participative role and behavior. The study focused on the data obtained from the banking sector with different specifications applied to estimate the effect of authority delegation and firm performance characteristics. From the study findings, there was a positive results which showed that increased authority delegation provide high performance in the company. Also, the study determined that there is a significant positive association between leaders’ participative role and firm performance.

According to a study by Klein (2011) on organization culture’s value as a resource tool for competitive edge of the firm in attaining high performance, the study demonstrated that the culture of the organization could determine the selection of strategic implementation process and perceptions in the firm. The external environment was considered effective hence the need for the management to perform internal and external analysis which improves firm culture leading to high performance. Ahmadi (2012), Dauber, Fink and Yolles (2012) also found that culture of the firm has a positive influence in strategy implementation process (Bhatti, Singh & Singh, 2015).

METHODODOLOGY
The study adopted survey research design. Corbetta (2003) describes survey research design as a technique of gathering information by questioning those individuals who are the object of the research and belonging to a representative sample, through a standardized questioning procedure with the aim of studying the relationship among the variables. It is a presentation of the plan, the structure and strategy of investigation, which seeks to obtain or answer various questions Mugenda and Mugenda (2003). 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
Effect of organizational culture on performance of pharmaceutical manufacturing industry in Kenya

Reliability and variable correlations tests
Reliability test analysis was carried out to test if the questions asked and responses were reliable in explaining leadership strategy. The Cronbach’s Alpha results was 0.970 which was greater than 0.7. This implied that the questionnaire was sufficient and would be reliable. The results also implied that if the alpha was to be deleted all the items would be retained. The reliability test and items correlation results were presented below. The reliability test indicated that the variable was reliable in explaining the dependent variable. This was confirmed by the correlation results which were above 0.7 for all items hence were all meaningful in explaining organizational culture.

<table>
<thead>
<tr>
<th>Table 1: Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>.970</td>
</tr>
</tbody>
</table>
## Item-Total Statistics

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Scale Mean if Item Deleted</th>
<th>Scale Variance if Item Deleted</th>
<th>Corrected Item-Total Correlation</th>
<th>Squared Multiple Correlation</th>
<th>Cronbach’s Alpha if Item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal needs and goals are prioritized</td>
<td>17.9286</td>
<td>46.585</td>
<td>.925</td>
<td>.868</td>
<td>.963</td>
</tr>
<tr>
<td>There is a high gender disparity in the organization</td>
<td>18.2571</td>
<td>44.034</td>
<td>.919</td>
<td>.855</td>
<td>.963</td>
</tr>
<tr>
<td>Employees and management easily embrace change</td>
<td>18.1857</td>
<td>47.476</td>
<td>.877</td>
<td>.780</td>
<td>.967</td>
</tr>
<tr>
<td>Subordinates are allowed to influence organizational decisions</td>
<td>18.2214</td>
<td>47.051</td>
<td>.893</td>
<td>.816</td>
<td>.966</td>
</tr>
<tr>
<td>There is employee stability enhancement</td>
<td>18.2571</td>
<td>44.955</td>
<td>.910</td>
<td>.849</td>
<td>.964</td>
</tr>
<tr>
<td>Organization strive to ensure the working environment is fun and lively</td>
<td>18.3286</td>
<td>44.697</td>
<td>.906</td>
<td>.836</td>
<td>.964</td>
</tr>
</tbody>
</table>

### Descriptive Statistic results

This objective was to analyze the effect of organizational culture on the performance of pharmaceutical manufacturing industry in Kenya. Descriptive Statistic results were presented in Table 2 and discussed as follows. The study showed that 69.3% of the respondents agreed that personal needs and goals were prioritized, but on the contrary, 30.7% disagree. From this study, 67% of the respondents agreed that there is a high gender disparity in the organization, while 31.5% disagree. These statistics can be confirmed by the gender of the respondents in this study where 70% of the respondents were men, leaving the other 30% to be women. Also from the responses, 65.7% of the respondents were in agreement that employees and management easily embrace change; however, 30% disagree. It was noted that 66.4% of the respondents agreed that subordinates were allowed to influence organizational decisions; 32.8% disagree. On whether there was employee stability enhancement, 68.8% of the respondents agreed, while 30.7% were of the contrary opinion. Of the total respondents, 67.2% agreed that the organization strives to ensure the working environment is fun and lively; while 32.9% disagreed.

### Table 2: Organizational culture

<table>
<thead>
<tr>
<th>Item Description</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal needs and goals are prioritized</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
<td>SA</td>
<td>Mean</td>
<td>SD</td>
</tr>
<tr>
<td></td>
<td>% (n)</td>
<td>% (n)</td>
<td>% (n)</td>
<td>% (n)</td>
<td>% (n)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal needs and goals are prioritized</td>
<td>1.4 (2)</td>
<td>29.3 (41)</td>
<td>0 (0)</td>
<td>15.7 (22)</td>
<td>53.6 (75)</td>
<td>3.9</td>
<td>1.4</td>
</tr>
<tr>
<td>There is a high gender disparity in the organization</td>
<td>17.9 (25)</td>
<td>13.6 (19)</td>
<td>3.6 (5)</td>
<td>22.9 (32)</td>
<td>42.1 (59)</td>
<td>3.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Employees and management easily embrace change</td>
<td>6.4 (9)</td>
<td>23.6 (33)</td>
<td>4.3 (6)</td>
<td>30 (42)</td>
<td>35.7 (50)</td>
<td>3.7</td>
<td>1.3</td>
</tr>
<tr>
<td>Subordinates are allowed to influence organizational decisions</td>
<td>6.4 (9)</td>
<td>26.4 (37)</td>
<td>0.7 (1)</td>
<td>32.1 (45)</td>
<td>34.3 (48)</td>
<td>3.6</td>
<td>1.4</td>
</tr>
<tr>
<td>There is employee stability enhancement</td>
<td>16.4 (23)</td>
<td>14.3 (20)</td>
<td>0.7 (1)</td>
<td>32.1 (45)</td>
<td>36.4 (51)</td>
<td>3.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Organization strive to ensure the working environment is fun and lively</td>
<td>18.6 (26)</td>
<td>13.6 (19)</td>
<td>0.7 (1)</td>
<td>32.9 (46)</td>
<td>34.3 (48)</td>
<td>3.5</td>
<td>1.5</td>
</tr>
</tbody>
</table>

SD: Strongly disagree, D: Disagree, N: Neutral, A: Agree; SA: Strongly agree, SD: Standard deviation
Correlation analysis between organizational culture and performance of pharmaceutical manufacturing industry in Kenya

The correlation between organizational culture and the performance of the pharmaceutical manufacturing industry in Kenya was as presented in table 3. The Pearson correlation results for all items are close to 1 which indicated that there was correlation between all items testing leadership strategy and the industry performance.

**Table 3: Organizational culture correlation**

<table>
<thead>
<tr>
<th>Personal needs and goals are prioritized</th>
<th>.949**</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a high gender disparity in the organization</td>
<td>.945**</td>
</tr>
<tr>
<td>Employees and management easily embrace change</td>
<td>.915**</td>
</tr>
<tr>
<td>Subordinates are allowed to influence organizational decisions</td>
<td>.925**</td>
</tr>
<tr>
<td>There is employee stability enhancement</td>
<td>.939**</td>
</tr>
<tr>
<td>Organization strive to ensure the working environment is fun and lively</td>
<td>.935**</td>
</tr>
</tbody>
</table>

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

**Bivariate regression of organizational culture and organization performance**

This means that an improved organization culture will improve the firms’ performance. The results were shown on table 4.

The result also shows an adjusted R Square of 0.510. This implied that organizational culture can explain 51% of changes in the firms’ performance.

**Table 4: Regression of organizational culture and organization performance**

<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></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.004</td>
<td>.059</td>
<td>.066</td>
</tr>
<tr>
<td>culture</td>
<td>.716</td>
<td>.059</td>
<td>.717</td>
<td>12.029</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 its employees in the last 5 years. The study also inquired on whether the Company management is 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 has increased over last 5 years while 17.3 percent were of the contrary opinion. The company has 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 has 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 has 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 are shown in table 5.

<table>
<thead>
<tr>
<th>Table 5: Organizational performance indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company has retained most of its employees in the last 5 years</td>
</tr>
<tr>
<td>0.7 (1)</td>
</tr>
<tr>
<td>Company management is highly satisfied by returns on assets last 5 years</td>
</tr>
<tr>
<td>Customer base has increased over last 5 years</td>
</tr>
<tr>
<td>The company has increased production significantly over last 5 years</td>
</tr>
<tr>
<td>Efficiency in internal work process has improved due to strategy implementation</td>
</tr>
<tr>
<td>In general strategy implementation has enhanced performance of the company in the last 5 years</td>
</tr>
</tbody>
</table>

CONCLUSION
The objective of the study was to establish the relationship between organizational culture and firm’s performance of Pharmaceutical manufacturing companies in Kenya. Organizational culture has a strong effect on organization and management. This is because organizational culture originates from the organization’s nature and its content.

In the study it emerged that the culture of the organization was very supportive in enhancing organizational performance. Much as it was noted that individual needs and goals are not prioritized in the development of organizational goals and needs, there was a very significant relationship between the staff being allowed to influence organizational decisions that relate to strategy implementation or development. In most of the organizations, employees and management easily embrace changes proposed in the working environment. There was a high disparity in gender since most organizations seemed to prefer men instead of women employee. This could be explained by the past preference where women did not ordinarily embrace technical jobs in the Kenyan culture.

It was also noted that employees and management easily embraced changes proposed in the working environment. A culture that embraced change has the advantage of enhancing performance. This also ensured that the organizations enhanced employee stability as a means to influence long term strategy achievement. Employee felt part of the organization and were proud to be associated with it. Most of the organizations strived to ensure the working environment is lively and fun filled.

RECOMMENDATIONS
It was also clearly noted that is need to align corporate culture with business strategy. The findings have revealed that successful pharmaceutical manufacturing firms have a culture aligned with the company strategies. The corporate culture must thus be aligned with the business strategy. Certainly, a culture which has been pre-defined related to the business strategy is very important for successful implementation of business strategy. Therefore, in the pharmaceutical manufacturing company should develop business strategies based on result information, the kind of corporate culture required for that company must be defined too and in line with its development and
the more consistency with company strategies, more efforts and actions must be done.

On the practice front, the study recommends that organizational culture be carefully considered since it was identified as a playing greatest role in contributing to implementation success in the pharmaceutical manufacturing industry. As such, there is need for managers in pharmaceutical firms and like entities to improve on corporate culture especially that culture that enhances cohesion in the work place.

Manufacturing pharmaceutical firms must adopt specific measures in terms of reputation management. This would further lead to improved firm 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 done to establish the relationship between organizational culture and reputation affects firm’s performance of Pharmaceutical manufacturing companies in Kenya.

Whereas the study confined itself to organizational culture and reputation, findings have revealed the importance of these 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 is 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**


