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ABSTRACT

This study investigated how strategic management capabilities influence performance of pharmaceutical companies in Nairobi County, Kenya. It specifically examined the influence of technological, leadership, employee capabilities and process design on the pharmaceutical companies' performance. Resource based view theory, dynamic capability theory, diffusion of innovation theory and transformative leadership theory guided the study. Descriptive research design was adopted in this study research process. The unit of analysis was 27 pharmaceutical companies operating in Nairobi County. The observation unit was 324 employees who include; customer service representatives, operations managers, procurement managers, marketing managers and production managers. A questionnaire was used in gathering primary data. The study disclosed that technology capability, leadership capability, employee capability and product design capability had a positive and significant influence on pharmaceutical companies' organizational performance in Nairobi County, Kenya. The study concluded that technology capability enables organization to gain the ability to streamline repetitive processes with automation and focus on their core competence (providing more attentive customer service or building new client relationships. Leadership capability promotes a culture of cohesion and collaboration within the workplace. Employee capability ensures professional development and training activities funded by the organization are productive, goal-oriented and cost-effective. Pharmaceutical companies possess efficient product design implementation enhancing their performance by making services available and ease to their client and attracting more consumers. The study recommended that the organization should constantly evaluate the maintenance strategies, create an environment for technology innovation and be keen on importance of new technology for the pharmaceutical companies' effective and efficient operation. The organizational leadership should exercise discipline by making sure that they meet the deadlines of the given tasks, conducting meetings in the stipulated time frame. The organizations should communicate their expectations clearly to the employees. The pharmaceutical companies need to have well understood parameters against which new service and product ideas are screened.

Key Words: *Technological, Leadership, Employee Capabilities, Process Design*

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INTRODUCTION

In the world of competition and turbulent business environment, achieving operational performance in organizations is dependent on multiple factors which may be internal and external (Quinn & Hilmer, 2014). Burak (2013) observe that in the modern competitive business environment, organizations from one sector to another can utilize strategic resources in attaining long term and short term goals. Choosing a business strategy that exploits distinctive competencies and valuable resources not only promotes operational performance of firms but also influences sustainable competitiveness of firms.

Ngugi and Karina (2013) in Kenya avers that maintaining a competitive edge in an unpredictable business environment, organizations should reconsider adopting strategic management capabilities in order to survive. Subsequently, Kilui (2015) in Kenya ascertains that strategic management capabilities are considered to be a function of organizational efficiency and effectiveness. Despite variations in strategic management capabilities from one organization to another, strategic interventions such as technology, employee development and develop new products can facilitate organizational performance. Without a strategic management approaches, achieving organization excellence is unlikely in the dynamic business environment. As companies intend to expand their market share beyond local territories and maximize profits, rethinking on strategic management capabilities will not only facilitate organizational agility but also organizational efficiency and effectiveness (Kimani, 2013)

Strategic management capabilities are described as a set of abilities that exist or can be created in organizations to facilitate long-term competitiveness (Owuor, 2018). Strategic management capabilities help organization in managing the future by putting focus on the requirement and needs of clients and manage problems and crises cropping up in the environment they operate in and differentiates between operational capabilities: techniques and common processes which can be imitated and learned (O'Regan and Ghobadian, 2014). Strategic management capability in this study will be evaluated in terms of technological capability, leadership capability, employee capability and product design capability.f

Leadership capability is regarded by Alam *et al.,* (2011) as the ability of leaders to use their charisma or knowledge to influence workers towards organizational goals. Leadership capability is the ability of leaders to involve employees in decision making process, motivate, mentor, delegate duties and implement change with minimal resistance (Quinn & Hilmer, 2014). Alhadid and Abu (2015) describe employee capability as the ability of workers to perform their duties more diligently based on the skills, knowledge and personalities possessed. Organizations that promote employee capability are likely to effectively perform unlike the ones considering employee development as an expense.

Organizational performance is an organization's ability in its resources utilization to attain organizational goals in a way that is effective and efficient (Daft, 2010). Federico and Magdalena (2011) define performance as an organization's way of carrying its objectives into effect. Organizational performance measurement is viewed from two views: non-financial or financial. Non-financial performance has the flowing aspects: reputation, innovation, quality, satisfaction of employee and client satisfaction. And, financial performance dimensions range from organization's growth, market value to profitability.

The Kenyan Pharmaceutical industry comprise of three sectors: retailers, distributors and the manufacturers and they all play a crucial role in giving support to the health sector of the country (National Bureau of Statistics, 2012). In the Common Market for Eastern and Southern Africa (COMESA) region, presently, Kenya is the largest pharmaceutical products producer, of the region's market, it supplies about 50%. The Country has

more than 35 pharmaceutical manufacturers that are licensed, they include large multinational corporations, joint ventures or subsidiaries and local manufacturing companies.

Kenya's local manufacturing companies are: Universal pharmaceuticals, Dawa limited and Cosmos limited. Majority of the companies are within Nairobi and its environs. According to Kenya Association of Manufacturers (2017), they process bulk drugs into doses and repackage formulated drugs using imported active ingredients. The Country has more than14,000 pharmaceutical products that are registered. The government is the highest purchaser of both imported and locally manufactured drugs through Kenya Medical Supplies Agency (KEMSA). According to GoK (2017), the pharmaceutical products are distributed through shops, health facilities and pharmacies. The Country has about 3859 registered retail and 297 wholesale dealers operated by pharmaceutical technologists and registered pharmacists.

Pharmacy and Poisons Board (2018) ascertains that compared to branded pharmaceuticals, there is expected rapid growth in generic pharmaceutical market in Kenya and it is to largely driven by increment in generics purchases by the government and the overall market's price-sensitive nature. Even with effort put to perform by the Kenyan pharmaceutical manufacturing firms, they still face many challenges like influence of globalization, change or regulation, technology change and competition hence necessity to rethink on strategic management capabilities in order to perform

Statement of the Problem

Despite the opportunities business globalization presents, the results of pharmaceutical companies have been unsatisfactory in terms of profits generated (Adhiambo, 2018). According to a report by Pharmacy and Poisons Board (2018), an approximate of 53% of the pharmaceutical companies established in Kenya not only not performing effectively due to financial constraints but also due to inappropriate strategies adopted. In this regard, the current research seeks to determine how strategic management capabilities and pharmaceutical companies' performance in the Kenyan context relate.

Owuor (2018) point out those changes in regulations, competition, high chances of failure, stagnation and closure of some pharmaceutical companies are some of the issues of concern that are attributed to underperformance of pharmaceutical companies. Like any other competitive enterprise, rethinking on strategic management capabilities will not only enable pharmaceutical companies navigate in the turbulent business environment but also sustain their competitiveness (Njaaga, 2017). Despite extensive studies have been conducted by Owuor (2018), Adhiambo (2018), and Njaaga (2017), clearly there exist inadequate proof about the link between strategic management capabilities on organizational performance thus applicability of this research in the pharmaceutical companies in Kenya.

A study by Khan and Huda (2016) investigated how health care organizations' performance is impacted by strategic management and found that organizational performance and competition level are strongly and positively impacted by strategic management. However, in data collection, interviews were employed resulting to qualitative data in involving few participants hence creating an issue of findings which cannot represent the entire population.

Kasera (2017) study examined how performance of Health Institutions in Nairobi County and strategic management capability related and established that a negative correlation between leadership capability and organizational performance. However, secondary data was relied on, this lacks authenticity and is not a wider population's representative. Therefore, the research sought to find out the influence of strategic management capabilities on pharmaceutical companies' organizational performance in Nairobi County.

Objectives of the Study

The general objective of this study was to

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investigate the influence of strategic management capabilities on pharmaceutical companies' organizational performance in Nairobi City County, Kenya. The study's specific objectives were;

- To examine the influence of technological capability on pharmaceutical companies' organizational performance in Nairobi County
- To establish the influence of leadership capability on pharmaceutical companies' organizational performance in Nairobi County
- To identify the influence of employee capability on pharmaceutical companies' organizational performance in Nairobi County
- To determine the influence of product design capability on pharmaceutical companies' performance in Nairobi County

This study was guided by the following research hypothesis:

- **H_{01}** There is no significant relationship between system capability and performance of pharmaceutical companies in Nairobi City County, Kenya
- **H_{02}** There is no significant relationship between leadership capability and performance of pharmaceutical companies in Nairobi City County, Kenya
- **H_{03}** There is no significant relationship between employee capability and performance of pharmaceutical companies in Nairobi City County, Kenya
- **H_{04}** There is no significant relationship between product design capability and performance of pharmaceutical companies in Nairobi City County, Kenya

LITERATURE REVIEW

Resource Based View Theory

It was presented by Wernerfelt in 1984 and is considered among the widely referenced strategic management theories specifically since is practically relevant to contemporary management practices. It views a firm as an entity with resources and capabilities that are unique that can be utilized to achieve stakeholder expectations. The theory opines that resources are available factor stocks controlled or owned by a firm and can be turned into end products.

To be supplied with all the needed resources for gaining way to access resources valuable in enhancing capability, a high number of suppliers are depended by firms to make the supply (Galbreath, 2005). Therefore, the theory contends that capability is ability of a company in deploying resources, mostly combined, utilizing organizational processes in producing an expected effect. The theory ascertains that sustainable competitive advantage can only be realized if resources imitable, non-substitutable and valuable. Operational effectiveness and efficiency can be achieved by effective management of resources like knowledge and information, firm attributes, organizational processes, assets and capabilities.

The theory acknowledges that a firm can use it unique demographic characteristics such as the history, age, ownership, human resources and physical facilities to gain competitive advantage. The theory underpins this research on the ground that pharmaceutical companies can utilize their tangible and intangible resources and capabilities such as technology, leadership and human resources to facilitate their competitiveness.

Dynamic Capability Theory

Teece, Pisano and Shuen presented the theory in 1997, they view dynamic capability as a firm ability to integrate, reconfigure and build external and internal competences in addressing the constant changing environment. Teece *et al.* (1997) further indicate that the proponents of the theory argue that a firm's competitive advantage depends on its capability in performing the 5 key functions: "reconfigure, transform and recombine resources and assets in forming new base; Integration and coordination of resources and assets resulting from of new resource base; embrace learning strategies in ensuring constant employee skills development in facilitating efficient and effective tasks performance; Deploy resources into new domains and develop mechanism which making competitors

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not capable in replicating systems and processes of an organization."

The theory is of relevance to this research as it is regarding the sensitiveness of an organization's resource view to highly changing environment is related to competitive advantage. Organizations equally require dynamic capabilities in markets with characteristics of lower change rates so as to be at pace with competitive dynamics.

Diffusion of Innovation Theory

It was propounded by Rogers in the year 1971 and it explains to what level and why a technology or new idea gets to organizations or individuals in a social system. It is based on sociological and psychological theories and in ICT adoption perhaps is the most utilized innovation adoption theory. "Innovation diffusion as a way of communicating an innovation using channels of communication over times amongst a social system's members" (Rogers, 1995). In the theory, adoption is accepting the innovation happening in 5 steps: Knowledge, persuade, decide, implement and confirm.

The theory suggests that an innovation's rejection or adoption is determined by supposed innovation's characteristics like observability, triability, complexity, compatibility and relative advantage. (Lin, 2013). Irani *et al.,* (2013) indicate that in this theory, communication flow pattern is the adoption pattern's determinant across the adopting social system's members. Users who are informed are persuaded into adopting the innovation. Technology adoption makes automation of current pharmaceutical companies' structures for effective delivery of service. This theory's tenets demonstrate how technology diffusion in a certain geographical area affect accepting a related innovation applying an existing system. This theory is utilized in technology adoption variable because for the pharmaceutical companies' performance enhancement, the management must learn how to quickly leverage new technologies to ensure that their workforces improve their productivity.

Transformative Leadership Theory

It was propounded by Burns, (1978). The theory envisaged that the leader's ability to lead is based on the social value and individual purpose. The theory's focus is on values and motivations to assess how power is approached by a leader. The aspect of having that transformational leaders are set apart from those merely aspiring to be in power by basic ethical system and therefore they can drive performance and organization competitive advantage.

Transformational leadership is people-centric as well as egocentric. However, it is viewed to embrace ethical behavior and guides individuals with the current capabilities, goals, values and other resources the followers have through the development stages. In line the context of this study, pharmacies are in a better position to implement integrated talent management processes to achieve competitive advantage by embracing this type of leadership style, which is people, oriented. The study found this theory relevant to second objective which is to find out how leadership capability influences pharmaceutical companies' performance in Nairobi County.

Empirical Review

Tang, Park, Agarwal and Liu (2020) studied how performance of SMEs was impacted by technological capability, organization size and innovation culture. In estimating the primary explanatory variables for the dependent variable' effect, 3 separate multi-stage hierarchical regression analyses sets were utilized with the first one covering 1124 companies in service and manufacturing industries. In testing hypotheses, data from the Chinese SMEs (1124) was used and regression analysis applied. The findings were that SMEs' performance was statistically and positively affected by organization size and technological capability. The cross-sectional survey research design employed does not establish the cause

An assessment on leadership capabilities' impact on Coca Cola Company's organizational performance in Abuja, Nigeria was done by Ibrahim and Daniel (2019). Secondary data were gotten from other scholars' empirical works, company information, internet, journals and books. To test the hypotheses, regression analysis and Pearson moment product co-efficient were employed. The study established that the employees' organizational performance is directly affected by a manager's adopted leadership style. It found out that corporate objectives and goal attainment and employee performance are enhanced by duty delegation and leaders' participatory. Coca Cola Company' performance and leadership capabilities positively and significantly correlated. However, secondary data was used thus the information may be out of date and old.

The effects of employee capacity on IT companies' competitive advantage in Nairobi County, was analyzed by Chepkole and Deya (2019). In this analysis, a descriptive research design was employed targeting 143 IT companies owners in Nairobi County. A census survey was adopted due to the smallness of the study population. The study found that key firm employees had gone through adequate IT training in different areas. The key staff of the firm have adequate knowledge of the organizational culture. The research revealed that capacity for human resources was inverse in influencing IT firms' competitive advantage in Nairobi County. However, regression model was selected and tested for generality as the only diagnostic test of the model.

A study by Kamakia (2014) investigated how Kenyan commercial banks were affected by product design. A cross-sectional survey design was adopted with 43 commercial banks being the study population. Secondary and primary data was relied on. Primary data gathering was by a Semi-structured questionnaire. It was discovered that the bank's reputation makes it stand in the market and that client satisfaction is influenced by product innovation. It is recommended that commercial banks ought to focus on product design for client satisfaction enhancement. Company goals and strategy to be tailored always to promote innovation.

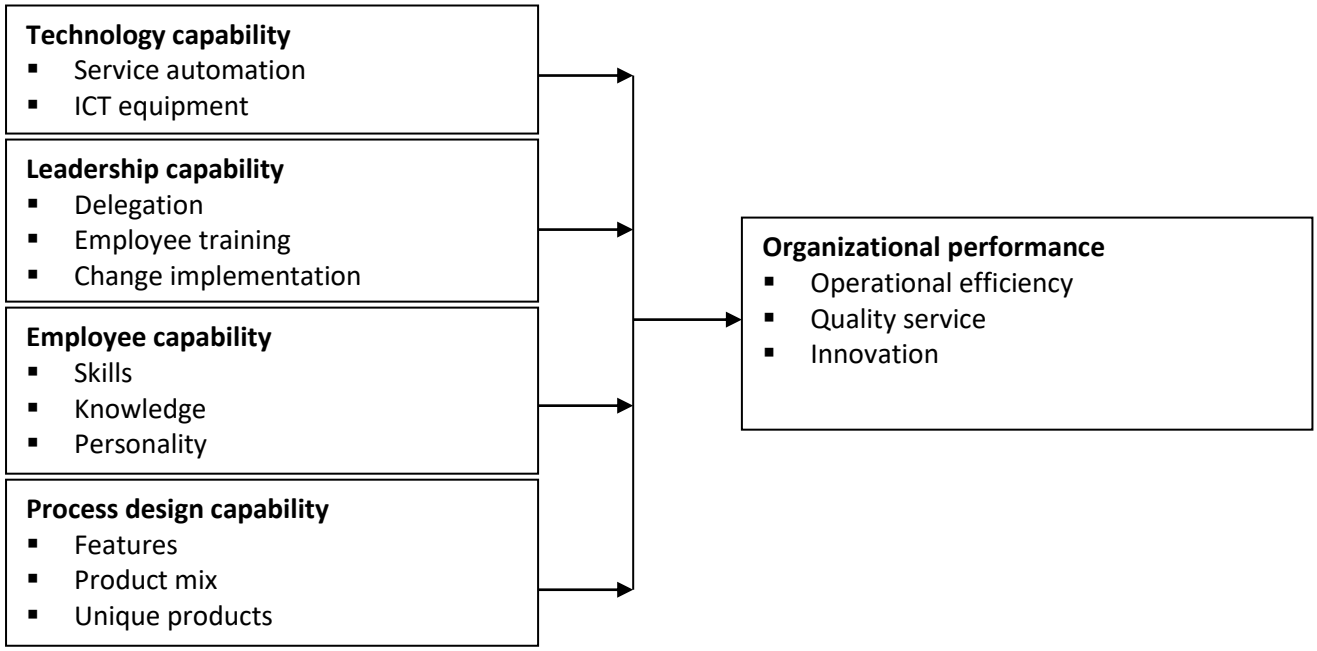

Figure 1: Conceptual Framework

Source: Researcher (2021)

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METHODOLOGY

Descriptive research design was adopted in this study. The unit of analysis was 27 pharmaceutical companies operating in Nairobi City County, Kenya and registered by the Pharmacy and Poisons Board as at 1st August 2019 (www.ppb.co.ke). The unit of observation was 324 employees who included; customer service representatives, operations managers, procurement managers, marketing managers and production managers. These companies were preferred based on the fact that they had strategic management capabilities an aspect pertinent in this study. In sampling the participants based on their section, stratified sampling was employed to make sure all cases were represented. A questionnaire was used in gathering primary data. To show how reliable the questionnaires were, Cronbach's alpha coefficient was utilized. Primary data gathered was cleaned, sorted and edited for analysis facilitation. To facilitate quantitative data analysis, coding of questionnaire responses in the computer systems was done. Data analysis using quantitative statistics was facilitated by SPSS version 20. Descriptive statistics (percentage, standard deviation, frequency distribution tables and mean scores,) was utilized to describe the general behaviour of data. In determining individual independent variables' predictive power on the dependent variables, inferential statistics (regression and correlation) methods were used. Determination R-square Coefficient was used to determine the statistical relationship of individual predictor variables on the dependent variable at 5% significance. The general linear regression model to be adopted took the form:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Whereby

Y= Organizational performance

X_1= Technology capability

X_2= Leadership capability

X_3= Employee capability

X_4= Product design capability

$\beta_1 - \beta_4$ are coefficients of determination

ε is the error term

FINDINGS AND DISCUSSION

Descriptive Statistics

These were used in analyzing the quantitative data which were based on Standard Deviation (SD) and Mean (M) generated using SPSS version 17.0. The results were based on particular variables of the study and presentation done below:

Technology Capability

The project endeavored to examine how performance of pharmaceutical companies in Nairobi City County was influenced by technological capability. The results presentation is in Table 1.

Table 1: Technology Capability

Statement	M	SD
Service automation enhances the performance of pharmaceutical companies	4.23	0.77
Use of ICT equipment speeds up workflow processes	4.05	0.95
Adoption of new technology allows the pharmaceutical companies to automate its functions	4.58	0.42
Adoption of technology in new systems helps the pharmaceutical companies to streamline both internal and external communication	4.45	0.55
Newest technology implementation enables the pharmaceutical companies in instantly connecting with best talent worldwide	4.60	0.40
Technology adoption affects the performance of pharmaceutical companies	3.78	1.22
Aggregate Score	**4.25**	**0.75**

Source: Research Data (2021)

The results illustrated that participants agreed that performance of pharmaceutical companies in Nairobi City County was influenced by technological capability as indicated by the 4.25 aggregate mean and 0.753 std. dev. These findings concurred with Tang et al. (2020) who studied how performance of SMEs was impacted by technological capability, organization size and innovation culture and the findings were that SMEs' performance was statistically and positively affected by organization size and technological capability.

The respondents agreed strongly that implementing the newest technology implementation enables the pharmaceutical companies in instantly connecting with best talent worldwide and that adoption of new technology allows the pharmaceutical companies to automate its functions with a 4.60 and 4.58 respective mean and 0.40 and 0.42 SD respectively. These findings concur with Otiso (2017) researched the investigated the effects of technological capabilities on company performance: the Nzoia sugar company case study and Pearson's correlation analysis was used which assumes that variables always have a linear association which might not be the case at all times.

The respondents agreed that adoption of technology in new systems helps the pharmaceutical companies to streamline both internal and external communication, service automation enhances the performance of pharmaceutical companies, use of ICT equipment speeds up workflow processes and that technology adoption affects the performance of pharmaceutical companies as shown by 4.45, 4.23, 4.05 and 3.78 mean respectively and 0.55, 0.77, 0.95 and 1.22 respective standard deviations. The findings were supported by Nabeel-Rehman and Nazri (2019) that examined the impact of information technology capabilities and SME efficiency and the results indicated that the relationship between both dimensions of IT capability and performance results is significantly influenced by absorptive capacity and corporate entrepreneurship.

Leadership Capability

The study sought to ascertain how pharmaceutical companies' organizational performance in Nairobi County were influenced by leadership capability. Table 2 demonstrated the findings

Table 2: Leadership Capability

Statement	M	SD
Long term planning support operational efficiency of pharmaceutical companies	3.70	1.30
Short term actions leads to the quality service of pharmaceutical companies	3.28	1.72
Pharmaceutical companies management has the potential to motivate employees	4.58	0.42
Pharmaceutical companies management direct strategic activities.	3.33	1.67
Leadership capability has a significant effect on performance	4.21	0.79
Workers are encouraged and stimulated by leadership through innovating them in activities of decision making and planning	3.86	1.14
Leadership is crucial because it sets a vision that is clear helping workers understand better the company direction and making them realize their responsibilities and roles	4.71	0.29
Aggregate Score	**3.95**	**1.05**

Source: Field Information (2021)

Table 2 results showed that participants were in agreement that pharmaceutical companies' organizational performance in Nairobi County are influenced by leadership capability as demonstrated by the 3.95 aggregate mean and 1.05 SD. This agrees with Ibrahim and Daniel (2019) who did an assessment on leadership capabilities' impact on Coca Cola Company' organizational performance in Abuja, Nigeria and established that the employees'

organizational performance is directly affected by a manager's adopted leadership style.

Participants strongly agreed that Leadership is crucial because it sets a vision that is clear helping workers understand better the company direction and making them realize their responsibilities and roles and that pharmaceutical companies' management has the potential to motivate employees as demonstrated by 4.71 and 4.58 mean score respectively and 0.29 and 0.42 respective standard deviations. This agrees with Mulonzi, Namusonge and Mugambi (2017) who sought to assess leadership capabilities' impact on commercial banks' growth and found that leadership skills were a major determinant of commercial bank development.

The respondents agreed that leadership capability has a significant effect on performance, workers are encouraged and stimulated by leadership through innovating them in activities of decision making and planning and that long term planning support operational efficiency of pharmaceutical companies as demonstrated by 4.21, 3.86 and 3.70 mean respectively and 0.79, 1.14 and 1.30 respective standard deviations. This agrees with Syahierah *et al.* (2017) study that assessed the effect of leadership capabilities and organizational performance in Selangor, Malaysia and the findings were that leadership capabilities can directly impacts on organizational performance.

The participants stated to a moderate extent on the statements that pharmaceutical companies management direct strategic activities and that short term actions leads to the quality service of pharmaceutical companies as demonstrated by 3.33 and 3.28 mean score respectively and respective standard deviations of 1.67 and 1.72. This contrasts Ibrahim and Daniel (2019) who did an assessment on leadership capabilities' impact on Coca Cola Company' organizational performance in Abuja, Nigeria and established that the employees' organizational performance is directly affected by a manager's adopted leadership style.

Employee Capability

This project sought to identify how the pharmaceutical companies' organizational performance in Nairobi County was influenced by employee capability. Table 3 demonstrated the findings

Table 3: Employee Capability

Statement	M	SD
The pharmaceutical companies' selection policy and recruitment are linked to the overall strategy of the company	3.90	1.10
The pharmaceutical companies have established an active development and training policy prepared for the workers	4.63	0.37
Employees are involved in making decisions concerning the company's operation by the pharmaceutical companies' management	4.75	0.25
The pharmaceutical companies have an active career planning policy for the employees	4.83	0.17
Pharmaceutical companies have the ability of retaining an appropriate number of qualified and desired employees all through	3.95	1.05
Pharmaceutical companies implement HR plans which meet and serve the institution's primary goal of adequate staff	4.39	0.61
Aggregate Score	**4.41**	**0.59**

Source: Research Data (2021)

The results showed that the participants agreed that pharmaceutical companies' organizational performance in Nairobi County is influenced by employee capability as indicated by the 4.41 aggregate mean and 0.59 SD. These findings concur with Khaemba (2017) who studied the effect of

employee capability through training and development on Kakamega general hospital's performance and the findings revealed that organizational performance and employee capabilities related significantly.

The respondents strongly agreed that employees are involved in making decisions concerning the company's operation by the pharmaceutical companies' management, pharmaceutical companies have an active career planning policy for the employees and that the pharmaceutical companies have established an active development and training policy prepared for the workers as demonstrated by the 4.83, 4.75 and 4.63 mean scores respectively and respective 0.17, 0.25 and 0.37 SD. These findings are consistent with Mohamud *et al.,* (2015) who examined the influence of employee capabilities on performances of selected companies in Mogadishu Somalia and the findings indicated that without human resource empowerment, attaining organizational goals can be a challenging task.

The respondents agreed on the statements that Pharmaceutical companies implement HR plans which meet and serve the institution's primary goal of adequate staff, pharmaceutical companies are able to retain an appropriate number of desired and qualified staff at all times and that the pharmaceutical companies' selection policy and recruitment are linked to the overall strategy of the company as demonstrated by 4.39, 3.95 and 3.90 mean score respectively and respective 0.61, 1.05 and 1.10 SD. This finding concurs with Chepkole and Deya (2019) study that assessed the effects of employee capacity on the competitive advantage of information technology companies in Nairobi City County, Kenya and the study found that key firm employees had gone through adequate IT training in different areas.

Product Design Capability

The study sought to determine how the pharmaceutical companies' organizational performance in Nairobi County was influenced by product design capability. Table 4 displayed the results.

Table 4: Product Design Capability

Statement	M	SD
Organizational performance is influenced positively by design capabilities	4.60	0.40
Superior company performance is associated with design integration's high level	4.07	0.93
Superior company performance is associated with design management skills	4.33	0.67
The way consumers categorize and interpret products is affected by product elements	4.10	0.90
Effective response of consumers is influenced by product elements	4.51	0.49
Propensity to purchase a product and perceived quality are influenced by product form	4.22	0.78
Aggregate score	**4.31**	**0.69**

Source: Research Data (2021)

The results as presented above showed that the respondents agreed that pharmaceutical companies' organizational performance in Nairobi County was influenced product design capability as indicated by the aggregate mean score of 4.31 and 0.69 SD. These findings agreed with Kamakia (2014) that examined how Kenyan commercial banks were affected by product design and concluded that the bank's reputation makes it stand out in the market and that client satisfaction is influenced by product innovation.

The participants agreed strongly that design capabilities positively influence organizational performance and Propensity to purchase a product and perceived quality are influenced by product form as displayed by the 4.60 and 4.51 means

respectively and respective SD of 0.40 and 0.49. This concurs with Mbithi, Muturi and Rambo (2015) who looked at how the Kenyan sugar industry's performance is affected by product design capability and the findings indicated that other than sugar, introducing any other new product was hugely minimal while branding and packaging was adopted to improve the current products.

The respondents strongly agreed that Superior company performance is associated with design management skills, Effective response of consumers is influenced by product elements, the way consumers categorize and interpret products is affected by product elements and that superior company performance is associated with design integration's high level as 4.33, 4.22, 4.10 and 4.07 mean respectively and respective SD of 0.67, 0.78, 0.90 and 0.93 demonstrate. This concurred with Liu, Lin and Huang (2014) who examined investigated how textile industry's operating performance was affected by product design capability and the findings discovered that textile industry's operating performance could be enhanced through more successful product development.

Organizational Performance

The study sought to determine the pharmaceutical companies' performance in Nairobi City County, Kenya. Table 5 showed the findings.

Table 5: Organizational Performance

Statement	M	SD
Market share increment in pharmaceutical companies is as a result of strategic management capability	4.51	0.49
Pharmaceutical companies' customer number increment is as a result of strategic management capability	4.49	0.51
Operational efficiency increment in pharmaceutical companies results from strategic management capability	4.59	0.41
Rise in branch network in pharmaceutical companies results from strategic management capability	4.53	0.47
Service delivery enhancement in pharmaceutical companies results from strategic management capability	4.44	0.56
Aggregate Score	**4.51**	**0.49**

Source: Field Data (2021)

The presented results showed that the participants strongly agreed that strategic management capability influence the pharmaceutical companies' performance in Nairobi County as illustrated by the 4.51 mean and 0.49 SD. This agrees with O'Regan and Ghobadian (2014) who indicates that strategic management capabilities help organization in managing the future by putting focus on the requirement and needs of clients and manage problems and crises cropping up in the environment they operate in and differentiates between operational capabilities: techniques and common processes which can be imitated and learned.

The respondents strongly agreed that operational efficiency increment in pharmaceutical companies results from strategic management capability, rise in branch network in pharmaceutical companies results from strategic management capability and that market share increment in pharmaceutical companies is as a result of strategic management capability as demonstrated by the 4.59, 4.53 and 4.51 means respectively and respective 0.41, 0.47 and 0.49 SD. This finding agree with Benner and Tushman (2013) who posit that employee relationships, service innovations, market performance, satisfying customers and products and services that are of quality can be used in organizational performance evaluation.

The respondents agreed on the statements that pharmaceutical companies' customer number increment is as a result of strategic management capability and that strategic management capability

has enhanced service delivery in pharmaceutical companies as the 4.49 and 4.44 means respectively and respective 0.51 and 0.56 SD demonstrate. Apospori, Nikandrou, Brewster and Papalexandris (2017) show that product quality, client satisfaction, utilizing capacity, margin on sale and return on investment can appraise organizational performance.

Regression Analysis

Regression analysis was done by the study to ascertain the level to which the dependent variable (organizational performance) was influenced by independent variables that include; technology capability, leadership capability, employee capability and product design capability. Results presentation is is as follows:

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.635[a]	.703	.697	.271	.403	25.810	4	315	.000

Research Data (2021)

The 6 predictor variables investigated, explain 0.697(69.7%) of the pharmaceutical companies' organizational performance in Nairobi City County, Kenya as the adjusted R square represents. Thus, 0.303(30.3%) of the organizational performance is contributed by other factors not studied in this study.

Table 7: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.558	4	1.890	25.810	.000[a]
	Residual	11.201	315	.073		
	Total	18.759	319			

Source: Research Data (2021)

The value 0.000[a] indicated the significance level is < 0.05 showing the model's statistical significance on how the dependent variable is influenced by independent variables investigated. Table 7 findings further illustrated that "F calculated value is greater than the value of F tabulated (25.810> 1.890) at 5% significance level confirming the model's significance."

Table 8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.681	.277		13.273	.000
	Technology capability	.620	.025	4.175	2.484	.001
	Leadership capability	.529	.013	2.142	2.143	.001
	Employee capability	.610	.021	1.051	1.762	.002
	Product design capability	.739	.037	3.584	9.203	.000

Source: Research Data (2021)

Based on the regression model, the pharmaceutical companies' organizational performance in Nairobi County would be 0.68(68.1%) if all the independent variables investigated are held constant. In addition, product design capability had a greater influence on pharmaceutical companies' organizational performance in Nairobi City County, Kenya at 0.739(73.9%) compared to technology capability at 0.620 (62.0%), employee capability at 0.610(61.0%) and leadership capability at 0.529(52.9%).

The established regression equation was:

$Y = 0.681 + 0.620X_1 + 0.529X_2 + 0.610X_3 + 0.739X_4$

Where

Y = Organizational performance
X_1= Technology capability
X_2= Leadership capability
X_3= Employee capability
X_4= Product design capability

The study established that technology capability influenced pharmaceutical companies' organizational performance in Nairobi City County positively and significantly as indicated by t-value (t=2.484, P<0.05). These agree with Otiso (2017) who studied the technological capabilities' effects on company performance: the Nzoia sugar company case study and Pearson's correlation analysis was used which assumes that variables always have a linear association which might not be the case at all times.

The research disclosed that leadership capability influenced pharmaceutical companies' organizational performance in Nairobi City County positively and significantly as indicated by t-value (t=2.143, P<0.05). This is in support of study findings observed by Mulonzi, Namusonge and Mugambi (2017) that assessed leadership capabilities' impact on commercial banks' growth and found that leadership skills were a major determinant of commercial bank development.

The study found out that employee capability influenced pharmaceutical companies' organizational performance in Nairobi City County positively and significantly as demonstrated by t-value (t=1.782, P<0.05). These findings concur with Khaemba (2017) who studied employee capability's effect through training and development on performance of Kakamega general hospital and the findings revealed that organizational performance and employee capabilities related significantly.

The study found out that product design capability positively and significantly influenced organizational performance of pharmaceutical companies in Nairobi City County, Kenya as the t-value (t=9.203, P<0.05) indicates. These findings agree with Kamakia (2014) that examined how Kenyan commercial banks were affected by product design and concluded that the bank's reputation makes it stand out in the market and that client satisfaction is influenced by product innovation.

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that technology capability enables organization to gain the capability of streamlining repetitive processes with automation and focus on their core competence like providing more attentive customer service or building new client relationships. Technology in the workplace allows organizations to provide more personalized and faster customer service and better market to their customers. Technology capability allows organizations in reaching wider audiences outside of their geographical area, this is crucial for small niche offerings.

The study concluded that leadership capability promotes a culture of cohesion and collaboration within the workplace. The right and consistent leadership increases the productivity of employees, by investing in leadership training and organization will be able to retain its employee and lessen costly recruitment expenses. Increases worker engagement through effective ways in providing feedback to motivate and increase the employees' skill level.

The study concluded that employee capability ensures professional development and training

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activities funded by the organization are productive, goal-oriented and cost-effective. Helps workers in achieving a higher competence level in a manner that is efficient. Establishes a framework for critical management feedback at predetermined performance appraisal and training intervals Raises internal mobility of employees, giving an institution more capability scale and flex as required.

The study concluded that the pharmaceutical companies possess efficient product design implementation enhancing their performance by making services available and ease to their client and attracting more consumers. The pharmaceutical companies have widely embraced product hence enhancing their performance which results to the customer base increment. Duration of marketing new services and products is reduced and complains by clients minimized.

The study recommended that the organization should constantly evaluate the maintenance strategies, create an environment for technology innovation and be keen on importance of new technology for the pharmaceutical companies' effective and efficient operation. This capability should be exploited by the ICT managers in the pharmaceutical companies and process digitization embraced for them to gain competitive superiority leading to better performance.

The study recommended that the organizational leadership should exercise discipline by making sure that they meet the deadlines of the given tasks, conducting meetings in the stipulated time frame. They should welcome criticism by keeping an open mind to welcome critical feedback from those working under them. The leaders should develop situational awareness by predicting potential issues that might happen in the near future and providing suggestions to alleviate them.

The study recommended that the organizations should communicate their expectations clearly to the employees. Make sure performance appraisals are consistent by ensuring workers are aware of where they stand at all times. Empower staff in doing their jobs well and make them gain the authority in decision making that largely affect their success. Ensure technology platforms implementation that drive engagement and performance daily.

The study recommended that the pharmaceutical companies need to have well understood parameters against which new service and product ideas are screened. Gather client opinions during service or product designing to obtain a product that is user-centered as this will boost client loyalty and improve the sales and market position and have established elements that an idea should possess to remain on the list.

Suggestions for Further Studies

The project examined the influence of strategic management capabilities on pharmaceutical companies' organizational performance in Nairobi County, Kenya. The strategic management capabilities were measured in terms of technological capability, leadership capability, employee capability and product design capability. Therefore, further studies focusing on other measurements of strategic measurement capabilities on organizational performance be undertaken. In addition, the study context was pharmaceutical companies in Nairobi County, Kenya. Therefore, other studies can be done that focus on pharmaceutical companies in other Counties.

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